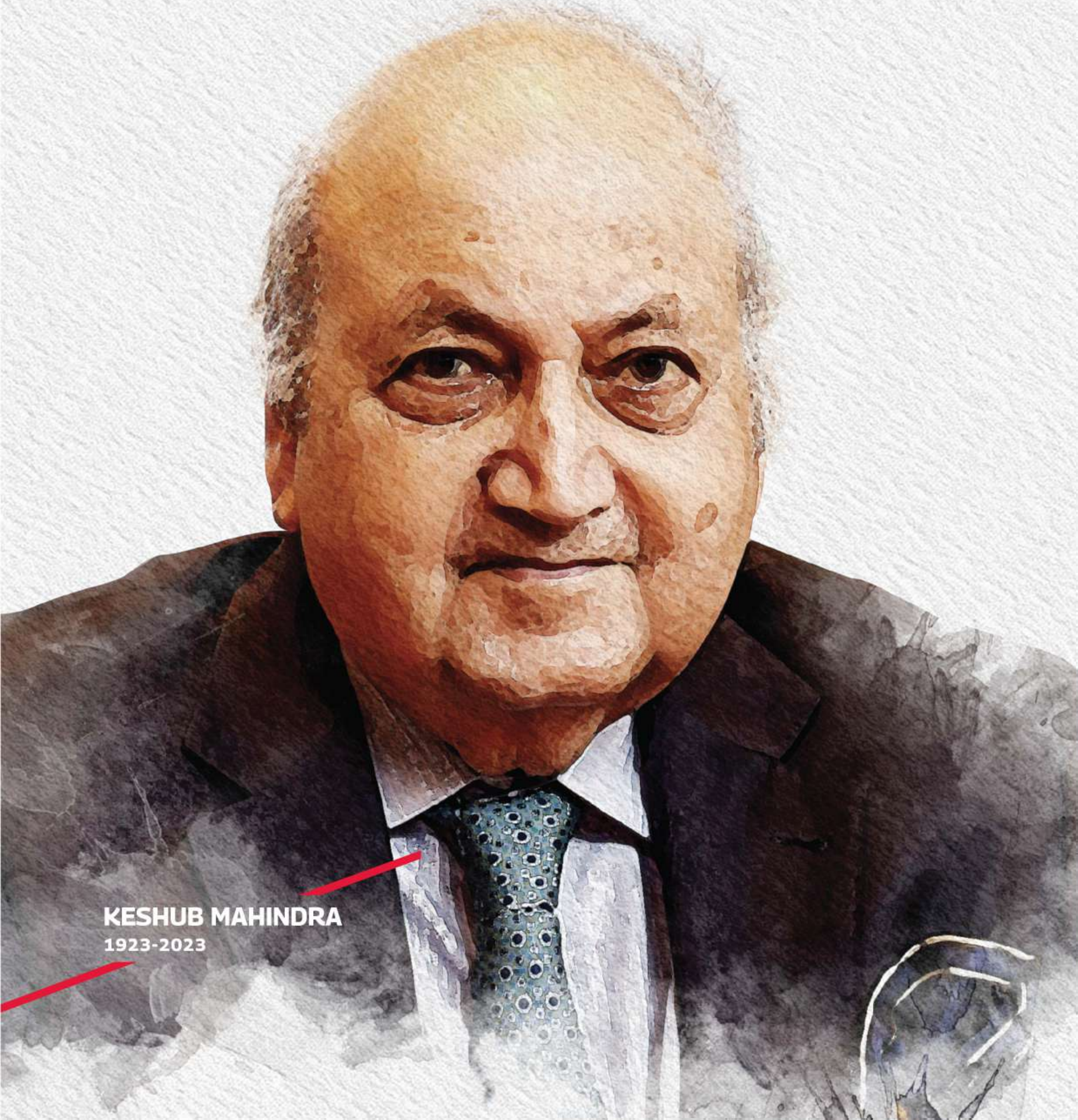
MAHINDRA & MAHINDRA LTD.

Subsidiary Financial Statements
2022-23

mahindra Rise



KESHUB MAHINDRA
1923-2023

Subsidiary Companies

Part 01

Subsidiary Companies

Part 01

Subsidiary Companies

Part 02

Subsidiary Companies

Part 02

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF,
MAHINDRA HEAVY ENGINES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Heavy Engines Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 29 to the Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

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

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYW7283

Pune, April 25, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Heavy Engines Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYW7283
Pune, April 25, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

ii) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. During the year, no physical verification was conducted by the management.

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

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

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

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

ii) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Ltd on the basis of security of Stock and Book Debts during the year. The Stock statement filed by the Company with bank on a quarterly basis are materially in agreement with unaudited books of account as certified by the management.

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

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

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

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

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Income Tax, Provident Fund, Employees State Insurance, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited on account of any dispute. The statutory dues in respect of Sales Tax and Service Tax as at 31 March 23 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of the statute	**Nature of the dues**	**Amount (Rs in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Finance Act, 1994	Service Tax	21.74	Financial Year 2012-13 to 2016-17	Commissioner of Customs and Central Excise (Appeals)- Pune
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	438.20	Financial Year 2015-16	VAT/CST Tribunal
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	400.17	Financial Year 2016-17	Joint commissioner of state tax
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	189.75	Financial Year 2017-18	Joint commissioner of state tax

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

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

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

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

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

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

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

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

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

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

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

c) We have taken into consideration a whistle blower complaint received by the Company during the year and shared with us for reporting under this clause.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shirish Rahalkar
Partner
Membership No: 111212
UDIN No: 23111212BGVIYW7283
Pune, April 25, 2023

Balance Sheet as at March 31, 2023

Rs. In Lakhs

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	2	**24,860.71**	27,223.59
	(b) Capital work-in-progress		**1,638.05**	750.31
	(c) Other Intangible assets	3	**1,253.41**	1,716.13
	(d) Intangible assets under development		**30.27**	548.58
	(e) Financial Assets			
	(i) Loans	4	**5.25**	5.25
	(ii) Other financial assets	5	**9,314.31**	12,587.69
	(f) Deferred tax assets (net)	6	**–**	–
	(g) Other non-current assets	7	**549.21**	790.34
	Total Non - Current Assets (1)		**37,651.21**	43,621.89
	2 Current assets			
	(a) Inventories	8	**17,220.03**	7,933.40
	(b) Financial Assets			
	(i) Investments	9	**6,848.92**	8,605.88
	(ii) Trade receivables	10	**26,785.58**	14,498.19
	(iii) Cash and cash equivalents	11	**2,157.90**	3,001.79
	(iv) Bank balances other than (iii) above	11	**643.09**	3,675.46
	(v) Loans	4	**–**	0.09
	(vi) Other financial assets	5	**17,701.82**	18,043.24
	(c) Other current assets	7	**501.21**	222.45
	Total Current Assets (2)		**71,858.55**	55,980.50
	Total Assets (1+2)		**109,509.76**	99,602.39
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	12	**63,440.00**	63,440.00
	(b) Other Equity	13	**11,551.36**	6,527.15
	Total Equity (1)		**74,991.36**	69,967.15
	2 Non-current liabilities			
	(a) Financial Liabilities			
	(i) Lease liabilities	16	**388.79**	356.99
	(a) Other non-current liabilities	17	**–**	–
	(b) Provisions	14	**612.00**	599.44
	(c) Deferred tax Liabilities (net)	6	**1,201.11**	1,631.06
	Total Non - Current Liabilities (2)		**2,201.90**	2,587.49
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	15		
	- Total outstanding dues of Micro and Small Enterprises	15	**324.33**	173.33
	- Total outstanding dues of creditors other than Micro & Small Enterprises	15	**27,793.31**	22,583.94
	(ii) Other financial liabilities	16	**2,782.58**	2,164.14
	(b) Other current liabilities	17	**1,296.57**	2,069.80
	(c) Provisions	14	**61.76**	56.54
	(d) Current Tax Liabilities (Net)		**57.95**	–
	Total Current Liabilities (3)		**32,316.50**	27,047.75
	Total Equity and Liabilities (1+2+3)		**109,509.76**	99,602.39

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Pune
Date : 25th April 2023

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Chairman: Pankaj Sonalkar
DIN: 0268465

Place : Pune
Date : 25th April 2023

Statement of Profit and Loss for the year ended March 31, 2023

Rs. In Lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
	Income			
I	Revenue from operations	18	**145,418.83**	114,194.75
II	Other Income	19	**1,136.48**	594.79
III	**Total Income (I + II)**		**146,555.31**	114,789.54
IV	**Expenses**			
	(a) Cost of materials consumed		**126,479.64**	91,949.53
	(b) Changes in inventories of finished goods and work-in-progress	20	**(1,089.16)**	106.06
	(c) Employee benefit expense	21	**4,097.76**	3,795.10
	(d) Finance costs	22	**89.43**	66.46
	(e) Depreciation, amortisation and impairment expense	2 & 3	**4,345.16**	4,174.64
	(f) Other expenses	23	**3,903.11**	3,013.78
	Total Expenses		**137,825.94**	103,105.57
V	**Profit/(loss) before tax (III - IV)**		**8,729.37**	11,683.97
VI	**Tax Expense**			
	(a) Current tax		**2,284.80**	3,184.23
	(b) Tax paid for earlier year		**9.15**	284.57
	(c) Deferred tax	6	**(445.56)**	(81.15)
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**6,880.98**	8,296.32
VIII	**Profit/(loss) for the period**		**6,880.98**	8,296.32
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans	27	**62.05**	37.39
	(b) Income tax relating to items that will not be reclassified to profit or loss		**15.62**	9.41
	Total other comprehensive income		**46.43**	27.98
X	**Total comprehensive income for the period (VIII + IX)**		**6,927.41**	8,324.30
XI	**Earnings per equity share (for continuing operations)**	24		
	(a) Basic (in Rs.)		**1.08**	1.31
	(b) Diluted (in Rs.)		**1.08**	1.31

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Pune
Date : 25th April 2023

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Chairman: Pankaj Sonalkar
DIN: 0268465

Place : Pune
Date : 25th April 2023

Statement of Cash Flows for the year ended March 31, 2023

Rs. In Lakhs

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Cash Flows from operating activities		
Profit/(Loss) for the year before tax	**8,729.37**	11,683.97
Adjustments for		
(Profit)/Loss on disposal of property, plant and equipment	**1.49**	–
Interest income	**(201.54)**	(169.78)
Net gain on sale of investments	**(267.37)**	(201.92)
Net gain arising on financial assets designated as at FVTPL	**(99.25)**	(56.30)
Depreciation and amortisation	**4,345.16**	4,174.64
Unwinding of discounts on provisions	**65.89**	60.62
Net foreign exchange (gain)/loss	**0.88**	1.23
	12,574.63	15,492.46
Movement in working capital		
(Increase)/decrease in Inventories	**(9,286.64)**	(2,802.85)
(Increase)/decrease in Trade Receivables	**(12,287.39)**	(325.72)
(Increase)/decrease in Loans	**0.09**	5,017.40
(Increase)/decrease in Other Financial Assets	**3,092.35**	(1,125.31)
(Increase)/decrease in Other Assets	**(253.94)**	94.49
Increase/(decrease) in Trade Payables	**5,359.51**	5,357.74
Increase/(decrease) in Other Financial Liabilities	**463.71**	197.21
Increase/(decrease) in Provisions	**13.94**	21.70
Increase/(decrease) in Other Liabilities	**(773.23)**	1,019.69
Cash generated from Operations	**(1,096.95)**	22,946.81
Income tax refund received/(paid) (net)	**(1,807.62)**	(3,174.07)
(A) Net cash generated from by operating activities	**(2,904.57)**	19,772.74
Cash flows from investing activities		
Fixed deposits placed	**(1,650.00)**	(11,554.87)
Fixed deposits matured	**5,102.57**	7,732.50
Payments to acquire current investments	**(27,888.61)**	(27,926.85)
Proceeds on sale of current investments	**30,012.19**	21,131.78
Interest received	**303.78**	67.82
Payments for property, plant and equipment	**(1,916.65)**	(1,302.48)
Proceeds from disposal of property, plant and equipment	**0.61**	–
(B) Net cash used in investing activities	**3,963.89**	(11,852.10)

Statement of Cash Flows for the year ended March 31, 2023

Rs. In Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Dividend Paid	**(1,903.20)**	(7,612.80)
(C) Net cash generated from financing activities	**(1,903.20)**	(7,612.80)
Net increase in cash and cash equivalents (A+B+C)	**(843.89)**	307.84
Cash and cash equivalents at the beginning of the year	**3,001.79**	2,693.95
Cash and cash equivalents at the end of the year	**2,157.90**	3,001.79
Reconciliation of Cash & Cash eqivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (Refer Note No. 11)	**2,157.90**	3,001.79
Balance as per statement of cash flows	**2,157.90**	3,001.79

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Pune
Date : 25th April 2023

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Chairman: Pankaj Sonalkar
DIN: 0268465

Place : Pune
Date : 25th April 2023

Statement of Changes In Equity for the year ended March 31, 2023

a) Equity share capital

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at March 31, 2021	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2022	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2023	**634,400,000**	**63,440.00**

b) Other Equity

Rs. In Lakhs

Particulars	Retained earnings	Other comprehensive income (Remeasurements of the defined benefit plans)	Total
Balance as at April 1, 2021	5,691.62	124.03	5,815.67
Profit for the year	8,296.32	–	8,296.32
Less : Dividend	(7,612.80)	–	(7,612.80)
Total Comprehensive Income for the year, net of Income Tax	–	27.98	27.98
Balance as at April 1, 2022	6,375.14	152.01	6,527.17
Profit for the year	6,880.98	–	6,880.98
Less : Dividend	(1,903.20)	–	(1,903.20)
Total Comprehensive Income for the year, net of Income Tax	–	46.43	46.43
Balance as at March 31, 2023	**11,352.92**	**198.44**	**11,551.38**

The accompanying notes form an integral part of the financial statements

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

For and on behalf of Board of Directors

Amol Deshpande
Chief Financial Officer

Chairman: Pankaj Sonalkar
DIN: 0268465

Shirish Rahalkar
Partner
Membership No.: 111212

Kiran Bade
Company Secretary
Membership No.: A3911

Place : Pune
Date : 25th April 2023

Place : Pune
Date : 25th April 2023

Notes to the financial statements for the year ended March 31, 2023

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

Note No. 1 - Significant Accounting Policies:

1.1 Statement of compliance:

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

1.2 Basis of preparation and presentation:

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for the financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows:

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

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

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

1.3. Property, Plant & Equipment:

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

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

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

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

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

1.4. Intangible Assets

Intangible assets acquired separately:

Intangible assets are initially recognised at cost.

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

Intangible assets under development

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

Technical Know-how fees:

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

Software Expenditure:

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

Internally-generated intangible assets - Research and Development expenditure:

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

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

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

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

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

Product Development Expenditure:

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

Derecognition of intangible assets:

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

Notes to the financial statements for the year ended March 31, 2023

1.5. Impairment:

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

1.6. Inventories:

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

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

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

1.8. Investments:

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

1.9. Financial Instruments:

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

Financial Assets:

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

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

Financial liabilities and equity instruments:

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

1.10. Revenue Recognition:

Revenue on satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Ind AS 115- Revenue from Contracts with Customers:

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

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

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

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

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

Interest income:

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

Trade Receivables:

Trade receivables are initially measured at their transaction price, unless those contain a significant financing component determined in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115).

1.11. Goods and Services Tax:

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

1.12. Custom Duty:

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

1.13. Government Grants and Other Incentives:

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

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

1.14. Export Benefits:

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

1.15. Foreign exchange transactions:

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

Notes to the financial statements for the year ended March 31, 2023

1.16. Employee Benefits:

(i) Defined Contribution Plan:

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

(ii) Defined Benefit Plan / Leave encashment:

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

(iii) Other Benefits:

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

1.17. Borrowing Costs:

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

1.18. Taxes on Income:

Current tax:

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

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year:

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

1.19. Warranty:

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

1.20. Segment Reporting:

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

1.21. Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

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

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

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

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

1.23. Ind AS 116 Leases:

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

1.24. Recent Accounting Pronouncements :

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

(i) Ind AS 1 – Material accounting policies :

The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

Notes to the financial statements for the year ended March 31, 2023

(ii) Ind AS 8 – Definition of accounting estimates:

The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

(iii) Ind AS 12 – Annual Improvements to Ind AS (2021):

The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Company is currently assessing the impact of application of these amendments on its financial statements.

Note No. 2 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	ROU Asset	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at March 31, 2021	693.91	9,284.24	37,058.03	1,626.28	899.57	220.34	**49,782.37**
Additions	419.04	4.54	422.43	135.65	5.79	–	**987.45**
Disposals	–	–	–	–	–	–	**–**
Balance as at March 31, 2022	**1,112.95**	**9,288.78**	**37,480.46**	**1,761.93**	**905.36**	**220.34**	**50,769.82**
Additions	66.32	94.35	573.80	155.27	3.93	–	**893.67**
Disposals	–	–	–	–	–	(41.89)	**(41.89)**
Balance as at March 31, 2023	**1,179.27**	**9,383.13**	**38,054.26**	**1,917.20**	**909.29**	**178.45**	**51,621.60**
II. Accumulated depreciation							
Balance as at March 31, 2021	89.29	2,507.27	15,698.87	1,450.67	549.11	145.55	**20,440.74**
Depreciation expense for the year	34.28	302.27	2,546.99	130.25	69.57	22.13	**3,105.49**
Eliminated on disposal of assets	–	–	–	–	–	–	–
Balance as at March 31, 2022	**123.57**	**2,809.54**	**18,245.86**	**1,580.92**	**618.68**	**167.68**	**23,546.23**
Depreciation expense for the year	49.23	303.32	2,697.57	121.37	66.05	16.91	3,254.45
Eliminated on disposal of assets	–	–	–	–	–	(39.79)	(39.79)
Balance as at March 31, 2023	**172.80**	**3,112.86**	**20,943.43**	**1,702.29**	**684.73**	**144.80**	**26,760.89**
III. Net block (I-II)							
Balance as at March 31, 2022	989.38	6,479.24	19,234.60	181.01	286.68	52.66	27,223.59
Balance as at March 31, 2023	**1,006.47**	**6,270.27**	**17,110.83**	**214.91**	**224.56**	**33.65**	**24,860.71**

Note No. 3 - Other Intangible Assets

Rs. In Lakhs

Description of Assets	Technical Knowhow	Development Expenditure	Computer Software	Total
I. Gross Block				
Balance as at March 31, 2021	11,292.09	3,070.85	490.11	**14,853.05**
Additions	–	–	6.30	**6.30**
Disposals	–	–	–	**–**
Balance as at March 31, 2022	**11,292.09**	**3,070.85**	**496.41**	**14,859.35**
Additions	–	621.52	6.48	**627.99**
Disposals	–	–	–	–
Balance as at March 31, 2023	**11,292.09**	**3,692.37**	**502.89**	**15,487.34**
II. Accumulated amortisation				
Balance as at March 31, 2021	9,043.41	2,648.86	381.80	**12,074.07**
Amortisation expense for the year	793.79	230.16	45.20	**1,069.15**
Impairment of assets*	–	–	–	**–**
Eliminated on disposal of assets	–	–	–	**–**
Balance as at March 31, 2022	**9,837.20**	**2,879.02**	**427.00**	**13,143.22**
Amortisation expense for the year	793.79	255.40	41.52	**1,090.71**
Impairment of assets*	–	–	–	**–**
Eliminated on disposal of assets	–	–	–	–
Balance as at March 31, 2023	**10,630.99**	**3,134.42**	**468.52**	**14,233.93**
III. Net block (I-II)				
Balance as at March 31, 2022	1,454.89	191.83	69.41	1,716.13
Balance as at March 31, 2023	**661.10**	**557.95**	**34.37**	**1,253.41**

Notes to the financial statements for the year ended March 31, 2023

Capital work-in-progress	Amount in CWIP for a period of: Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2022	167.27	89.67	418.00	75.37	750.31
Projects in progress as at March 31, 2023	991.66	153.64	464.25	28.50	1,638.05
Projects temporarily suspended as at March 31, 2022	–	–	–	–	–
Projects temporarily suspended as at March 31, 2023	–	–	–	–	–

Intangible assets under development	Amount in CWIP for a period of: Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2022	241.47	213.43	93.68	–	548.58
Projects in progress as at March 31, 2023	30.27	–	–	–	30.27
Projects temporarily suspended as at March 31, 2022	–	–	–	–	–
Projects temporarily suspended as at March 31, 2023	–	–	–	–	–

Capital work-in-progress	To be completed in: Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Project 1	1,013.86	–	654.46	–	1,668.32

Note No. 4 - Loans

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current:		
a) Security Deposits		
– Unsecured, considered good	**5.25**	5.25
	5.25	5.25
Current:		
a) Other Loans		
– Unsecured, considered good	**–**	0.09
	–	0.09

Note No. 5 - Other financial assets

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at amortised cost		
Non-Current:		
a) Bank Deposit with more than 12 months maturity (under Bank's lien)	**1.23**	421.43
b) Accrued Interest	**1.53**	24.26
c) Government Grants and other incentives receivables	**9,311.55**	12,142.00
	9,314.31	12,587.69

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current:		
a) Government Grants and other incentives receivables	**17,637.65**	17,899.55
b) Accrued Interest	**64.17**	143.69
	17,701.82	18,043.24

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

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deferred tax assets		
Provision for compensated absences	**55.76**	52.58
Provision for gratuity	**113.81**	112.51
Provision for doubtful debts/Advances	**–**	–
Carried forward tax losses*	**–**	–
Others	**179.34**	97.43
	348.91	262.52
b) Deferred tax liabilities		
Depreciation and amortisation	**1,534.40**	1,884.17
Provision for employee benefits	**15.62**	9.41
	1,550.02	1,893.58
c) Net Deferred tax assets/(Liabilities)	**(1,201.11)**	(1,631.06)

Notes to the financial statements for the year ended March 31, 2023

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2023:

Rs. In Lakhs

Particulars	Opening Balance as at April 1, 2022	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2023
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	52.58	3.18	–	**55.76**
Provision for gratuity	103.10	10.71	(15.62)	**98.19**
Provision for doubtful debts	–	–		**–**
Carried forward tax losses	–	–	–	**–**
Others	97.43	81.91		**179.34**
Depreciation and amortisation	(1,884.17)	349.76		**(1,534.40)**
	(1,631.06)	445.56	(15.62)	**(1,201.11)**

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

Rs. In Lakhs

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

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

Note No. 7 - Other assets

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current:		
a) Capital Advances		
Unsecured Considered good	**397.57**	185.49
Unsecured Considered doubtful	**–**	–
Less: Provision for Doubtful Capital Advances	**–**	–
	397.57	185.49
b) Advances other than capital advances		
i) Advance Income Tax [net of provisions Rs. Nil (As at March 31, 2022 Rs. 3,184.23 Lakhs)]	**–**	428.38
c) Others		
i) Balances with government authorities (other than income taxes)		
1) VAT credit receivable	**66.11**	66.11
2) Custom deposit Receivable	**50.97**	50.97
3) Others	**29.92**	37.48
ii) Other advances		
Other Prepayments	**4.64**	21.91
	549.21	790.34
Current:		
a) Advances other than capital advances		
i) Advance to suppliers	**400.65**	115.77
b) Others		
i) Balances with government authorities (other than income taxes)		
1) Excise duty/Customs/GST rebate receivable	**19.02**	20.43
ii) Other advances		
1) Other Prepayments	**64.98**	38.90
2) Others	**16.56**	47.35
	501.21	222.45

Note No. 8 - Inventories

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	**15,078.42**	6,877.19
Work-in-progress	**1,163.91**	560.50
Finished goods	**686.46**	200.71
Stores and spares	**291.24**	295.00
Total Inventories at the lower of cost and net realisable value	**17,220.03**	7,933.40
Included above, raw material-in-transit:	**753.00**	75.14
Total goods-in-transit	**753.00**	75.14

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 126,136.37 Lakhs (for the year ended March 31, 2022 Rs. 92,654.28 Lakhs)

(ii) The amount of Obsolete provision during the year FY 2022-23 with respect to Inventory is Rs. 712.56 Lakhs (As on March 31, 2022 Rs. 443.41 Lakhs)

Notes to the financial statements for the year ended March 31, 2023

Note No. 9 - Investments

Rs. In Lakhs

Particular	As at March 31, 2023		As at March 31, 2022	
	Quantity	**Amount**	Quantity	Amount
Current:				
Quoted Investments (all fully paid)				
Designated as Fair Value Through Profit and Loss				
Investments in Mutual Funds				
UTI Mutual Fund	**36,037.72**	**1,320.25**	26,160.68	906.92
Aditya Birla Sunlife Mutual Fund	**–**	**–**	592,572.77	2,017.34
SBI Mutual Fund	**–**	**–**	33,444.00	1,107.25
Kotak Mahindra Mutual Fund	**22,325.42**	**1,008.52**	24,721.64	1,057.84
ICICI Prudential Mutual Fund	**614,984.20**	**2,033.47**	323,264.49	1,012.28
HDFC Mutual Fund	**–**	**–**	28,989.28	1,203.58
Nippon India	**23,263.30**	**1,268.60**	23,245.41	1,200.49
Axis Mutual Fund	**49,033.77**	**1,218.08**	4,263.03	100.18
	745,644.41	**6,848.92**	1,056,661.29	8,605.88

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	**6,848.92**	8,605.88
Aggregate market value of quoted investments	**6,848.92**	8,605.88
Aggregate amount of impairment in value of investments	**–**	–

Note No. 10 - Trade receivables

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables		
(a) Unsecured, considered good	**26,785.58**	14,498.19
	26,785.58	14,498.19

Rs. In Lakhs

Trade Receivables ageing	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2023						
(i) Undisputed Trade receivables – considered good	**26,785.55**	**–**	**–**	**–**	**–**	**26,785.55**
(ii) Undisputed Trade Receivables – considered doubtful	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Disputed Trade Receivables considered good	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables considered doubtful	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at March 31, 2022						
(i) Undisputed Trade receivables – considered good	14,478.23	11.09	7.43	1.44	–	14,498.19
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–

Note:

The normal credit period on sale of goods is 45 days. No interest is charged on trade receivables.

Notes to the financial statements for the year ended March 31, 2023

Note No. 11 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
(a) Balances with banks	**657.90**	1,691.79
(b) In Fixed Deposits - original maturity less than 3 months	**1,500.00**	1,310.00
Total Cash and cash equivalent	**2,157.90**	3,001.79

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Bank Balances		
(a) Balances with Banks:		
On Margin Accounts (under Bank's lien)	**43.09**	170.46
In Fixed Deposits	**600.00**	3,505.00
Total Other Bank balances	**643.09**	3,675.46

Note No. 12 - Equity Share Capital

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount (Rs. In Lakhs)	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount (Rs. In Lakhs)
Authorised:				
Equity shares of Rs 10 each with voting rights	**800,000,000**	**80,000.00**	800,000,000	80,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**634,400,000**	**63,440.00**	634,400,000	63,440.00
Total	**634,400,000**	**63,440.00**	634,400,000	63,440.00

(i) Terms/Rights attached to equity shares:

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

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

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

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at 31 March, 2022	634,400,000	63,440.00
Fresh Issue during the year	–	–
Balance as at 31 March, 2023	**634,400,000**	**63,440.00**

(iii) Details of shares held by the holding company

Particulars	No. of Shares	Amount (Rs. In Lakhs)
As at March 31, 2022		
Mahindra & Mahindra Limited, the holding company	634,400,000	63,440.00
As at March 31, 2023		
Mahindra & Mahindra Limited, the holding company	**634,400,000**	**63,440.00**

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

Particulars	No. of Shares	Percentage of holding
As at March 31, 2022		
Mahindra & Mahindra Limited, the holding company	634,400,000	100%
As at March 31, 2023		
Mahindra & Mahindra Limited, the holding company	**634,400,000**	**100%**

Note No. 13 - Other Equity

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	**11,352.92**	6,375.14
Remeasurements of the defined benefit plans	**198.44**	152.01
Balance at the end of the year	**11,551.36**	6,527.15

a) Retained earning

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	**6,375.15**	5,691.63
Profit/(Loss) for the year	**6,880.98**	8,296.32
Dividend	**(1,903.20)**	(7,612.80)
Balance at the end of the year	**11,352.93**	6,375.15

Notes to the financial statements for the year ended March 31, 2023

b) Remeasurements of the defined benefit plans

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	**152.02**	124.04
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**46.43**	27.98
Balance at the end of the year	**198.46**	152.02

Note No. 14 - Provisions

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current:		
a) Provision for employee benefits		
i) Gratuity	**432.19**	427.05
ii) Leave Encashment	**179.81**	172.39
	612.00	599.44

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current:		
a) Provision for employee benefits		
i) Gratuity	**20.00**	20.00
ii) Leave Encashment	**41.76**	36.54
	61.76	56.54

Note No. 15 - Trade Payables

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current:		
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	**324.33**	173.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	**27,793.31**	22,583.94
	28,117.64	22,757.27

Rs. In Lakhs

Trade Payables ageing	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2023					
(i) MSME	**324.33**	**–**	**–**	**–**	**324.33**
(ii) Others	**27,132.29**	**561.86**	**99.14**	**–**	**27,793.30**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	–
(iv) Disputed dues - Others	**–**	**–**	**–**	**–**	–
Balance as at March 31, 2022					
(i) MSME	173.33	–	–	–	173.33
(ii) Others	22,184.50	254.28	145.08	0.08	22,583.94
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

Note:

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

Notes to the financial statements for the year ended March 31, 2023

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

Rs. In Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	**324.33**	173.33
	Interest	**–**	–
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**1.59**	0.48
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**0.98**	2.24
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year	**0.98**	2.24
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

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

Note No. 16 - Other Financial Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2023	As at March 31, 2022
Non-Current				
Lease liabilities			**388.79**	356.99
			388.79	356.99
Current				
Other Financial Liabilities Measured at Amortised Cost				
a)	Short term Deposits		**33.44**	41.15
b)	Lease liabilities		**65.49**	53.32
c)	Other liabilities			
	i)	Creditors for capital supplies	**525.78**	405.57
	ii)	Others	**2,157.87**	1,664.10
			2,782.58	2,164.14

Note No. 17 - Other Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2023	As at March 31, 2022
Current				
a)	Advances received from customers		**1.70**	3.84
b)	Statutory dues payables			
	-	Statutory dues (Contributions to PF and other funds, Withholding Taxes and GST)	**1,074.77**	1,845.86
c)	Deferred Government Grants - Export Promotion Capital Goods		**220.10**	220.10
			1,296.57	2,069.80

Note No. 18 - Revenue from Operations

Rs. In Lakhs

Particulars			For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Revenue from sale of products		**142,400.50**	104,744.13
b)	Other operating revenue			
	(i)	Sale of Scrap	**363.54**	222.86
	(ii)	Government Grants and other incentives*	**2,654.58**	9,226.56
	(iii)	Duty Drawback	**0.21**	1.20
			145,418.83	114,194.75

* Note :

During the year, Company has recognized the IPS (Industrial Promotion Subsidy) income of Rs. 2,654.58 Lakhs (As on March 31, 2022 Rs. 9,226.56 Lakhs) based on sanction received from the Department of Industries, Government of Maharashtra.

Note No. 19 - Other Income

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on Bank deposits and Others (at amortised cost)	**201.54**	169.78
Net Gain on sale of investments	**267.37**	201.92
Net gain arising on financial assets designated as at FVTPL	**99.25**	56.30
Miscellaneous Income (includes business support services)	**568.32**	166.79
	1,136.48	594.79

Notes to the financial statements for the year ended March 31, 2023

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

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year:		
a) Finished goods	**200.71**	420.35
b) Work-in-progress	**560.50**	446.92
	761.21	867.27
Inventories at the end of the year:		
a) Finished goods	**686.46**	200.71
b) Work-in-progress	**1,163.91**	560.50
	1,850.37	761.21
	(1,089.16)	106.06

Note No. 21 - Employee Benefits Expenses

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Salaries and wages	**3,414.39**	3,146.96
b) Contribution to provident and other funds	**228.17**	230.68
c) Share based payment transactions expenses - Equity-settled share-based payments*	**15.33**	25.66
d) Staff welfare expenses	**439.87**	391.80
	4,097.76	3,795.10

*** Note:**

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

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

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

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

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

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

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

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

Note No. 22 - Finance Cost

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest		
i) Trade Payables - Micro Enterprises and Small Enterprises (Refer Note No. 15)	**0.33**	2.24
b) Other Interest cost	**23.21**	3.60
c) Unwinding interest	**65.89**	60.62
	89.43	66.46

Analysis of Interest Expenses by category

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses		
On financial liability at amortised cost	**0.33**	2.24
Other interest expenses	**89.10**	64.22
	89.43	66.46

Note No. 23 - Other Expenses

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores consumed	**745.90**	598.69
Power & Fuel	**369.44**	184.76
Rates and taxes	**24.15**	33.64
Insurance	**79.30**	72.55
Repairs and maintenance - Buildings	**6.81**	24.69
Repairs and maintenance - Machinery	**153.48**	94.82
Repairs and maintenance - Others	**30.80**	35.76
Travelling and Conveyance Expenses	**48.41**	45.23
Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**18.70**	17.00
ii) For Taxation matters	**2.50**	4.30
iii) For Other services	**1.62**	0.40
iv) For reimbursement of expenses	**0.16**	–
Legal and other professional costs	**827.81**	641.51
Packing material consumed	**113.43**	95.89
Engineering & Testing expenses	**184.44**	191.52
Royalty	**145.26**	112.05
CSR Activities*	**281.48**	240.76
Director's Commission	**10.00**	10.00
Net foreign exchange losses	**159.72**	54.76
Net Loss on disposal of property, plant and equipment (net)	**1.49**	–
Bank charges	**5.67**	4.78
Housekeeping and security expenses	**69.66**	70.65
Labour Contract Charges	**554.22**	401.55
Miscellaneous expenses	**71.39**	78.47
	3,903.11	3,013.78

* Note : Gross amount required to be spent by the Company as per section 135 of Companies Act 2013 on CSR Activities of Rs. 281.48 Lakhs (Previous Year - Rs. 240.76 Lakhs).

Notes to the financial statements for the year ended March 31, 2023

Rs. In Lakhs

Corporate Social Responsibility (CSR)	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount required to be spent by the company during the year	**281.48**	240.76
(b) Amount of expenditure incurred	**281.48**	240.76
(c) Shortfall at the end of the year	**–**	–
(d) Total of previous years shortfall	**–**	–
(e) Reason for shortfall	**NA**	NA
(f) Nature of CSR activities	**Health, Education, Enviornment, Rural Development**	Health, Education, Enviornment, Rural Development
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	**–**	–
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	**–**	–

Note No. 24 - Earnings per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) for the year attributable to equity share holders of the Company	**6,880.98**	8,296.32
Weighted average number of equity shares	**634,400,000**	634,400,000
Basic and Diluted Earnings per share (Face value of Rs. 10 per share)	**1.08**	1.31

Note No. 25 - Financial Instruments

Capital management

The company's capital management objectives are:

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

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

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

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Equity	**74,991.36**	69,967.15
Less: Cash and cash equivalents	**2,157.90**	3,001.79
	72,833.46	66,965.36

Categories of financial assets and financial liabilities

Rs. In Lakhs

	As at March 31, 2023			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Loans	**5.25**	**–**	**–**	**5.25**
Other Financial Assets				
- Non Derivative Financial Assets	**9,314.31**	**–**	**–**	**9,314.31**
Current Assets				
Investments	**–**	**6,848.92**	**–**	**6,848.92**
Trade Receivables	**26,785.58**	**–**	**–**	**26,785.58**
Cash and cash equivalents	**2,157.90**	**–**	**–**	**2,157.90**
Bank balances	**643.09**			**643.09**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets				
- Non Derivative Financial Assets	**17,701.82**	**–**	**–**	**17,701.82**
Non-current Liabilities				
Borrowings	**–**			**–**
Current Liabilities				
Borrowings	**–**	**–**	**–**	**–**
Trade Payables	**28,117.64**	**–**	**–**	**28,117.64**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**2,782.58**	**–**	**–**	**2,782.58**

Rs. In Lakhs

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

CREDIT RISK

(i) Credit risk management

Rs. In Lakhs

	As at March 31, 2023			
Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0%**	**0%**	**0%**	
Gross carrying amount	**26,294.24**	**491.31**	**–**	**26,785.58**
Loss allowance provision	**–**	**–**	**–**	**–**

Notes to the financial statements for the year ended March 31, 2023

Rs. In Lakhs

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

Reconciliation of loss allowance provision for Trade Receivables

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**–**	–
- Other receivables	**–**	–
Impairment losses reversed/written back	**–**	–
Balance at end of the year	**–**	–

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

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the non-discounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial liabilities				
As at March 31, 2023				
Non-interest bearing	**30,004.56**	**776.74**	**53.43**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**92.79**	**69.30**	**72.70**	**219.49**
	30,097.35	**846.04**	**126.13**	**219.49**
As at March 31, 2022				
Non-interest bearing	24,953.15	63.48	56.25	205.52
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	85.06	63.48	56.25	205.52
	25,038.21	126.96	112.50	411.04

(iii) Maturities of financial assets

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

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
As at March 31, 2023				
Non-interest bearing	**46,581.13**	**9,311.55**	**–**	**5.25**
Variable interest rate instruments	**6,848.92**	**–**	**–**	**–**
Fixed interest rate instruments	**742.60**	**11.06**	**11.21**	**24.18**
Total	**54,172.65**	**9,322.62**	**11.21**	**29.43**
As at March 31, 2022				
Non-interest bearing	35,399.62	12,142.00	–	5.25
Variable interest rate instruments	8,605.88	–	–	–
Fixed interest rate instruments	3,968.69	436.31	32.63	3.68
	47,974.19	12,578.32	32.63	8.93

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

MARKET RISK

Currency Risk

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

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

Rs. In Lakhs

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade Receivables	USD	**0.04**	–
	INR	**3.28**	–
Trade Payables	USD	**7.10**	3.05
	INR	**583.33**	230.68
	EUR	**–**	0.57
	INR	**–**	47.89
	KRW	**–**	141.13
	INR	**–**	8.83
	JPY	**69.10**	4.50
	INR	**42.75**	2.79

Notes to the financial statements for the year ended March 31, 2023

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

Rs. In Lakhs

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade Receivables	USD	0.04	–
	INR	3.28	–
Trade Payables	USD	7.10	3.05
	INR	583.33	230.68
	EUR	–	0.57
	INR	–	47.89
	KRW	–	141.13
	INR	–	8.83
	JPY	69.10	4.50
	INR	42.75	2.79

Foreign Currency Sensitivity

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

Rs. In Lakhs

Particulars	Currency	Change in rate	Effect on profit/(loss) before tax
As at March 31, 2023	**USD**	**10%**	**(58.01)**
		(10%)	**58.01**
	JPY	**10%**	**(4.28)**
		(10%)	**4.28**
As at March 31, 2022	USD	10%	(23.07)
		(10%)	23.07
	EUR	10%	(4.79)
		(10%)	4.79
	KRW	10%	(0.88)
		(10%)	0.88
	JPY	10%	(0.28)
		(10%)	0.28

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

Interest rate risk

Interest rate sensitivity

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

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

Rs. In Lakhs

Particulars	Currency	Increase/ (decrease) in basis points	Effect on profit/(loss) before tax
31-Mar-23	**INR**	**100**	**–**
	INR	**(100)**	**–**
31-Mar-22	INR	100	–
	INR	(100)	–

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

Note No. 26 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

Financial assets measured at Fair Value:

Rs. In Lakhs

Particulars	Fair Value As at March 31, 2023	Fair Value As at April 1, 2022	Fair Value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
a) Investments				
i) Mutual Fund investments	**6,848.92**	8,605.88	**Level-1**	Net Asset value published by – UTI, Aditya Birla Sunlife, SBI, Kotak Mahindra, ICICI Prudential, HDFC, Nippon India, Axis Mutual Fund
	6,848.92	8,605.88		

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

Rs. In Lakhs

Particulars	Level	As at March 31, 2023 Carrying amount	As at March 31, 2023 Fair value	As at April 1, 2022 Carrying amount	As at April 1, 2022 Fair value
a) Financial assets					
Financial assets carried at Amortised Cost					
Loans	**Level–3**	**5.25**	**5.25**	5.34	5.34
Trade Receivables	**Level–3**	**26,785.58**	**26,785.58**	14,498.19	14,498.19
Cash and cash equivalents	**Level–1**	**2,157.90**	**2,157.90**	3,001.79	3,001.79
Bank balances	**Level–1**	**643.09**	**643.09**	3,675.46	3,675.46
Other Financial Assets					
- Non Derivative Financial Assets	**Level–3**	**27,016.13**	**27,016.13**	30,630.93	30,630.93
b) Financial liabilities					
Financial liabilities held at amortised cost					
Borrowings	**Level–3**	**–**	**–**	–	–
Trade Payables	**Level–3**	**28,117.64**	**28,117.64**	22,757.27	22,757.27
Other Financial Liabilities					
- Non Derivative Financial Liabilities	**Level–3**	**2,782.58**	**2,782.58**	2,164.14	2,164.14

Notes to the financial statements for the year ended March 31, 2023

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss is Rs. 129.46 Lakhs. (Previous year Rs. 131.28 Lakhs).

(b) Defined Benefit Plans:

Gratuity

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

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

1) Liability Risks

a. Asset-Liability Mismatch Risk:

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

b. Discount Rate Risk:

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

c. Future Salary Escalation and Inflation Risk:

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

2) Asset Risks

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

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

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

	As per March 31, 2023	As per March 31, 2022
Discount rate	**7.50%**	7.30%
Expected rate of salary increase		
Officers	**9.00%**	9.00%
Associates	**7.00%**	7.00%

Defined benefit plans as per actuarial valuation on 31st March, 2023

Rs. In Lakhs

Particulars	**Funded Plan - Gratuity For the year ended March 31, 2023**	For the year ended March 31, 2022
I(a). Expense recognised in the Statement of Profit and Loss for the year		
1) Current service cost	**56.25**	58.83
2) Past Service Credit		–
3) Interest cost	**29.50**	26.34
	85.75	85.17
I(b). Included in other Comprehensive Income		
1) Return on plan assets	**(0.71)**	(0.08)
2) Actuarial (Gain)/Loss on account of:		
- Demographic Assumptions	**(6.45)**	–
- Financial Assumptions	**(10.07)**	(21.72)
- Experience Adjustments	**(44.82)**	(15.59)
	(61.34)	(37.31)
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:	**(62.05)**	(37.39)

Rs. In Lakhs

Particulars	**Funded Plan - Gratuity For the year ended March 31, 2023**	For the year ended March 31, 2022
Service Cost		
Current Service Cost	**56.25**	58.83
Past service cost and (gains)/losses from settlements	**–**	**–**
Net interest expense	**29.50**	26.34
Components of defined benefit costs recognised in statement of Profit and Loss	**85.75**	85.17
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(0.71)**	(0.08)
Actuarial gains and loss arising from changes in financial assumptions	**(10.07)**	(21.72)
Actuarial gains and loss arising from experience adjustments	**(44.82)**	(15.59)
Actuarial gains and loss arising from Demographic adjustments	**(6.45)**	–
Components of defined benefit costs recognised in other comprehensive income	**(62.05)**	(37.39)
Total	**23.70**	47.78
I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		
1. Present value of defined benefit obligation as at year end	**452.19**	447.05
2. Fair value of plan assets as at year end	**29.92**	37.48
3. Surplus/(Deficit)	**(422.27)**	(409.57)
4. Current portion of the above	**(20.00)**	(20.00)
5. Non current portion of the above	**(402.27)**	(389.57)

Notes to the financial statements for the year ended March 31, 2023

Rs. In Lakhs

Particulars	Funded Plan - Gratuity For the year ended March 31, 2023	For the year ended March 31, 2022
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**447.04**	413.60
2. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	**56.25**	58.83
- Past Service Cost	**–**	–
- Interest Expense/(Income)	**31.85**	27.98
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(6.45)**	–
ii. Financial Assumptions	**(10.07)**	(21.72)
iii. Experience Adjustments	**(44.82)**	(15.59)
4. Benefit payments	**(21.61)**	(16.06)
5. Present value of defined benefit obligation at the end of the year	**452.19**	447.04
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**37.46**	11.80
2. Expenses Recognised in Statement of Profit and Loss		
- Expected return on plan assets	**2.35**	1.64
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**0.71**	0.08
5. Contributions by employer (including benefit payments recoverable)	**11.00**	40.00
6. Benefit payments	**(21.61)**	(16.06)
7. Fair value of plan assets at the end of the year	**29.91**	37.46
IV. The Major categories of plan assets		
Fund managed by insurer	**100%**	100%
V. Actuarial assumptions		
1. Discount rate	**7.50%**	7.30%
2. Expected rate of return on plan assets	**7.30%**	6.90%
3. Attrition rate		
Officers	**12.50%**	10.00%
Associates	**0.00%**	0.00%
4. Medical premium inflation	**NA**	NA

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

Rs. In Lakhs

Principal assumption	Year ended	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	As at March 31, 2023	1%/-1%	(406.97)	506.45
	As at March 31, 2022	1%/-1%	(399.28)	504.59
Salary growth rate	As at March 31, 2023	1%/-1%	501.13	410.52
	As at March 31, 2022	1%/-1%	499.04	(402.89)
Withdrawal rate	As at March 31, 2023	1%/-1%	451.84	454.30
	As at March 31, 2022	1%/-1%	(444.90)	450.41

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

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

The Company expects to contribute Rs.20 Lakhs to the gratuity trusts during the next financial year ending March 31, 2024.

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

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

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

Maturity profile of defined benefit obligation:

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	**36.85**	28.28
1 - 2 year	**40.11**	32.52
2 - 3 year	**42.55**	36.65
3 - 4 year	**44.66**	40.33
4 - 5 year	**52.97**	44.31
5 - 10 years	**294.08**	320.57

Plan Assets

The fair value of Company's pension plan asset as of 31st Mar 2023 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

Notes to the financial statements for the year ended March 31, 2023

VIII. Experience Adjustments :

Rs. In Lakhs

Particulars	Gratuity as at **As at March 31, 2023**	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
1. Defined Benefit Obligation	**452.19**	447.04	413.60	421.78	325.01
2. Fair value of plan assets	**29.91**	37.46	11.80	16.49	21.72
3. Surplus/(Deficit)	**(422.28)**	(409.58)	(401.80)	(405.29)	(303.29)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(44.82)**	(15.59)	(85.80)	74.18	(12.26)
5. Experience adjustment on plan assets [Gain/(Loss)]	**(0.58)**	(0.07)	(0.05)	0.06	(1.99)

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

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

Note No. 28 - Related Party Disclosures:

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

Name of Related Party	Nature of Relationship
Mahindra & Mahindra Limited	Holding Company

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

Name of Related Party	Nature of Relationship
1) Mahindra Logistics Limited	Fellow subsidiary
2) Mahindra Two Wheelers Limited	Fellow subsidiary
3) Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
4) LORDS Freight (India) Private Limited	Fellow subsidiary
5) Marvel Solren Private Limited	Joint Venture
6) MLL Mobility Private Limited	Fellow subsidiary
7) Mahindra Defence Systems Limited	Fellow subsidiary
8) Mahindra & Mahindra Financial Services Limited	Fellow subsidiary

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

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

D) Key Managerial Personnel:

Name of Related Party
1) Mr. Sanjay Kshirsagar
2) Mr. Dattatraya Nikam, Chief Financial Officer
3) Mr. Amol Deshpande, Chief Financial Officer
4) Mr. Kiran Bade, Company Secretary
5) Mr. Shrikant Marathe, Independent Director
6) Ms. Smita Mankad, Independent Director

E) Related Party Transactions:

Rs. In Lakhs

Name of Related Party	Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mahindra & Mahindra Limited	Sale of goods	**182,517.96**	133,853.51
	Engine testing & Development charges paid	**398.92**	217.77
	Reimbursement of ESOP cost (Refer Note 3 below)	**15.33**	25.66
	Reimbursement of expenses received from Party	**478.95**	1,429.96
	Reimbursement of expenses paid	**1,114.48**	1,279.71
	Bill discounting charges	**8.85**	–
	Dividend Paid	**1,903.20**	7,612.80
	GST on capital goods paid	**1,229.42**	716.18
	Inter Company Deposit (ICD)	**–**	5,000.00
	Interest on ICD	**–**	66.30
	Purchase of Raw Material	**343.29**	106.49
Mahindra Logistics Limited	Services received	**1,691.29**	1,254.90
	Reimbursement of expense paid	**–**	20.43
Mahindra Two Wheelers Limited	Sales of Goods	**966.22**	836.13
	Purchase of Raw Material	**–**	6.56
Mahindra Integrated Business Solutions Private Limited	Manpower cost paid	**76.80**	52.43
LORDS Freight (India) Private Limited	Services received	**59.43**	16.21
Marvel Solren Private Limited	Solar Power Expenses	**53.18**	45.74
MLL Mobility Private Limited	Services received	**3.78**	–
Mahindra Defence Systems Limited	Sales of Goods	**234.55**	–
Mahindra & Mahindra Financial Services Limited	Interest on Vehicles purchased	**21.03**	–
Mahindra CIE Automotive Limited	Purchase of Raw Material	**4,233.91**	3,604.92
Mr. Sanjay Kshirsagar	Remuneration Paid	**79.18**	75.49
Mr. Dattatraya Nikam	Remuneration Paid	**–**	23.60
Mr. Amol Deshpande	Remuneration Paid	**55.77**	–
Mr. Kiran Bade	Remuneration Paid	**2.43**	2.43
Mr. Shrikant Marathe	Director's sitting fees	**3.60**	3.60
	Director's commission paid	**5.00**	5.00
Ms. Smita Mankad	Director's sitting fees	**3.20**	3.20
	Director's commission paid	**5.00**	5.00

Notes to the financial statements for the year ended March 31, 2023

F) Related Party Balances:

Rs. In Lakhs

Name of Related Party	Nature of Balances	As at March 31, 2023	As at March 31, 2022
Mahindra & Mahindra Ltd.	Receivables	**52,709.81**	44,508.70
	Payables	**500.44**	224.82
Mahindra Logistics Ltd.	Receivables	**–**	–
	Payables	**136.00**	160.90
Mahindra Two Wheelers Limited	Receivables	**90.11**	31.05
	Payables	**–**	–
Mahindra Integrated Business Solutions Private Limited	Receivables	**–**	–
	Payables	**7.17**	7.67
LORDS Freight (India) Private Limited	Receivables	**–**	–
	Payables	**1.07**	9.03
Marvel Solren Private Limited	Receivables	**–**	–
	Payables	**5.41**	–
MLL Mobility Private Limited	Receivables	**–**	–
	Payables	**3.74**	–
Mahindra Defence Systems Limited	Receivables	**125.79**	–
	Payables	**–**	–
Mahindra CIE Automotive Limited	Receivables	**–**	–
	Payables	**679.22**	760.23

Notes:

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

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

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

4 The transactions reported above are inclusive of applicable Taxes.

Note No. 29 : Contingent liabilities and commitments:

1) Contingent Liabilities

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt:		
(i) Income Tax claims disputed by the company relating to disallowance of depreciation and amortisation on Technical Know-how.	**–**	11.14
(ii) Service Tax disputed by the company relating to the activity of arranging canteen facility is a taxable service under the statutory provisions of the Finance Act, 1994	**21.74**	21.74

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

2) Commitments

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

(i) Tangible:

Rs. In Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided	**1,788.26**	1,049.77
Advance paid	**397.57**	182.35
Estimated amount of contracts remaining to be executed on capital account and not provided (Net)	**1,390.69**	867.42

Note No. 30: Relationship with Stuck off Companies

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

Note No. 31 : Ratios

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	**2.22**	2.07	7%	–
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	**0.09**	0.12	-23%	No IPS income on particular category of engine since IPS limit is reached in previous year.
Inventory turnover ratio	Cost of goods sold	Average Inventory	**9.97**	14.09	-29%	Higher inventory levels to avoid supply chain disruptions.
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	**6.92**	7.32	-6%	–
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	**4.93**	4.58	8%	–
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	**3.61**	3.63	-1%	–

Notes to the financial statements for the year ended March 31, 2023

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Reason for Variance
Net profit ratio	Net Profit	Net sales = Total sales - sales return	**0.06**	0.11	-45%	No IPS income on particular category of engine since IPS limit is reached in previous year.
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	**0.11**	0.16	-30%	No IPS income on particular category of engine since IPS limit is reached in previous year.
Return on investment	Interest (Finance Income)	Investment	**0.05**	0.03	78%	–

Note No. 32 - Segment Reporting

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

Rs. In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Revenue from Operations	**145,418.83**	114,194.75
	145,418.83	114,194.75
Revenue from external customers		
India	**145,409.42**	114,182.39
Outside India	**9.41**	12.36
	145,418.83	114,194.75
All non-current assets of the Company are located in India		
Revenue from major customers		
Mahindra group entities	**145,045.68**	113,865.00
Others*	**373.15**	329.75
	145,418.83	114,194.75

* No other single customer contributed 10% or more to the Company's revenue for both financial year 2022-23 and 2021-22.

Note No. 33 - Commission to Independent Directors:

Other Expenses includes Rs. 10 Lakhs (March 31, 2022: Rs. 10 Lakhs) payable as Commission to Independent Directors subject to the approval of shareholders at the Annual General Meeting.

Note No. 34 -

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

Note No. 35 -

The financial statements were approved for issue by the Board of Directors on April 25, 2023.

Note No. 36 -

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

As per report of even date

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

For and on behalf of Board of Directors

Amol Deshpande
Chief Financial Officer

Chairman: Pankaj Sonalkar
DIN: 0268465

Shirish Rahalkar
Partner
Membership No.: 111212

Kiran Bade
Company Secretary
Membership No.: A3911

Place : Pune
Date : 25th April 2023

Place : Pune
Date : 25th April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Electric Automobile Limited** (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period beginning from 25 October 2022 to 31 March 2023 ("the period"), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

a. The Company does not have any pending litigations which would impact its financial position.

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

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

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

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

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

e. The Company have neither declared nor paid any dividend during the period.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nirav Patel
Partner
Membership No.: 113327
ICAI UDIN:23113327BGZLXI8592

Place: Mumbai
Date: 12 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED FOR THE PERIOD ENDED 31 MARCH 2023

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

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

(B) The Company does not have any intangible assets. Accordingly clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

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

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

(ii) (a) The Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the period. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax ,Income-Tax or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the period. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

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

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

(d) The Company has not raised any funds on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the period ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the period. In our opinion, in respect of preferential allotment of preference shares made during the period, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The funds raised during the year have not been utilised because funds were raised towards the end of the year.

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

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

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(xiii) The Company was incorporated during the year and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company for the year. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

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

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

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

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

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

(xvii) The Company has incurred cash losses of Rs 0.35 crores in the current financial period

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

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nirav Patel
Partner
Membership No.: 113327
ICAI UDIN:23113327BGZLXI8592

Place: Mumbai
Date: 12 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED FOR THE PERIOD ENDED 31 MARCH 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Mahindra Electric Automobile Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nirav Patel
Partner
Membership No.: 113327
ICAI UDIN:23113327BGZLXI8592

Place: Mumbai
Date: 12 May 2023

BALANCE SHEET AS AT 31 MARCH, 2023

Particulars	Note No.	Rupees Lakhs **As at 31 March, 2023**
I. ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4	**634.54**
Capital work-in-progress	5	**317.52**
Intangible assets under development	6	**90,724.09**
Income tax assets		**39.28**
Deferred tax assets	9	**5.32**
Other non-current assets	10	**15,259.68**
		1,06,980.43
CURRENT ASSETS		
Financial assets		
(i) Investments	7	**28,034.95**
(ii) Cash and cash equivalents	11	**24,759.23**
(iii) Bank balances other than cash and cash equivalents	11	**30,000.00**
(iv) Other financial assets	8	**250.31**
Other current assets	10	**7,592.00**
		90,636.49
TOTAL ASSETS		**1,97,616.92**
II. EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	12	**1,46,949.44**
Other equity		**(56.19)**
		1,46,893.25
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities		
(i) Other financial liabilities	13	**40,000.00**
CURRENT LIABILITIES		
Financial liabilities		
(i) Trade payables	14	
(a) Total outstanding dues of micro enterprises and small enterprises		**0.56**
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**106.64**
(ii) Other financial liabilities	13	**9,388.21**
Other current liabilities	15	**1,072.42**
Current Tax Liabilities		**155.84**
		50,723.67
TOTAL EQUITY AND LIABILITIES		**1,97,616.92**

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Mumbai, 12 May, 2023

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 12 May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 25 OCTOBER, 2022 TO 31 MARCH, 2023.

Rupees Lakhs

Particulars	Note No.	For the period from 25 October, 2022 to 31 March, 2023
INCOME		
Other income	16	**619.20**
Total Income		**619.20**
EXPENSES		
Depreciation	17	**21.14**
Other expenses	18	**503.73**
Total Expenses		**524.87**
Profit Before Tax		**94.33**
Tax Expense	9	
Current tax		**155.84**
Deferred tax		**(5.32)**
Loss for the period		**(56.19)**
Other Comprehensive Income / (Loss)		
A) (i) Items that will not be reclassified to profit or loss		**–**
(ii) Income tax relating to item that will not be reclassified to profit or loss		**–**
(B) (i) Items that will be reclassified to profit or loss		**–**
(ii) Income tax relating to item that will be reclassified to profit or loss		**–**
Total Comprehensive Income / (Loss)		**(56.19)**
Earnings per equity share	19	
(Face value Rs. 10/- per share) (Rupees)		
Basic / Diluted		**(0.05)**

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Mumbai, 12 May, 2023

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 12 May, 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2023

	Rupees Lakhs **As at** **31 March, 2023**
A) Equity share capital	
Issued, subscribed and paid up :	
Balance as at the beginning of the reporting period	**–**
Infusion in Equity Share Capital	**1,46,949.44**
Balance as at the end of the reporting period	**1,46,949.44**

B) Other Equity	**Retained Earnings**	**Total**
Balance as at the beginning of the reporting period	**–**	**–**
Profit / (loss) for the period	**(56.19)**	**(56.19)**
Balance as at the end of the reporting period	**(56.19)**	**(56.19)**

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Mumbai, 12 May, 2023

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 12 May, 2023

CASH FLOW STATEMENT FOR THE PERIOD FROM 25 OCTOBER, 2022 TO 31 MARCH, 2023

Rupees Lakhs

Particulars	For the period from 25 October, 2022 to 31 March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Profit Before Tax	**94.33**
Adjustments for :	
Depreciation expense	**21.14**
Unrealised Gain on foreign exchange fluctuation and other adjustments (net)	**(6.68)**
Interest income	**(327.21)**
Unrealised gain on financial instruments measured at fair value	**(34.95)**
	(347.70)
Operating Profit before working capital changes	**(253.37)**
Changes in :	
Trade and other receivables	**(7,592.00)**
Trade and other payables and provisions	**1,179.61**
	(6,412.39)
Cash used in operations	**(6,665.76)**
Income taxes paid	**(39.28)**
Net cash used in operating activities	**(6,705.03)**
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Payment to acquire property, plant & equipment and other intangible assets	**(97,562.08)**
Payment to acquire investments - Mutual Funds	**(47,000.00)**
Proceeds from sale of investments - Mutual Funds	**19,000.00**
Interest received	**76.90**
Bank deposits placed	**(38,000.00)**
Bank deposits matured	**8,000.00**
Net cash used in investing activities	**(1,55,485.18)**
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issue of equity shares	**1,46,949.44**
Proceeds from issue of compulsory convertible preference shares	**40,000.00**
Net cash from financing activities	**1,86,949.44**
Net increase in cash and cash equivalents	**24,759.23**
Cash and cash equivalents at the beginning of the reporting period	**–**
Cash and cash equivalents at the end of the year (Refer note 16)	**24,759.23**

Notes to the Cash Flow Statement for the year ended 31 March, 2023.

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

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Mumbai, 12 May, 2023

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 12 May, 2023

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

1 General information

Mahindra Electric Automobile Limited ('the Company') is a limited Company incorporated in India. The address of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report.

2 Significant Accounting Policies

a) Statement of compliance and basis of preparation and presentation

These financial statements of Mahindra Electric Automobile Limited have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements were approved by the Company's Board of Directors and authorised for issue on 12th May, 2023.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

c) Measurement of fair values

A number of Companies accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

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

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

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

d) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2 (e) Property, plant & equipment

i) Useful lives of property, plant and equipment and other intangible assets

The Company reviews the useful lifes of property, plant and equipment and other intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

ii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class, based on technical advise which has considered estimated uses and operating condition of the assets:

(a) Vehicles : 3 years

f) Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Acquired intangible assets under development are reflected at the acquisition cost.

g) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h) Financial assets and Financial liabilities:

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

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

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

Equity instrument: An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities: All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

i) Revenue Recognition

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Mutual Fund Income

Mutual Fund income is accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

j) Income taxes

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3 Recent accounting pronouncements

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

a) **Ind AS 1 – Presentation of Financial Statements**

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

b) **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

c) **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

4 Property, plant and equipment

Rupees Lakhs

Particulars	Plant and equipment	Total
Cost		
Balance As at 25 October, 2022	–	–
Additions during the reporting period (Refer Note 22)	655.68	655.68
Balance As at 31 March, 2023	**655.68**	**655.68**
Accumulated Depreciation And Impairment		
Balance As at 25 October, 2022	–	–
Depreciation for the period	21.14	21.14
Balance As at 31 March, 2023	**21.14**	**21.14**
Net carrying amount As at 31 March, 2023	**634.54**	**634.54**

5 Capital work-in-progress

Rupees Lakhs

Capital Work-in-Progress	Total
Balance As at 25 October, 2022	–
Additions during the reporting period (Refer Note 22)	973.20
Transfer to Property, plant and equipment	655.68
Balance As at 31 March, 2023	**317.52**

Rupees Lakhs

Ageing of capital work in progress: As at 31 March 2023:	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	317.52	–	–	–	317.52
Projects temporarily suspended	–	–	–	–	–
	317.52	**–**	**–**	**–**	**317.52**

As on the date of Balance Sheet, there is no capital work-in-progress project whose completion is overdue or has extended the cost, based on the approved plan

6 Intangible assets under development

Rupees Lakhs

Intangible assets under development	Total
Balance As at 25 October, 2022	–
Additions during the reporting period (Refer Note 22)	90,724.09
Transfer to Property, plant and equipment	–
Balance As at 31 March, 2023	**90,724.09**

Rupees Lakhs

Ageing of intangible assets under development: As at 31 March 2023:	Amount in Intangibles asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress (Refer Note 22)	90,724.09	–	–	–	90,724.09
Projects temporarily suspended	–	–	–	–	–
Total	**90,724.09**	**–**	**–**	**–**	**90,724.09**

As on the date of Balance Sheet, there are no intangible assets under development whose completion is overdue or has extended the cost, based on the approved plan.

7 Current investments

Rupees Lakhs

Particulars	As at 31 March, 2023
Quoted: Mandatorily measured and carried at FTVPL	
Investments in Mutual Funds	28,034.95
Total	**28,034.95**
Aggregate amount of quoted investments : In Mutual Funds	**28,034.95**

8 Other financial assets : Current

Rupees Lakhs

	As at 31 March, 2023
Financial assets at cost	
Interest accrued on Bank Deposits	250.31
Total	**250.31**

9 Current Tax and Deferred Tax

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
a) Income Tax recognised in profit or loss	
Current Tax	
In respect of current period	155.84
Total Current Tax	**155.84**
Deferred Tax	
In respect of current period origination and reversal of temporary differences	(5.32)
Total Deferred Tax	**(5.32)**
Total Income Tax expense	**150.52**

b) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
Profit Before Tax	**94.33**
Applicable Income Tax rate	**25.17%**
Expected Income Tax expense	**23.74**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	
Effect of expenses/provisions that is non-deductible in determining taxable profit	126.78
Income tax expense recognised in statement of profit and loss	**150.52**

c) Movement in deferred tax balances

As at 31 March, 2023 Rupees Lakhs

Particulars	As at 25 October, 2022	Recognised in Profit or Loss	As at 31 March, 2023
Tax effect of items resulting in taxable temporary differences			
Property, Plant and Equipment	–	5.32	5.32
Deferred Tax Asset	**–**	**5.32**	**5.32**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

10 Other assets (Non-financial)

Rupees Lakhs

	As at 31 March, 2023	
	Non current	**Current**
Capital Advances	15,259.68	–
Balances with government authorities (other than current taxes)	–	7,592.00
Total	**15,259.68**	**7,592.00**

11 Cash and cash equivalents and bank balances

Rupees Lakhs

	As at 31 March, 2023
a) Cash and cash equivalents	
Balances with banks	
– On current accounts	759.23
– Fixed deposits with original maturity of less than 3 months	24,000.00
Total	**24,759.23**
b) Bank balances other than cash and cash equivalents	
Fixed deposits	30,000.00
Total	**30,000.00**

12 Equity share capital

Rupees Lakhs

Particulars	**As at 31 March, 2023**
Authorised :	
4,00,00,00,000 Ordinary (Equity) Shares of Rs. 10 each	400,000.00
1,92,50,000 Compulsory Convertible Preference Shares of Rs. 1000 each*	192,500.00
	592,500.00
Issued, subscribed and paid-up:	
1,30,00,50,000 Ordinary (Equity) Shares of Rs. 10 each fully paid up	130,005.00
1,69,44,44,445 Ordinary (Equity) Shares of Rs. 10 each, partly paid up Re 1 Each	16,944.44
Adjusted issued, subscribed and paid-up	**146,949.44**

(a) Reconciliation of number of ordinary (equity) shares and amount outstanding :

Rupees Lakhs

	As at 31 March, 2023	
Issued, subscribed and paid-up :	**No. of shares**	**Rupees crores**
Opening balance	–	–
Add:		
Shares issued to Mahindra & Mahindra Limited	299,44,94,445	146,949.44
Adjusted Issued, Subscribed and Paid-up Share Capital	**2,99,44,94,445**	**146,949.44**

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

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

Rupees Lakhs

	As at 31 March, 2023	
Name of the Shareholder	**No. of Shares**	**% Shareholding**
Mahindra and Mahindra Limited	299,44,94,439	99.99%

(d) Details of Ordinary (Equity) Shares held by promoters in the Company's Paid-up Share Capital :

Rupees Lakhs

Name of the Promotors	**As at 31 March, 2023**		
Promoters:	**No. of Shares**	**% Shareholding**	**% Change during the period**
Mahindra and Mahindra Limited	299,44,94,439	99.99%	–
Total	**299,44,94,439**	**99.99%**	

***Refer Note 23**

13 Other financial liabilities

Rupees Lakhs

	As at 31 March, 2023	
	Non current	**Current**
Carried at amortised cost		
Capital Creditors	–	9,388.21
Carried at fair value		
Compulsory Convertible Preference shares (Refer Note 23)	40,000.00	–
Total	**40,000.00**	**9,388.21**

During the year 40,00,000 Compulsory convertible preference shares of Rs. 1,000 each fully paid-up, issued at par.

14 Trade payables

Rupees Lakhs

	As at 31 March, 2023	
	Non current	**Current**
Total Outstanding due of Micro and small enterprises (Refer Note 27)	–	0.56
Total Outstanding dues other than Micro and small enterprises (Refer Note 22)	–	106.64
Total	**–**	**107.20**

Rupees Lakhs

Ageing of trade payables

Particulars	**As at 31 March, 2023 Outstanding for following periods from due date of payments**					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade payable						
MSME (Refer Note 27)	–	0.56	–	–	–	0.56
Others (Refer Note 22)	51.63	–	–	–	–	51.63
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–
	51.63	**0.56**	**–**	**–**	**–**	**52.19**
Accrued Expenses	55.01					55.01
Net trade payables	**106.64**	**0.56**	**–**	**–**	**–**	**107.20**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

15 Other Non Financial Liabilities

Rupees Lakhs

	As at 31 March, 2023	
	Non current	Current
Statutory dues (other than income taxes)	–	1,072.42
Total	**–**	**1,072.42**

16 Other income

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
Interest Income on bank Deposits	327.22
Net Gain arising on financial assets measured at Fair Value through Profit or Loss	291.98
Total	**619.20**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

17 Depreciation, amortisation and impairment

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
Depreciation	21.14
Total	**21.14**

18 Other Expenses

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
Subcontracting, hire and service charges (Refer Note 22)	47.87
Professional Fees	82.76
Auditor Fees*	12.50
Miscellaneous expenses (Refer Note 27)	360.60
Total	**503.73**
***Payment to auditors**	
To Statutory auditors -	
a) For audit	12.50
	12.50

19 Earnings Per Share (EPS)

Rupees Lakhs

	For the period from 25 October, 2022 to 31 March, 2023.
Loss for the period for basic EPS (Rupees Lakhs)	(56.19)
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS*	112,695,145
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(0.05)**

20 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. Equity other than financial services segment is given in the table below :

Rupees Lakhs

	As at 31 March, 2023
Total Equity	**1,46,893.25**
Less :	
Current investments	**28,034.95**
Cash and Bank Balances	**54,759.23**
Net Debt	**(82,794.18)**
Total Capital deployed	**64,099.07**

21 Financial instruments

Financial Risk Management Framework

In the course of its business, the Company is exposed to a certain financial risks namely credit risk, market risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy as approved by Board of Directors of the Company.

(a) Market Risk Management

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(b) Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company usually deals with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(c) Liquidity risk management - Maturity profile of non - derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Rupees Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31 March, 2023				
Trade payables	**107.20**	**–**	**–**	**–**
Other financial liabilities	**9,388.21**			
Total	**9,495.41**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

(d) Fair Value Disclosures

(i) Financial Instruments regularly measured using fair value - recurring items

Rupees Lakhs

Financial assets	Financial assets	Fair Value Category	As at 31 March, 2023	Fair value hierarchy	Valuation technique
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**34.95**	Level 1	Net asset value

(ii) Financial Instruments measured at amortised cost

Rupees Lakhs

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March, 2023					
Financial assets					
a) Other financial assets	**7,842.31**	**7,842.31**	**–**	**7,842.31**	**–**
b) Cash & Bank Balance	**24,759.23**	**24,759.23**	**–**	**24,759.23**	**–**
Total	**32,601.54**	**32,601.54**	**–**	**32,601.54**	**–**
Financial liabilities					
a) Trade Payable	**107.20**	**107.20**	**–**	**107.20**	**–**
b) Other Financial Liabilities	**9,388.21**	**9,388.21**	**–**	**9,388.21**	**–**
Total	**9,495.41**	**9,495.41**	**–**	**9,495.41**	**–**

There were no transfers between Level 1 and Level 2 during the year.

22 Related party disclosures

(a) Names of related parties where transactions have taken place during the year:

(i) Key Management Personnel (KMP) :

S.No.	Name of KMP	Designation
1	Rajesh Jejurikar	Director
2	Vijay Nakra	Joint Managing Director
3	Velusamy Ramasamy	Joint Managing Director
4	Abanti Sankaranarayanan	Director
5	Samir Abhyankar	Director

(ii) Holding Company & Fellow Subsidiaries

S.No.	Name of the Company
1	Mahindra & Mahindra - Holding Company
2	Mahindra Accelo Limited - Fellow Subsidiary

(b) The related party transactions are as under :

Rupees Lakhs

S.No.	Nature of Transactions	For the period from 25 October, 2022 to 31 March, 2023.	
		Holding Company	Fellow Subsidiary
1	Purchases:		
	Goods		7.76
	Property, plant & equipment	655.68	
	Intangible assets	86,104.28	
	Services	19.71	
2	Finance :		
	Issue of Shares	146,949.45	
3	Reimbursements made to parties	336.85	
4	Remuneration to Directors	27.00	

(c) The related party Outstanding which are Payable nature are as under:

Rupees Lakhs

S.No.	Name of Company	As at 31 March, 2023	
		Holding Co	Fellow Subsidiary
1	Mahindra & Mahindra	24.31	
2	Mahindra Accelo Limited		7.76

All the transactions are at an arm length's price and approved by the board of directors of the Company.

23 Issue of Compulsory Convertible Preference Shares

Mahindra and Mahindra Limited (M&M), the holding Company, executed a Securities Subscription Agreement and Shareholders' Agreement with British International Investment Plc ('BII'), whereby M&M and BII have agreed to invest upto Rs. 1,92,500.00 lakhs each in tranches subject to the terms and conditions as stipulated in the aforesaid agreement(s). Of this, the Company and BII have invested Rs. 40,000.00 lakhs each in equity shares and Compulsorily Convertible Preference Shares ('CCPS') respectively, by 31st March 2023.

CCPS is convertible compulsorily and automatically into such number of equity shares determined as per a pre-determined formula at the conversion date, as per terms and conditions of the agreement(s) entered between the Company and BII. Since the CCPS is convertible into variable number of equity shares of MEAL, it has been classified as financial liability at fair value through profit or loss in the financial statements of the Company. The fair value of CCPS issued as at 31 March 2023 is Rs. 40,000.00 lakhs.

24

Ratios	**Numerator**	**Denominator**	
Current Ratio	Total Current Asset	Total Current Liabilities	8.45
Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	(0.04)%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.06%

Other ratios are not applicable

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023

25 Commitment

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2023 is Rs. 1,10,084.00 lakhs.

26 Other Disclosures

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

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

The Company does not have any transactions with companies struck off.

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

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

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

The provision of Section 135 to Companies Act, 2013 on Corporate Social responsibility (CSR) are not applicable to the Company.

27 Micro and Small Enterprise

Micro and Small enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

Rupees Lakhs

Particulars	As at March 31, 2023
1) The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	0.56
2) Interest due thereon	0.01
3) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–
4) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	–
5) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01
6) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–

28 Since the company was incorporated on 25th October, 2022, these are the first accounts of the company for the period 25th October 2022 to 31st March 2023. Hence there is no comparative information provided.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Mumbai, 12 May, 2023

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 12 May, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of NBS International Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of NBS International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's report thereon

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far, it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
   d) (i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

e) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023 and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided remuneration to its directors during the year. Accordingly, compliance with the provision of Section 197(16) read with schedule V of the Act is not required.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Mumbai, 24 April, 2023
UDIN No. 23105545BGTYXX1167

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

1) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

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

(b) The Company has a program of physical verification of its Property, Plant and Equipment (including Right of Use Assets) in a phased manner over a period of three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program, certain Property, Plant and Equipment have been verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible assets during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to the Company.

3) According to information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii) of the Order are not applicable.

4) According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, or provided any guarantee or security to the parties covered under section 185 of the Act during the year. With respect to investments provision of Section 186 of the Act have been complied with.

5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder. Accordingly, reporting under clause 3(v) of the Order are not applicable to the Company.

6) According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company during the year.

7) (a) According to the information and the explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, and record of the Company examined by us, there were no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except following:

Name of the Statue	Nature of dues	Amount* (Rs. in lakhs)	Period to which the amounts relate	Forum where dispute is pending
Income Tax Act, 1961	Income tax	93.43	FY 2011-2012	Commissioner of Income tax (Appeals)

* net of amount paid under protest Rs. 50.00 lakhs

8) According to information and explanations given to us, no unrecorded transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9) (a) According to information and explanations given to us, the Company has not defaulted in repayment of dues to any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable.

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

(c) According to information and explanations given to us, the Company has not obtained any term loan and there are no unutilised term loans at the beginning of the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.

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

(e) According to information and explanations given to us, the Company did not have any subsidiary or associate or joint venture during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to information and explanations given to us, the Company has not raised loans during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

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

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

11) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

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

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

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

13) According to the information and explanations given to us, in our opinion, transactions with related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

16) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

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

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations given to us, the Group has 4 CICs.

17) According to the information and explanations given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

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

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

20) According to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Mumbai, 24 April, 2023 UDIN No. 23105545BGTYXX1167

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

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

We have audited the internal financial controls with reference to financial statements of NBS International Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

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

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner

Membership No. 105545
UDIN No. 23105545BGTYXX1167

Mumbai, 24 April, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	3	**273.56**	267.92
	(b) Right-of-use assets	4	**1,013.11**	115.78
	(c) Capital work-in-progress	5	**11.22**	–
	(d) Intangible assets	6	**0.01**	0.01
	(e) Financial assets			
	(i) Other assets	7	**51.95**	49.57
	(f) Deferred tax assets (net)	8	**–**	–
	(g) Income tax asset (net)	9	**217.63**	205.73
	(h) Other non-current assets	10	**0.75**	–
	Total non-current assets		**1,568.23**	639.01
	Current assets			
	(a) Inventories	11	**4,406.66**	2,155.22
	(b) Financial assets			
	(i) Investments	12	**–**	41.94
	(ii) Trade receivables	13	**1,331.53**	635.66
	(iii) Cash and cash equivalents	14	**4.63**	544.22
	(c) Assets held for sale		**–**	–
	(d) Other current assets	10	**455.55**	252.76
	Total current assets		**6,198.37**	3,629.80
	Total assets		**7,766.60**	4,268.81
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	15	**4,455.05**	4,455.05
	(b) Other equity		**(3,488.70)**	(4,050.91)
	Total equity		**966.35**	404.14
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	33	**749.56**	79.19
	(b) Provisions	16	**106.56**	102.84
	Total non-current liabilities		**856.12**	182.03
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	**2,804.74**	–
	(ii) Lease liabilities	33	**314.60**	46.18
	(iii) Trade payables	18		
	- total outstanding dues of micro enterprises and small enterprises; and		**9.88**	3.02
	- total outstanding dues of creditors other than micro enterprises and small enterprises		**1,509.12**	2,477.12
	(iv) Other financial liabilities	19	**303.90**	193.81
	(b) Other current liabilities	20	**933.44**	899.12
	(c) Provisions	16	**68.45**	63.39
	Total current liabilities		**5,944.13**	3,682.64
	Total equity and liabilities		**7,766.60**	4,268.81

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO

Amey Chitale CFO

Jagruti Punjabi Company Secretary
Membership No. ACS A65775
Place: Mumbai
Date: 24th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
	Income			
I	Revenue from operations	21	**40,073.21**	21,816.78
II	Other income	22	**68.33**	36.88
III	**Total income (I + II)**		**40,141.54**	21,853.66
IV	**Expenses**			
	(a) Purchases of stock-in-trade	23(a)	**38,625.26**	20,162.30
	(b) Changes in inventories of stock-in-trade	23(b)	**(2,251.44)**	(1,028.07)
	(c) Employee benefit expenses	24	**1,501.06**	1,295.70
	(d) Finance costs	25	**190.11**	14.05
	(e) Depreciation and amortisation expenses	3, 4 & 6	**356.49**	160.68
	(f) Other expenses	26	**1,161.68**	1,126.18
V	**Total expenses**		**39,583.16**	21,730.84
VI	**Profit before tax (III - V)**		**558.38**	122.82
VII	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax	8	**–**	–
	Total tax expense		**–**	–
VIII	**Profit for the year (VI - VII)**		**558.38**	122.82
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified subsequently to profit or loss			
	-Remeasurement of the defined benefit plan		**3.83**	(1.70)
X	**Total comprehensive income for the year (VIII + IX)**		**562.21**	121.12
XI	**Earnings per equity share:**			
	(Face Value Rs. 10/- per share)			
	(a) Basic (Rs.)	27	**1.26**	0.27
	(b) Diluted (Rs.)	27	**1.26**	0.27

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO

Amey Chitale CFO

Jagruti Punjabi Company Secretary
Membership No. ACS A65775
Place: Mumbai
Date: 24th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	**558.38**	122.82
Adjustments for:		
Finance costs	**190.11**	14.05
Property, plant and equipments written-off	**–**	5.29
(Gain)/loss on disposal of property, plant and equipment	**0.62**	(7.08)
Net gain recorded in profit or loss on financial asset at fair value through profit or loss	**–**	(0.34)
Gain on sale of current investment	**(2.76)**	(10.46)
Net gain/(loss) on actuarial valuation	**3.83**	(1.70)
Interest on security deposit	**(2.37)**	(3.21)
Interest on income tax refund	**(3.75)**	(3.18)
Write-back of liabilities	**(30.15)**	(8.05)
Bad debts/provision for doubtful debt	**(14.19)**	69.87
Depreciation and amortisation	**356.49**	160.67
	1,056.21	338.68
Movements in working capital:		
(Increase)/decrease in trade receivables	**(681.68)**	(59.42)
(Increase)/decrease in inventories	**(2,251.44)**	(1,028.07)
(Increase)/decrease in other assets	**(203.54)**	(88.14)
Increase/(decrease) in trade and other payables	**(930.98)**	(31.66)
Increase/(decrease) in provisions	**8.78**	32.84
(Decrease)/increase in other liabilities	**144.41**	568.11
Cash used in operations	**(2,858.24)**	(267.66)
Income taxes paid (Net)	**(8.15)**	(5.13)
Net cash used in operating activities	**(2,866.39)**	(272.79)
Cash flows from investing activities		
Proceeds from sale of current investment	**244.68**	1,793.77
Payment for purchase of current investment	**(199.99)**	(1,335.74)
Payments for purchase of property, plant and equipment	**(81.90)**	(36.42)
Proceeds from disposal of property, plant and equipment	**3.19**	49.32
Net cash generated by/(used in) investing activities	**(34.02)**	470.93
Cash flows from financing activities		
Repayment of lease liabilities	**(253.81)**	(66.40)
Interest paid	**(190.11)**	(14.05)
Interest received	**–**	3.21
Net cash used in financing activities	**(443.92)**	(77.24)
Net increase in cash and cash equivalents	**(3,344.33)**	120.90
Cash and cash equivalents at the beginning of the year	**544.22**	423.30
Cash and cash equivalents at the end of the year	**(2,800.11)**	544.22

Reconciliation of cash and cash equivalents as per the cash flow statement

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents (Refer note 14)	**4.63**	544.22
Borrowings (Refer note 17)	**(2,804.74)**	–
Balances per statement of cash flows	**(2,800.11)**	544.22

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO

Amey Chitale CFO

Jagruti Punjabi Company Secretary
Membership No. ACS A65775
Place: Mumbai
Date: 24th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian Rupees in Lakhs)

a. Equity share capital (ESC)

Particulars	Opening balance	Changes in ESC due to prior period errors	Restated balance	Changes in ESC during the year	Closing balance
For the year ended 31 March 2022	4,455.05	–	–	–	4,455.05
For the year ended 31 March 2023	**4,455.05**	**–**	**–**	**–**	**4,455.05**

b. Other Equity

Particulars	Reserves and surplus	Items of other comprehensive income	
	Retained earnings	Remeasurement of the defined benefit plan	Total
Balance as at 1 April 2021	**(4,165.11)**	**(6.92)**	**(4,172.03)**
Profit for the year	122.82	–	122.82
Other comprehensive income / (loss)	–	(1.70)	(1.70)
Total Comprehensive Income for the year	**122.82**	**(1.70)**	**121.12**
Balance as at 31 March 2022	**(4,042.29)**	**(8.62)**	**(4,050.91)**
Balance as at 1 April 2022	**(4,042.29)**	**(8.62)**	**(4,050.91)**
Profit for the year	558.38	–	558.38
Other comprehensive income / (loss)	–	3.83	3.83
Total comprehensive income for the year	**558.38**	**3.83**	**562.21**
Balance as at 31 March 2023	**(3,483.91)**	**(4.79)**	**(3,488.70)**

Description of the nature and purpose of Other Equity:

i) **Retained earnings:** Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

ii) **Remeasurement of defined benefit plan:** Remeasurement gain Rs. 3.83 lakhs (2022: Loss of Rs. 1.70 lakhs) has been recognised during the year.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO

Amey Chitale CFO

Jagruti Punjabi Company Secretary
Membership No. ACS A65775
Place: Mumbai
Date: 24th April, 2023

Notes to the financial statements for the year ended 31 March 2023

1. **Nature of Operations:**

NBS International Limited ('the Company'), a wholly owned subsidiary of Mahindra & Mahindra Limited engaged in the business of sales & servicing of motor vehicles.

2. **Significant Accounting Policies:**

a) **Statement of compliance and basis of preparation and presentation**

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

The financial statements have been prepared on accrual and going concern basis. The accounting polices are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Companies normal operating cycle and other criteria set out in the Division II of Schedule III of the Act.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

An asset is treated as current when:

— It is expected to be realised or intended to be sold or consumed in normal operating cycle

— It is held primarily for the purpose of trading

— It is expected to be realised within twelve months after the reporting period, or

— It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

— It is expected to be settled in normal operating cycle; or

— It is held primarily for the purpose of trading; or

— It is due to be settled within twelve months after the reporting period; or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

All other liabilities are classified as non-current.

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

These financial statements of the Company were approved by the Company's Board of Directors and authorised for issue on 24 April 2023.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency. All values are rounded to the nearest lakhs, unless otherwise indicated.

b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) **Measurement of fair value**

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

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

— Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

— Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

d) **Use of estimates and judgements.**

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amounts recognised in the financial statements:

(i) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Provision for doubtful trade receivables**

The Company is not significantly exposed to credit risk. At present, the Company provides for credit loss/ doubtful receivables as required under Ind AS 109 'Financial Instrument' on the basis of ageing of receivables and judgement about recoverability of amount on evaluation of individual receivables.

(iii) **Deferred tax assets**

Deferred tax assets are recognised to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of carry forward of unused tax losses or unused tax credit have been recognised to the extent of available taxable temporary differences.

(iv) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

(v) **Defined benefit plans**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates, etc. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are assumed at each reporting date.

e) <u>Property, plant & equipment and intangibles</u>

Property, plant & equipment and intangible assets are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

Cost includes the purchase price (including duties & non-refundable taxes) borrowing cost, any directly attributable cost of bringing the asset to its working condition and location for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

When an asset is scrapped or otherwise disposed off the cost and relevant depreciation are removed from the books of accounts and resultant profit or loss, if any, is reflected in statement of profit and loss.

Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

The management's estimate of useful lives are in accordance with Schedule II of the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Asset Class		Useful lives
(i)	Certain items of plant and machinery	1 - 15 years
(ii)	Office equipment	1 - 5 years
(iii)	Vehicles	5 years
(iii)	Intangibles – computer software	5 years

Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

f) <u>Impairment of assets</u>

At the end of each reporting period, the management reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) <u>Inventories</u>

Inventories are measured at the lower of cost or net realisable value. The cost of inventory comprise of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Finished goods (vehicles) cost is determined using specific identification of cost. Spare parts & accessories cost is determined using weighted average cost formula.

h) <u>Revenue from contract with customer</u>

The Company derives revenues primarily from sale and servicing of motor vehicles.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange of the goods and services. Revenue excludes amount collected on behalf of the third parties. Revenue is net of discounts, duties and GST. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

<u>Sales of goods:</u>

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

<u>Sale of services:</u>

Service income is recognized as per the terms of the contract on satisfaction of performance obligation towards rendering of such services.

<u>Interest income:</u>

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

i) <u>Leases</u>

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

j) <u>Employee Benefits</u>

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation and the amount can be estimated reliably.

Defined contribution plans – Provident fund, ESIC and Labour welfare fund

The Company's contribution paid/payable during the year to Provident fund, ESIC and Labour welfare fund are recognised in profit or loss.

Defined benefit plan - Gratuity

Company's liability towards gratuity are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

Long - term compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

k) <u>Cash and Cash Equivalents</u>

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

l) <u>Borrowing costs</u>

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m) <u>Taxation</u>

Tax expense for the period comprise of current and deferred tax. Tax expense is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(i) <u>Current Tax</u>

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

(ii) <u>Deferred Tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

n) <u>Provisions and Contingencies</u>

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligations. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

o) Financial Instruments

Financial assets and financial liabilities are recognized when the company became a party to the contractual provisions of the instrument.

i) Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value (purchase value plus transaction costs that are attributable to the acquisition of the financial asset). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt instruments; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity instruments; or
- Fair Value through Profit or Loss (FVTPL)

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Subsequent measurement

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Dividend income received on such equity investments are recognised in profit or loss. Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

ii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities:

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

p) **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q) **Segment**

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company's business activity primarily falls within a single business segment, i.e., Automative as primarily segment. There is no geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segments". There have been no other reportable segments identified by chief operating decision makers.

r) **New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards. These amendments are effective from 1 April 2024. These amendments are not expected to have a material impact on the Company's financial statements.

Note No. 3 - Property, plant and equipment

(Currency: Indian Rupees in Lakhs)

Particulars	Leasehold improvements	Plant and equipments	EDP equipments	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 April 2021	197.02	289.73	84.71	104.81	70.45	276.48	1,023.20
Additions	–	6.22	1.27	25.47	–	8.89	41.85
Disposals	–	(28.66)	(14.90)	(8.06)	(1.41)	(90.72)	(143.75)
Balance as at 31 March 2022	197.02	267.29	71.08	122.22	69.04	194.65	921.30
Additions	5.45	21.02	14.29	5.57	–	24.35	70.68
Disposals	–	–	–	–	–	(4.15)	(4.15)
Balance as at 31 March 2023	**202.47**	**288.31**	**85.37**	**127.79**	**69.04**	**214.85**	**987.83**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	82.31	204.17	75.41	93.51	46.85	168.68	670.93
Depreciation expense for the year	6.78	29.13	5.24	7.63	4.92	35.27	88.97
Disposal	–	(25.31)	(14.17)	(7.65)	(1.28)	(58.10)	(106.51)
Balance as at 31 March 2022	89.09	207.99	66.48	93.49	50.49	145.85	653.39
Depreciation expense for the year	6.18	18.17	1.70	6.50	4.40	24.27	61.22
Disposal	–	–	–	–	–	(0.34)	(0.34)
Balance as at 31 March 2023	**95.27**	**226.16**	**68.18**	**99.99**	**54.89**	**169.78**	**714.27**
III. Net carrying amount (I-II)							
Balance as at 31 March 2022	107.93	59.30	4.60	28.73	18.55	48.80	267.92
Balance as at 31 March 2023	**107.20**	**62.15**	**17.19**	**27.80**	**14.15**	**45.07**	**273.56**

Property, plant and equipment comprise of owned and leased assets that do not meet the definition of investment property.

Note No. 4 - Right-of-use assets

(Currency: Indian Rupees in Lakhs)

Particulars	Total
I. Gross Carrying Amount	
Balance as at 1 April 2021	588.37
Additions	–
Deletion	–
Balance as at 31 March 2022	588.37
Additions	1,192.60
Deletion	(310.35)
Balance as at 31 March 2023	**1,470.62**

(Currency: Indian Rupees in Lakhs)

Particulars	Total
II. Accumulated amortisation and impairment	
Balance as at 1 April 2021	400.88
Amortisation expense for the year	71.71
Deletion	–
Balance as at 31 March 2022	472.59
Amortisation expense for the year	295.27
Deletion	(310.35)
Balance as at 31 March 2023	**457.51**
III. Net carrying amount (I-II)	
Balance as at 31 March 2022	115.78
Balance as at 31 March 2023	**1,013.11**

Note No. 5 - Capital work-in-progress (CWIP)

(Currency: Indian Rupees in Lakhs)

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total As at 31 March 2023
Projects in progress	11.22	–	–	–	11.22
Projects temporarily suspended	–	–	–	–	–
TOTAL	**11.22**	**–**	**–**	**–**	**11.22**

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

Note: There is no capital work-in-progress, where completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

Note No. 6 - Intangible assets

(Currency: Indian Rupees in Lakhs)

Particulars	Computer Software
I. Gross Carrying Amount	
Balance as at 1 April 2021	5.96
Additions	–
Disposals	–
Balance as at 31 March 2022	5.96
Additions	–
Disposals	–
Balance as at 31 March 2023	**5.96**
II. Accumulated amortisation and impairment	
Balance as at 1 April 2021	5.94
Amortisation expense for the year	0.01
Balance as at 31 March 2022	5.95
Amortisation expense for the year	–
Balance as at 31 March 2023	**5.95**
III. Net carrying amount (I-II)	
Balance as at 31 March 2022	0.01
Balance as at 31 March 2023	0.01

Note: There are no intangible assets under development as at 31 March 2023 and 31 March 2022.

Note No. 7 - Other financial assets

(Currency: Indian Rupees in Lakhs)

Particulars	**As at 31 March 2023** Non-Current	Current	As at 31 March 2022 Non-Current	Current
Carried at amortised cost				
Security deposits	**51.95**	**–**	49.57	–
Total	**51.95**	**–**	49.57	–

Refer Note 28 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No. 8 - Deferred tax asset (Net)

(Currency: Indian Rupees in Lakhs)

Particulars	**As at 31 March 2023**	As at 31 March 2022
Tax effect of items constituting deferred tax liabilities		
Allowance on right of use of assets and lease liability	**13.27**	2.49
Tax effect of items constituting deferred tax assets		
Depreciation	**48.33**	51.70
Provision for employee benefits	**47.01**	43.22
Provision for doubtful debts & advances	**18.01**	68.80
Carried forward losses	**730.42**	989.67
Total	**843.77**	1,153.39
Less: Deferred tax asset in respect of above not recognised in absence of certainty of utilisation.	**830.50**	1,150.90
Net tax asset/(liabilities)	**–**	–

Income tax recognised in profit or loss

Particulars	**As at 31 March 2023**	As at 31 March 2022
Current tax:		
In respect of current year	**–**	–
In respect of prior years	**–**	–
Deferred tax:		
Total Income tax recognised in profit or loss	**–**	–

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax	**558.38**	122.82
Income tax expense calculated at 26% (PY 26%)	**145.18**	31.93
Effect of tax expense savings due to carried forward losses	**(145.18)**	(31.93)
Income tax expense recognised in profit or loss	**–**	–

Note No. 9 - Income tax assets (net)

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (net) [Net of provision Rs.120.40 lakhs (31 March 2022: Rs. 120.40 lakhs)]	**217.63**	205.73
Total	**217.63**	205.73

Note No. 10 - Other assets

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023 Non-Current	As at 31 March 2023 Current	As at 31 March 2022 Non- Current	As at 31 March 2022 Current
Unsecured considered good				
Advances other than capital advances				
(i) Balances with government authorities	**–**	**127.50**	–	4.36
(ii) Prepaid expenses	**0.75**	**15.54**	–	19.69
(iii) Advance against salary	**–**	**6.26**	–	4.12
(iv) Advances to vendors	**–**	**31.21**	–	33.26
(v) Receivable for insurance income	**–**	**21.66**	–	15.07
(vi) Warranty claims receivable	**–**	**24.44**	–	8.68
(vii) GST receivable on goods in transit	**–**	**228.94**	–	167.58
Considered doubtful				
(viii) Advances to vendors	**–**	**10.53**	–	10.17
Less- Provision for doubtful advances	**–**	**(10.53)**	–	(10.17)
(ix) Others*	**–**	**34.19**	–	34.19
Less- Provision for doubtful asset	**–**	**(34.19)**	–	(34.19)
Total	**0.75**	**455.55**	–	252.76

* Others include RTO charges recoverable and old warranty claims.

Note No. 11 - Inventories

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Stock-in-trade [includes in transit Rs. 717.80 lakhs (31 March 2022 Rs.429.52 lakhs)]	**4,406.66**	2,155.22
Total	**4,406.66**	2,155.22

a) The cost of inventories recognised as an expense during the year was Rs. 36,373.82 lakhs (31 March 2022 Rs. 19,134.23 Lakhs) including write-down of inventories to net realisable value of Rs. 9.77 lakhs (31 March 2022 : Rs. 3.60 lakhs).

b) Mode of valuation of inventories is stated in Note 2 (g).

Note No. 12 - Investments

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current Investment		
Quoted		
Investments carried at fair value through profit & loss A/c		
- Mutual funds units	**–**	41.94
Total	**–**	41.94

Note:-

Particulars	No of unit held	Purchase cost
31 March, 2023		
- SBI Overnight Fund Regular -Growth	**–**	–
- SBI Liquid Fund Regular Growth	**–**	–
31 March, 2022		
- SBI Overnight Fund Regular -Growth	**444.92**	15.05
- SBI Liquid Fund Regular Growth	**806.36**	26.55

Note No. 13 - Trade receivables

(Currency: Indian Rupees in Lakhs)

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	Non-Current	**Current**	Non-Current	Current
Trade receivables				
(a) Considered good- Secured,	–	–	–	–
(b) Considered good- Unsecured,	–	1,331.53	–	635.66
(c) Trade Receivables which have significant increase in Credit Risk;	–	38.21	–	67.87
(d) Trade Receivables - credit impaired	–	–	–	–
Less: Allowance for expected credit loss	–	(38.21)	–	(67.87)
Total	–	1,331.53	–	635.66
Of the above, trade receivables from:				
– Related Parties	–	181.85	–	31.63
– Others	–	1,149.68	–	604.03
Total	–	1,331.53	–	635.66

Ageing of trade receivables

As at 31 March 2023

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables						
(i) Considered good	1,320.40	11.13	–	–	–	1,331.53
(ii) Which have significant increase in credit risk	–	11.13	19.91	6.59	0.57	38.20
(iii) Credit impaired	–	–	–	–	–	–
Less: Allowance for expected credit loss	–	(11.13)	(19.91)	(6.59)	(0.57)	(38.20)
Total (A)- Undisputed trade receivables	1,320.40	11.13	–	–	–	1,331.53
Disputed trade receivables						
(i) Considered good	–	–	–	–	–	–
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) Credit impaired.	–	–	–	–	–	–
Less: Allowance for expected credit loss	–	–	–	–	–	–
Total (B) - Disputed trade receivables	–	–	–	–	–	–
Total trade receivables (A + B)	1,320.40	11.13	–	–	–	1,331.53

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	619.86	15.80	–	–	–	635.66
(ii) Which have significant increase in credit risk	16.77	15.80	32.38	2.41	0.51	67.87
(iii) Credit impaired.	–	–	–	–	–	–
Less: Allowance for expected credit loss	(16.77)	(15.80)	(32.38)	(2.41)	(0.51)	(67.87)
Total (A)- Undisputed trade receivables	619.86	15.80	–	–	–	635.66
Disputed trade receivables						
(i) Considered good	–	–	–	–	–	–
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) Credit impaired.	–	–	–	–	–	–
Less: Allowance for expected credit loss	–	–	–	–	–	–
Total (B) - Disputed trade receivables	–	–	–	–	–	–
Total trade receivables (A + B)	619.86	15.80	–	–	–	635.66

Note No. 14 - Cash and Cash equivalents

(Currency: Indian Rupees in Lakhs)

Particulars		As at 31 March 2023	As at 31 March 2022
(a)	Balances with banks	–	535.85
(b)	Cash on hand	4.63	8.37
Total		4.63	544.22

Note No. 15 - Equity Share Capital

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**45,000,000**	**4,500.00**	45,000,000	4,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**44,550,476**	**4,455.05**	44,550,476	4,455.05

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights*			
For the year ended 31 March 2023			
No. of Shares	44,550,476	–	44,550,476
Amount	4,455.05	–	4,455.05
For the year ended 31 March 2022			
No. of Shares	44,550,476	–	44,550,476
Amount	4,455.05	–	4,455.05

*** Rights, preferences and restrictions attached to equity shares**

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

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

Particulars	No. of Equity Shares with Voting rights
As at 31 March 2023	
Mahindra & Mahindra Ltd, (the holding company)	**44,550,466**
Mahindra Holdings Limited, (the subsidiary of the holding company)	**10**
As at 31 March 2022	
Mahindra & Mahindra Ltd, (the holding company)	44,550,466
Mahindra Holdings Limited, (the subsidiary of the holding company)	10

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

(Currency: Indian Rupees in Lakhs)

Class of shares/Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Ltd, (the holding company)	**44,550,466**	**99.99%**	44,550,466	99.99%
Mahindra Holdings Limited, (the subsidiary of the holding company)	**10**	**0.01%**	10	0.01%

(iv) Shares held by Promoters

(Currency: Indian Rupees in Lakhs)

Promoter name	Number of shares held	% holding in that class of shares	% change during the year
As at 31 March 2023			
-Mahindra & Mahindra Ltd	**44,550,466**	**99.99%**	0%
As at 31 March 2022			
-Mahindra & Mahindra Ltd	**44,550,466**	**99.99%**	**0%**

(v) For the period of five years immediately preceding the date of balance sheet, no shares were allotted as fully paid pursuant to contract without payment being received in cash or as bonus shares and no shares were bought back by the Company.

Note No. 16 - Provisions

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023 Non-Current	As at 31 March 2023 Current	As at 31 March 2022 Non-Current	As at 31 March 2022 Current
Provision for long term employee benefits				
- Gratuity	**83.18**	**46.03**	76.62	37.94
- Compensated absences	**23.38**	**22.42**	26.22	25.45
Total	**106.56**	**68.45**	102.84	63.39

Note No. 17 - Borrowings

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured carried at ammortised cost		
From banks- Bank Overdraft	**2,804.74**	–
Total	**2,804.74**	–

Note No. 17.1 - Details of Borrowing

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
From banks- Bank overdraft		
Repayment of loans	**On demand**	–
Rate of interest charged ranging from	**8.35% to 9.20%**	–
Security	**Unsecured**	–

Note No. 18 - Trade payables

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023 Non Current	As at 31 March 2023 Current	As at 31 March 2022 Non Current	As at 31 March 2022 Current
Total outstanding dues of micro enterprises and small enterprises	–	**9.88**	–	3.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	–	**1,509.12**	–	2,477.12
Total	–	**1,519.00**	–	2,480.14

Ageing of trade payables
As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	**9.88**	**–**	**–**	**–**	**9.88**
Others	**1,502.21**	**3.70**	**1.61**	**1.60**	**1,509.12**
Disputed dues (MSME)	**–**	**–**	**–**	**–**	**–**
Disputed dues (Others)	**–**	**–**	**–**	**–**	**–**
Total	**1,512.09**	**3.70**	**1.61**	**1.60**	**1,519.00**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	3.02	–	–	–	3.02
Others	2,400.96	64.76	11.40	–	2,477.12
Disputed dues (MSME)	–	–	–	–	–
Disputed dues (Others)	–	–	–	–	–
Total	2,403.98	64.76	11.40	–	2,480.14

Note:

(A) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(B) The fair values (Level 2) of trade payables carried at amortised cost is considered to approximate its carrying value due to its short-term nature.

(C) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises		
- Principal	**9.88**	3.02
- Interest on above	**–**	–
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid	**–**	–

Note No. 19 - Other financial liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other financial liabilities measured at amortised cost		
- RTO taxes/charges payable	**301.20**	192.11
- Security deposits	**2.70**	1.70
Total	**303.90**	193.81

Note No. 20 - Other Liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023 Non-Current	As at 31 March 2023 Current	As at 31 March 2022 Non-Current	As at 31 March 2022 Current
(a) Advances received from customers	**–**	**758.81**	–	744.90
(b) Statutory dues				
– TDS	**–**	**68.54**	–	45.80
– Provident fund and ESIC	**–**	**16.54**	–	12.50
(c) Employee benefits payable	**–**	**53.12**	–	64.56
(c) Other payables	**–**	**36.43**	–	31.36
Total	**–**	**933.44**	–	899.12

Note No. 21 - Revenue from Operations

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) From contract with customers for products and services		
(i) Sale of products (vehicle, spares and accessories)	**38,292.29**	20,088.07
(ii) Sale of services (servicing of vehicles)	**1,125.07**	918.88
(b) Other operating revenue		
(i) Income from sale of scrap	**29.23**	24.64
(ii) Commission	**175.55**	88.42
(iii) Infrastructure service income	**300.25**	125.59
(iv) Dealer incentive	**100.68**	453.24
(v) Other operating income	**50.14**	117.94
Total	**40,073.21**	21,816.78

Reconciliation of revenue recognised in the statement of profit and loss with contracted price

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contract with customer as per the contract price	**39,655.43**	21,115.73
Less: Trade discounts	**(238.07)**	(108.78)
Revenue from contract with customer as per the statement of profit and loss	**39,417.36**	21,006.95

Note No. 22 - Other Income

(Currency: Indian Rupees in Lakhs)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	Interest income on security deposit (On financial instrument carried at amortised cost)	**2.37**	3.21
(b)	Gain on sale of financial asset	**2.76**	10.46
(c)	Interest on Income Tax refund	**3.75**	3.18
(d)	Write back of liabilities	**30.15**	8.05
(e)	Provision for doubtful debt no longer required written-back	**29.30**	–
(f)	Profit on sale of property, plant and equipments	**–**	7.08
(g)	Net gain arising on financial assets designated as at FVTPL	**–**	0.34
(h)	Other income from rent reduction (IndAS 116)	**–**	4.56
Total		**68.33**	36.88

Note No. 23(a) - Purchase of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase (Vehicle, Spares and Accessories)	**38,625.26**	20,162.30

Note No. 23(b) Changes in inventories of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year:		
-Stock-in-trade	**4,406.66**	2,155.22
Inventories at the beginning of the year:		
-Stock-in -trade	**2,155.22**	1,127.15
Net (increase)/decrease	**(2,251.44)**	(1,028.07)

Note No. 24 - Employee benefits expense

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages, including bonus and incentives	**1,331.49**	1,159.50
Contribution to provident/ ESIC funds	**83.35**	80.28
Gratuity expense	**24.07**	21.33
Staff welfare expenses	**62.15**	34.59
Total	**1,501.06**	1,295.70

(a) Defined contribution plan

The Company's contribution to provident fund aggregating Rs.67.78 lakhs (31 March 2022 : Rs.63.90 lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. There are no minimum funding requirements for a gratuity plan in India. The Company has chosen not to fund the gratuity liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts. The only regulatory framework which applies to such plans is if the company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Defined benefit plans – as per actuarial valuation on 31 March, 2023

(Currency: Indian Rupees in Lakhs)

Particulars	Unfunded Plans Gratuity 2023	2022
(i) Amounts recognised in profit or loss		
-Current Service Cost	**19.20**	16.99
-Net interest expense	**4.87**	3.46
Total amount included in employee benefits expense	**24.07**	20.45
(ii) Amounts recognised in other comprehensive income		
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in		
-Financial assumptions	**(3.71)**	(2.99)
-Experience adjustments	**(0.12)**	4.69
Total amount recognised in other comprehensive income	**(3.83)**	1.70
(iii) Changes in the defined benefit obligation		
Opening defined benefit obligation	**114.56**	96.03
Current Service Cost	**19.20**	16.99
Interest Expense (Income)	**4.87**	3.46
Remeasurements (gains)/ losses arising from changes in		
i. Financial Assumptions	**(3.71)**	(2.99)
ii. Experience Adjustments	**(0.12)**	4.69
Benefits Paid	**(5.59)**	(3.62)
Closing defined benefit obligation	**129.21**	114.56
Current portion of the above	**46.03**	37.94
Non current portion of the above	**83.18**	76.62
Actuarial Assumptions and Sensitivity		
(iv) Actuarial assumptions		
Discount rate	**7.15%**	5.10%
Salary escalation rate	**6.00%**	5.00%
Attrition rate	**35.00%**	35.00%
(v) Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:		
100 bps increase in discount rate	**125.85**	111.39
100 bps decrease in discount rate	**132.74**	117.89
100 bps increase in salary escalation rate	**132.47**	117.86
100 bps decrease in salary escalation rate	**125.78**	111.36

Note No. 25 - Finance Cost

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest on lease liabilities	**91.55**	13.63
(b) Other Interest expense	**98.56**	0.42
Total	**190.11**	14.05

Note No. 26 - Other Expenses

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Power & Fuel	**70.34**	48.02
(b) Rent including lease rentals	**131.54**	352.86
(c) Rates and taxes	**8.38**	19.39
(d) Repairs to:		
- Machinery	**56.30**	42.12
- Others	**88.21**	80.91
(e) Insurance	**27.32**	19.02
(f) Sales promotion expenses	**177.07**	98.99
(g) Travelling and conveyance expenses	**47.04**	22.75
(h) Hire and service charges	**287.32**	175.98
(i) Postage & telephone	**23.53**	18.06
(j) Printing & stationery	**25.60**	26.67
(k) Bad debts	**15.11**	8.58
(l) Provision for doubtful debts & advances	**–**	61.29
(m) Legal and other professional costs	**101.33**	73.06
(n) Auditors remuneration		
- Statutory Audit	**3.75**	3.50
- Out of pocket expenses	**0.18**	
(o) Property, plant and equipments written-off	**–**	5.29
(p) Loss on sale of fixed asset	**0.62**	–
(q) Miscellaneous expenses	**98.04**	69.69
Total	**1,161.68**	1,126.18

Note No. 27 - Earnings per Share

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year	**562.21**	**121.12**
Weighted average number of equity shares	**44,550,476**	**44,550,476**
Basic and diluted earnings per share (Rs.)	**1.26**	0.27

The Company did not have any potentially dilutive shares in any of the years presented.

Note No. 28 - Financial Instruments

Capital management

The Company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity and borrowings as presented on the face of the statement of financial position.

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

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Equity	**966.35**	404.14
Borrowings	**2,804.74**	–
Total	**3,771.09**	404.14

Note:

The entity bases above capital management disclosures on the information provided internally to key management personnel.

Categories of financial assets and financial liabilities

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised Costs	**FVTPL**	**Total**	Amortised Costs	FVTPL	Total
Non-current assets						
Other assets	**51.95**	**–**	**51.95**	49.57	–	49.57
Current assets						
Investments	**–**	**–**	**–**	–	41.94	41.94
Trade receivables	**1,331.53**	**–**	**1,331.53**	635.66	–	635.66
Cash and cash equivalents	**4.63**	**–**	**4.63**	544.22	–	544.22
Non-current liabilities						
Lease liability	**749.56**	**–**	**749.56**	79.19	–	79.19
Current liabilities						
Borrowings	**2,804.74**		**2,804.74**	–	–	–
Trade payables	**1,519.00**	**–**	**1,519.00**	2,480.14	–	2,480.14
Lease liability	**314.60**	**–**	**314.60**	125.36	–	125.36
Other financial liabilities	**303.90**	**–**	**303.90**	193.81	–	193.81

Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

Market risk

(i) Market risk is the risk that changes in market prices – such as interest rates will affect the entity's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the entity's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's current debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period.

Particulars	Increase / decrease in basis points	Effect on profit / (loss) for the year
31-Mar-23	**+100**	**(2.00)**
	-100	**2.00**
31-Mar-22	+100	–
	-100	–

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

Credit risk

(i) The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

(ii) The Company continuously monitors defaults of customers and the other counterparties, identified either individually or by company and incorporates this information into its credit risk controls.

(iii) The Company's management considers that all the financial assets are not impaired for each of the reporting date under review, are of good credit quality, including those that are past due.

(iv) In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Concentration of credit risk to any counterparty did not exceed 10% of gross monetary assets at any time during the year.

(v) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Due to immateriality company has decided not to provide for any credit losses.

Liquidity Risk

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency: Indian Rupees in Lakhs)

Particulars	Less than 1 Year Rs.	1-3 Years Rs.	3 Years to 5 Years Rs.	5 years and above Rs.
Non-derivative financial liabilities				
31-Mar-23				
-Non-interest bearing	2,137.51	553.49	169.13	26.94
-Fixed interest rate instruments	–	–	–	–
-Variable interest rate instruments	2,804.74	–	–	–
Total	**4,942.25**	**553.49**	**169.13**	**26.94**
31-Mar-22				
-Non-interest bearing	2,860.85	35.72	43.46	–
-Fixed interest rate instruments	–	–	–	–
-Variable interest rate instruments	–	–	–	–
Total	**2,860.85**	**35.72**	**43.46**	**–**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023 Rs.	As at 31 March 2022 Rs.
Unsecured bank overdraft facility		
- Expiring within one year	**695.26**	1,500.00
- Expiring beyond one year	**–**	–
	695.26	1,500.00

(iv) Maturities of financial assets

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

(Currency: Indian Rupees in Lakhs)

Particulars	Less than 1 Year Rs.	1-3 Years Rs.	3 Years to 5 Years Rs.	5 years and above Rs.
Non-derivative financial assets				
31-Mar-23				
Non-interest bearing	1,336.16	51.95	–	–
31-Mar-22				
Non-interest bearing	1,221.82	49.57	–	–

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

Note No. 29 - Fair Value Hierarchy

(i) Financial instruments measured at fair value and fair value hierarchy is as under:

Financial assets/Financial liabilities	Financial assets/ Financial liabilities	Fair Value Category	As at 31 March 2023	As at 31 March 2022	Fair value hierarchy	Fair value
Investment in Mutual Funds	Financial Asset	Financial instrument measured at FVTPL	–	41.94	Level 1	Net asset Value

As at 31 March 2023 and 31 March 2022 there are no other financial instruments that are measured at fair value

Note No. 30 - Segment information

(a) The Company's business activity falls within a single operating business segment viz. 'Automotive'.

This operating segment is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company regarded as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segment. The CODM reviews revenue and gross profit as the performance indicator for this segment. All other activities of the Company revolve around this operating segment. Hence there are no separate reportable primary segments. Company deals into trading and servicing of vehicles.

(b) All the non-current assets of the Company are located in India.

(c) Revenue from major products and services

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Sale & service of vehicles and other operating income	**40,073.21**	21,816.78

(d) Revenues from transactions with a single external customer does not amount to 10% or more of an entity's revenues during the year.

(e) Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 31 - Related Party Transactions

Description of relationship	Names of related parties
Holding company	Mahindra & Mahindra Limited
Fellow subsidiary	Mahindra Agri Solutions Limited
Fellow subsidiary	Mahindra First Choice Wheels Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Fellow subsidiary	Mahindra Two Wheelers Limited
Fellow subsidiary	Mahindra & Mahindra Financial Services Limited
Fellow subsidiary	Mahindra Insurance Brokers Limited
Fellow subsidiary	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)
Fellow subsidiary	Mahindra Lifespace Developers Limited
Fellow subsidiary	Mahindra Logistics Limited
Fellow subsidiary	Mahindra Rural Housing Finance Limited
Fellow subsidiary	MLL Mobility Private Limited (Formerly known as Meru Mobility Tech Pvt Ltd.)
Fellow subsidiary	Mahindra EMarket Limited
Fellow subsidiary	Mahindra Holidays & Resorts India Limited
Fellow subsidiary	Mahindra Defence Systems Limited
Joint venture of holding company	Mahindra Manulife Investment Management Private Limited
Joint venture of holding company	Mahindra Summit Agrisciences Limited
Joint venture of holding company	Classic Legends Private Limited
Joint venture of holding company	Mahindra Susten Private Limited
KMP - Company secretary	Ms. Divya Mascarenhas (till 18.01.2023)
KMP - Company secretary	Mr. Hrishikesh Chitnis (wef. 19.01.2023)
KMP - CEO	Mr. Anil Mediratta (till 31.07.2022)
KMP - CEO	Mr. Rajiv Walunj (wef 01.08.2022)
KMP - CFO	Mr Amey Chitale

Details of transaction between the Company and its related parties are disclosed below:

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended	Holding company	Joint venture of holding company	KMP of the company	Fellow subsidiaries	Total
Purchase of goods	31-Mar-23	53,122.69	–	–	47.60	53,170.29
	31-Mar-22	27,819.31	–	–	187.19	28,006.50
Sale of goods	31-Mar-23	99.10	2.74	–	487.46	589.30
	31-Mar-22	44.19	0.80	–	117.53	162.52
Sale of services	31-Mar-23	182.64	1.73	–	178.96	363.33
	31-Mar-22	661.67	1.05	–	128.02	790.74
Receiving of services	31-Mar-23	30.40	–	52.73	41.59	124.72
	31-Mar-22	47.10	–	56.75	35.74	139.59
Interest Expense	31-Mar-23	21.08				21.08
	31-Mar-22	–	–	–	–	–
Lease expenses*	31-Mar-23	442.37	–	–	–	442.37
	31-Mar-22	400.89	–	–	–	400.89

Particulars	For the year ended	Holding company	Joint venture of holding company	KMP of the company	Fellow subsidiaries	Total
						(Currency: Indian Rupees in Lakhs)
Reimbursement made**	31-Mar-23	178.20	–	–	15.39	193.59
	31-Mar-22	49.84	–	–	–	49.84
Reimbursement received	31-Mar-23	109.35	24.84		873.22	1,007.41
	31-Mar-22	21.60	4.01	17.84	494.42	537.87
Director Sitting Fees	31-Mar-23	–	–	6.20	–	6.20
	31-Mar-22	–	–	4.80	–	4.80

The above transactions are inclusive of GST.

*Lease expense includes Rs. 343.10 paid to M/s. Mahindra & Mahindra Limited towards Goregaon, Kandivali & Andheri Properties for which IND AS 116 is applicable. (March 22 NIL)

**Out of the above, Company has incurred Rs 119.55 Lakhs for key managerial personnel services provided by M/s. Mahindra & Mahindra Limited. (March 22 INR 74.03 lakhs)

Details of transaction between the Company and its related parties are disclosed below:

Particulars	Balance as on	Holding company	Joint venture of holding company	KMP of the company	Fellow subsidiaries	Total
						(Currency: Indian Rupees in Lakhs)
Trade payables	31-Mar-23	1,288.99	–	–	7.06	1,296.05
	31-Mar-22	2,273.43	–	–	2.62	2,276.05
Other balances- receivables	31-Mar-23	86.12	5.95	–	89.78	181.85
	31-Mar-22	26.52	0.56	–	4.55	31.63

Details of related party transactions with Key Management Personnel

Nature of Transaction	Name of KMP	For the year ended 31 March 2023	For the year ended 31 March 2022
			(Currency: Indian Rupees in Lakhs)
Reimbursement received	Mr. Anand Mahindra	**–**	17.84
Salary including perquisites	Mr. Anil Mediratta	**52.73**	56.75

Material related party transactions are as follows:

Nature of Transaction	Name of Related Party	For the year ended 31 March 2023	For the year ended 31 March 2022
			(Currency: Indian Rupees in Lakhs)
Purchase of goods	Mahindra Electric Mobility Limited	**–**	141.63
	Mahindra Two Wheelers Limited	**47.60**	
Sale of goods	Mahindra & Mahindra Financial Services Limited	**350.85**	4.05
	Mahindra Logistics Ltd	**65.22**	0.94
	Mahindra Holidays & Resorts India Limited	**24.08**	25.57
	Mahindra Insurance Brokers Limited	**23.11**	49.01
	Mahindra Accelo Limited	**2.75**	17.13
Sale of service	Mahindra & Mahindra Financial Services Limited	**28.12**	37.52
	Mahindra Insurance Brokers Limited	**137.33**	140.53
	Mahindra Holidays & Resorts India Limited	**24.08**	26.05
Receiving of services	Mahindra Integrated Business Solutions Pvt Ltd	**33.34**	28.28
Reimbursement received	Mahindra & Mahindra Financial Services Limited	**801.34**	464.58

Note No. 32 - Contingent liabilities and commitments

Particulars	As at 31 March 2023	As at 31 March 2022
		(Currency: Indian Rupees in Lakhs)
Contingent liabilities (to the extent not provided for)		
Income tax matter: demands against the company not acknowledged as debts and not provided for, relating to issues of taxability and deductibility, in respect of which the company is in appeal.	143.43	143.43

Note No. 33 - Leases

As a Lessee

Most of the leases contracted by the Company are related to office premises, godown and item of equipment, as the lessee.

<u>**Disclosure Requirement as per Para 53 of the Ind AS -116 : Leases**</u>

(A) Additions to right of use assets :

Particulars	As at 31 March 2023	As at 31 March 2022
		(Currency: Indian Rupees in Lakhs)
Right-of-use assets (Refer Note 4)	**1,192.60**	–

(B) Amounts recognised in balance sheet :

Right-of-use assets	As at 31 March 2023	As at 31 March 2022
		(Currency: Indian Rupees in Lakhs)
Balance at 1 April 2022	**115.78**	187.49
Addition during the year	**1,192.60**	–
Amortisation expense for the year	**(295.27)**	(71.71)
Balance at 31 March 2023	**1,013.11**	115.78

(Currency: Indian Rupees in Lakhs)		
Lease liabilities	**As at 31 March 2023**	**As at 31 March 2022**
Non-current	**749.56**	79.19
Current	**314.60**	46.18
Total	**1,064.16**	125.37

(C) Amounts recognised in the statement of profit or loss:

(Currency: Indian Rupees in Lakhs)		
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Interest expense on lease liabilities	**91.55**	13.63
Expenses relating to short-term leases	**131.54**	352.86

(D) Amounts recognised in the statement of cash flows:

(Currency: Indian Rupees in Lakhs)		
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Cash outflow for leases	**253.81**	66.40

Due to the first-time application of Ind AS 116 effective April 1, 2019, Company used the modified retrospective approach for transition and the historical information has not been restated.

(E) Maturity analysis of lease liabilities

(Currency: Indian Rupees in Lakhs)		
Maturity analysis – contractual undiscounted cash flow	**As at 31 March 2023**	**As at 31 March 2022**
Less than one year	**398.84**	35.59
One to five years	**817.56**	1,200.12
More than five years	**30.20**	46.49
Total undiscounted lease liabilities	**1,246.60**	1,282.20

(F) Disclosure requirement as per para 46A of the Ind AS -116 : Leases

The Company has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B

Amounts recognised in the statement of profit and loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A:

(Currency: Indian Rupees in Lakhs)		
Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Amounts recognised in the statement of profit and loss	**–**	4.56

Note No. 34 - Ratio disclosure

	Particulars	**Numerator**	**Denominator**	**As at 31 March 2023**	**As at 31 March 2022**	**% Variance**	**Reason for Variance**
a)	**Current ratio (in times)**	Current assets	Current liabilities	1.04	0.99	6%	–
b)	**Debt-equity ratio (in times)**	Total debt (Borrowings + lease liability)	Shareholder's equity	4.00	0.31	1191%	Bank borrowings utilised during the year
c)	**Debt service coverage ratio (in times)**	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease payments + Principal repayments	2.28	3.47	-34%	Bank borrowings utilised during the year and increase in interest and lease payments
d)	**Return on equity (in times)**	Net Profits after taxes – Preference dividend	Average shareholder’s equity	0.81	-0.21	485%	Increase in earnings during the current year as compared to previous year on account of higher sales volume
e)	**Inventory turnover ratio (in times)**	Cost of goods sold	Average inventory = (Opening + Closing balance / 2)	11.09	11.66	-5%	
f)	**Trade receivable turnover ratio (in times)**	Total sales	Average trade debtors = (Opening + Closing balance / 2)	40.74	34.04	20%	
g)	**Trade payable turnover ratio (in times)**	Total purchases	Average trade payable = (Opening + Closing balance / 2)	19.32	7.96	143%	Decrease in trade payables during the current year as compared to previous year
h)	**Net capital turnover ratio (in times)**	Total sales	Average Working capital = (Opening WC+ Closing WC/2) WC= Current assets - Current liabilities	397.96	-122.12	426%	Increase in turnover during the current year as compared to previous year
i)	**Net profit ratio (in %)**	Net profit	Total sales	1.4%	0.6%	148%	Increase in profit during current year as compared to previous year.
j)	**Return on capital employed (in %)**	Earnings before interest and taxes	Capital employed = Net worth + Total debt	20%	34%	-41%	Increase in profit during current year as compared to previous year.
k)	**Return on investment (in %)**	Income earned on Investment	Average Investment	13%	4%	234%	Investments sold during the year

Note No. 35 - Unhedged Foreign Currency Exposure

There is no unhedged foreign currency exposure as on 31 March 2023.

Note No. 36 - Other Statutory Information

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

b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or -on behalf of the Company (ultimate beneficiaries) or

  ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

f) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

h) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

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

Note No. 37 - Corporate social responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, amounts required to be spent by the Company on CSR during the year is Rs. Nil (2022 Rs. Nil).

Note No. 38 - Code on Social Security, 2020

The Indian Parliament had approved the Code on Social Security, 2020 which could impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will complete its evaluation once the rules are notified and will give appropriate impact in the financial statements in the period in which the Code and related rules becomes effective.

Note No. 39 - Others

Previous year's figures have been regrouped/reclassified wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO

Amey Chitale CFO

Jagruti Punjabi Company Secretary
Membership No. ACS A65775
Place: Mumbai
Date: 24th April, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Automotive Australia Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mahindra Automotive Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Mahindra Automotive Australia Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 31 March 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Randall Bryson

Director

Brisbane, 24th May, 2023

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Sachin Arolkar

Director

24th May, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 $	2022 $
Revenue	3	**51,951,663**	29,411,802
Other income	4	**35,275**	6,269
Expenses			
Purchases and change in inventories of finished goods and work in progress		**(40,242,580)**	(21,160,996)
Advertising expense		**(1,820,468)**	(879,028)
Depreciation and amortisation expense	5	**(326,668)**	(332,926)
Employee benefits expense	5	**(1,913,321)**	(2,097,711)
Finance costs	5	**(42,698)**	(75,730)
Freight and cartage		**(1,145,285)**	(625,646)
Other expenses		**(1,858,580)**	(1,577,743)
Profit before income tax (expense)/benefit		**4,637,338**	2,668,291
Income tax (expense)/benefit	6	**(1,415,930)**	407,993
Profit after income tax (expense)/benefit for the year		**3,221,408**	3,076,284
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive income for the year		**3,221,408**	3,076,284

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**1,697,194**	1,083,245
Trade and other receivables	8	**679,380**	11,633
Inventories	9	**39,748,675**	10,353,417
Other assets	10	**355,277**	362,352
Total Current Assets		**42,480,526**	11,810,647
Non-Current Assets			
Property, plant and equipment	11	**184,792**	218,871
Right-of-use assets	12	**2,071,635**	1,448,967
Deferred tax	6	**1,356,050**	819,639
Total Non-Current Assets		**3,612,477**	2,487,477
Total Assets		**46,093,003**	14,298,124
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**31,960,454**	6,236,753
Borrowings	14	**–**	700,000
Lease liabilities	15	**475,844**	260,858
Income tax	6	**1,603,248**	411,647
Provisions	16	**3,573,499**	1,854,337
Total Current Liabilities		**37,613,045**	9,463,595
Non-Current Liabilities			
Lease liabilities	15	**1,707,395**	1,264,455
Provisions	16	**110,948**	129,867
Total Non-Current Liabilities		**1,818,343**	1,394,322
Total Liabilities		**39,431,388**	10,857,917
NET ASSETS		**6,661,615**	3,440,207
EQUITY			
Issued capital	17	**4,575,000**	4,575,000
Retained profits/(accumulated losses)		**2,086,615**	(1,134,793)
TOTAL EQUITY		**6,661,615**	3,440,207

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Issued Capital	Retained profits/ (Accumulated losses)	Total equity
	$	$	$
Balance at 1 April 2021	4,575,000	(4,211,077)	363,923
Profit after income tax benefit for the year	–	3,076,284	3,076,284
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	3,076,284	3,076,284
Balance at 31 March 2022	**4,575,000**	**(1,134,793)**	**3,440,207**
Balance at 1 April 2022	4,575,000	(1,134,793)	3,440,207
Profit after income tax expense for the year	–	3,221,408	3,221,408
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	3,221,408	3,221,408
Balance at 31 March 2023	**4,575,000**	**2,086,615**	**6,661,615**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 $	2022 $
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		**56,337,588**	32,580,435
Payments to suppliers and employees (inclusive of GST)		**(55,079,817)**	(31,220,721)
		1,257,771	1,359,714
Other income		**176,769**	6,269
Interest and other finance costs paid		**(42,698)**	(75,730)
Income taxes paid		**(760,740)**	–
Net cash from operating activities		**631,102**	1,290,253
Cash Flows From Investing Activities			
Payments for property, plant and equipment	**11**	**24,921**	(135,482)
Proceeds from disposal of property, plant and equipment		–	27,787
Net cash from/(used in) investing activities		**24,921**	(107,695)
Cash Flows From Financing Activities			
Repayment of borrowings		**(700,000)**	(900,000)
Proceeds/(repayment) of leases		**(222,630)**	(185,335)
Repayment of borrowings		**880,556**	–
Net cash used in financing activities		**(42,074)**	(1,085,335)
Net increase in cash and cash equivalents		**613,949**	97,223
Cash and cash equivalents at the beginning of the financial year		**1,083,245**	986,022
Cash and cash equivalents at the end of the financial year	**7**	**1,697,194**	1,083,245

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

Mahindra Automotive Australia Pty Ltd (the company) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The entity previously prepared General Purpose Financial Statements with 'Reduced disclosure requirements'. Accordingly, the application of Australian Accounting Standards – Simplified Disclosures has not affected the reported financial position, financial performance and cash flows of the company, but has impacted the disclosures included in these financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) <u>Sale of goods</u>

Revenue from the sale of agricultural equipment, motor vehicles and parts and accessories is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All other revenue is recognised in accordance with AASB 15 Revenue from contracts with customers (AASB 15), when performance obligation is satisfied and control is transferred. All revenue is stated net of the amount of goods and services tax (GST).

Other income

The company recognises other income as follows:

Interest

Interest revenue is recognised on a time proportional basis, taking into account the effective interest rates applicable to the financial assets.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at transaction price, less any allowance for expected credit loss. The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

New vehicles

New vehicles are valued at the lower of cost and net realisable value on a unit by unit basis.

Spare parts and accessories

Vehicle spare parts and accessories and agriculture equipment are valued at the lower of cost and net realisable value.

Costs for vehicles comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10-20%
Computer equipment	20-40%
Furniture and fittings	10-20%
Motor vehicles	20-30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Extension options on leases where appropriate are included in the useful life of the right-of-use asset. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The extension and termination options held are exercisable only by the company and not by the respective lessor. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition, except for related party payables which are on terms of between 60 and 180 days.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Net realisable value of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Warranty provision

In determining the level of provision required for warranties the company has made judgements in respect of the expected performance of the vehicles, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 3. Revenue

	2023 $	2022 $
Revenue from contracts with customers:		
New vehicle sales	**41,154,152**	22,159,532
Parts sales	**10,656,017**	7,090,794
	51,810,169	29,250,326
Other revenue		
Other revenue	**141,494**	161,476
Revenue	**51,951,663**	29,411,802

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Timing of revenue recognition		
Goods transferred at a point in time	**51,810,169**	29,250,326
	51,810,169	29,250,326

Note 4. Other income

	2023 $	2022 $
Net gain on disposal of property, plant and equipment	**–**	6,269
Interest received	**35,275**	–
Other income	**35,275**	6,269

Note 5. Expenses

	2023 $	2022 $
Profit before income tax includes the following specific expenses:		
Freight and cartage	**1,145,285**	625,646
Amortisation and depreciation expense		
Amortisation on leased assets	**267,668**	247,194
Depreciation expense	**59,000**	85,732
Depreciation and amortisation expense	**326,668**	332,926
Finance costs		
Interest and finance charges paid/payable on borrowings	**995**	20,399
Interest and finance charges paid/payable on lease liabilities	**41,703**	55,331
Finance costs expensed	**42,698**	75,730
Superannuation expense	**187,577**	166,765
Employee benefits expense excluding superannuation	**1,725,744**	1,930,946
Employee benefits expense	**1,913,321**	2,097,711

Note 6. Income tax

	2023 $	2022 $
Income tax expense/(benefit)		
Current tax	**1,952,341**	411,646
Deferred tax - origination and reversal of temporary differences	**(536,411)**	(819,639)
Aggregate income tax expense/(benefit)	**1,415,930**	(407,993)
Deferred tax included in income tax expense/(benefit) comprises:		
Increase in deferred tax assets	**(536,411)**	(819,639)

	2023 $	2022 $
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit before income tax (expense)/benefit	**4,637,338**	2,668,291
Tax at the statutory tax rate of 30%	**1,391,201**	800,487
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	**3,574**	–
	1,394,775	800,487
Prior year tax losses not recognised now recouped	**–**	(662,994)
Prior year temporary differences not recognised now recognised	**–**	(819,639)
Current year temporary differences now recognised	**21,155**	274,153
Income tax expense/(benefit)	**1,415,930**	(407,993)
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Leases	**(33,480)**	(22,903)
Provisions	**1,105,334**	675,512
Accrued expenses	**284,196**	167,030
Deferred tax asset	**1,356,050**	819,639
Movements:		
Opening balance	**819,639**	–
Credited to profit or loss	**536,411**	819,639
Closing balance	**1,356,050**	819,639

	2023 $	2022 $
Provision for income tax		
Provision for income tax	**1,603,248**	411,647

Note 7. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash at bank	**1,697,194**	1,083,245

Note 8. Trade and other receivables

	2023 $	2022 $
Current assets		
Other receivables	**679,380**	11,633

NOTE 9. INVENTORIES

	2023 $	2022 $
Current assets		
New vehicles	**25,430,524**	2,278,899

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	2023 $	2022 $
Less: Provision for obsolescence	**(8,000)**	(8,000)
New vehicles - at net realisable value	**25,422,524**	2,270,899
Stock in transit- at cost	**10,216,771**	5,053,816
Spare parts and accessories	**4,563,027**	3,483,731
Less: Provision for obsolescence	**(453,647)**	(455,029)
Spare parts and accessories - at net realisable value	**4,109,380**	3,028,702
	39,748,675	10,353,417

Note 10. Other assets

	2023 $	2022 $
Current assets		
Prepayments	**355,277**	362,352

Note 11. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Plant and equipment - at cost	**125,357**	118,500
Less: Accumulated depreciation	**(56,730)**	(40,871)
	68,627	77,629
Fixtures and fittings - at cost	**350,705**	339,001
Less: Accumulated depreciation	**(274,852)**	(256,350)
	75,853	82,651
Motor vehicles - at cost	**202,379**	247,213
Less: Accumulated depreciation	**(177,760)**	(203,753)
	24,619	43,460
Computer equipment - at cost	**82,220**	75,860
Less: Accumulated depreciation	**(66,527)**	(60,729)
	15,693	15,131
	184,792	218,871

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment $	Furniture and fittings $	Motor Vehicles $	Computer equipment $	Total $
Balance at 1 April 2022	**77,629**	**82,651**	**43,460**	**15,131**	**218,871**
Additions	**6,857**	**11,704**	**–**	**6,360**	**24,921**
Depreciation expense	**(15,859)**	**(18,502)**	**(18,841)**	**(5,798)**	**(59,000)**
Balance at 31 March 2023	**68,627**	**75,853**	**24,619**	**15,693**	**184,792**

NOTE 12. RIGHT-OF-USE ASSETS

	2023 $	2022 $
Non-current assets		
Land and buildings - right-of-use	**2,611,381**	1,730,825
Less: Accumulated depreciation	**(578,213)**	(329,681)
	2,033,168	1,401,144
Plant and equipment - right-of-use	**53,137**	53,137
Less: Accumulated depreciation	**(14,670)**	(5,314)
	38,467	47,823
	2,071,635	1,448,967

The company leases property, plant and equipment under agreements of between 5 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & Buildings $	Plant & Equipment $	Total $
Balance at 1 April 2022	1,401,144	47,823	1,448,967
Additions	880,556	–	880,556
Depreciation expense	(248,532)	(9,356)	(257,888)
Balance at 31 March 2023	2,033,168	38,467	2,071,635

Note 13. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	**30,069,658**	5,088,077
Accrued expenses	**961,836**	787,386
Other payables	**928,960**	361,290
	31,960,454	6,236,753

Note 14. Borrowings

	2023 $	2022 $
Current liabilities		
Bank loans	–	700,000

There have been no breaches of terms or default of principal, interest, sinking fund or redemption terms during the current or prior reporting periods.

Note 15. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liability	**475,844**	260,858
Non-current liabilities		
Lease liability	**1,707,395**	1,264,455
	2,183,239	1,525,313
Future lease payments		
Future lease payments are due as follows:		
Not later than one year	**512,445**	274,993

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	2023 $	2022 $
Later than one and not later than five years	**1,825,022**	1,161,808
Later than five years	**–**	197,147
	2,337,467	1,633,948

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the company. Leased assets include property, plant and equipment. These leases are negotiated for an average term of 10 years and are fixed for an average of 5 years with an option to extend for a further 5 years at the then prevailing market rate.

Note 16. Provisions

	2023 $	2022 $
Current liabilities		
Annual leave	**170,970**	145,563
Lease make good	**150,000**	100,000
Warranties	**721,005**	716,875
Dealer support - Obsolete stock	**316,500**	176,000
Dealer support - Registration and third party insurance	**1,204,513**	280,307
Marketing	**100,000**	100,000
Dealer support - Signage	**270,000**	–
Other	**640,511**	335,592
	3,573,499	1,854,337

	2023 $	2022 $
Non-current liabilities		
Long service leave	**110,948**	129,867
	3,684,447	1,984,204

Marketing

The provision represents the estimated costs of marketing the company's new products. The marketing costs are allocated to profit or loss.

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

Dealer support

The provision represents the present value of the estimated costs that will be incurred with respect to supporting the dealers as per the current dealer agreements. This provision covers a reimbursement to the dealers of registration and third party insurance costs, the estimated costs of signage to be installed at the dealers premises and other general incentives estimated to be payable to the dealers. Each dealer support provision is estimated based on current stock held with the dealers at the end of the period.

Warranties

The provision represents the estimated warranty claims in respect of vehicles sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2023	**Lease make good** $	**Warranties** $	**Dealer support- obsolete stock** $	**Dealer support- registration** $	**Marketing** $	**Dealer support- signage** $	**Other** $
Carrying amount at the start of the year	100,000	716,875	176,000	280,307	100,000	–	335,592
Additional provisions recognised	50,000	4,130	140,500	924,206	–	270,000	304,919
Carrying amount at the end of the year	150,000	721,005	316,500	1,204,513	100,000	270,000	640,511

Note 17. Issued capital

	2023 Shares	**2022 Shares**	**2023 $**	**2022 $**
Ordinary shares - fully paid	4,575,000	4,575,000	4,575,000	4,575,000

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the company is set out below:

	2023 $	**2022 $**
Aggregate compensation	375,120	350,227

In addition to this other directors and key management of the entity are paid compensation at ultimate parent level.

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

	2023 $	**2022 $**
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	33,000	25,685
Other services - BDO Services Pty Ltd		
Preparation of the financial statements and tax return	9,800	8,565

Note 21. Contingent assets

At 31 March 2023, the company has no contingent assets (2022: $Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note 22. Contingent liabilities

In the opinion of the directors, the company did not have any contingent liabilities at 31 March 2023 (2022: $Nil).

Note 23. Commitments

At 31 March 2023, the entity had not entered into any contractual capital commitments (2022: $Nil).

Note 24. Related party transactions

Parent entity

Mahindra & Mahindra Limited is the ultimate parent entity, a publically listed company based in Mumbai, India.

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

The following transactions occurred with related parties:

	2023 $	2022 $
Payment for goods and services:		
Purchase of goods from controlling entity and it's subsidiaries	54,858,829	17,326,244
Payment for other expenses:		
Other expenses paid to other related party	101,405	24,000

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023 $	2022 $
Current receivables:		
Trade receivables from controlling entity and it's subsidiaries	426,150	69,245
Current payables:		
Trade payables to controlling entity and it's subsidiaries	29,510,497	4,554,131

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 26. Non-cash investing and financing activities

	2023 $	2022 $
Addition to the right-of-use assets	880,556	–

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA TWO WHEELERS LIMITED

To the members of Mahindra Two Wheelers Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Two Wheelers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

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

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

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

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

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

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

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

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 40 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

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

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

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

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

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 23125657BGYTOQ2410

Pune, April 20, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Two Wheelers Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 23125657BGYTOQ2410

Pune, April 20, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships. During the year, the company has granted loans to other party, the details of which are as under –

Particulars	**Loans given during the year Rupees**
Aggregate amount during the year:	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Rs 16 Crores
Balance outstanding as at the Balance Sheet date	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Nil

b) According to the information and explanation given to us, the terms and conditions of the loans granted by the Company to other party is not prejudicial to the company's interest

c) According to the information and explanations given to us, the other party has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.

d) According to the information and explanations given to us, loan given to other party as mentioned in paragraph (c) above, there is no amount overdue for more than 90 days.

e) According to the information and explanations given to us, the loans granted to the parties mentioned in paragraph (a) above have fallen due during the year but have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same parties.

f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the

parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

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

6) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Sales Tax, Service Tax , Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited on account of any dispute. The statutory dues in respect of Income tax and other tax as at 31 March 23 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Financial year to which is it pertains	Forum where the disputes is pending
Income Tax Act, 1961	Income tax including interest	146	2014-15	DCIT
Income Tax Act 1961	Income tax including interest	441	2018-19	DCIT
Central sales tax act	C form and F form liability	778	2016-17	DC of state tax
Central sales tax Act	C Form liability	60	2017-18 Q1	Jt Commissioner appeal
West Bengal E Tax	Entry Tax demand	5	2016-17	Jt Commissioner Revisionary appeal
West Bengal CST	C form liability	153	2015-18	Jt Commissioner Appeal

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

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

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

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

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

e) According to the information and explanations given to us and on an overall examination of the Financial

Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Based on the information and explanations given to us, we report that the Group has six core Investment companies

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

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

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the

company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

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

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

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 23125657BGYTOQ2410

Pune, April 20, 2023

BALANCE SHEET AS ON MARCH 31, 2023

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	3	**1,189.84**	317.78
(b) Financial assets			
(i) Investments	4(A)	**13,491.27**	13,491.27
(ii) Trade receivables	5(A)	**–**	141.96
(iii) Loans	6	**136.50**	133.87
(c) Non-current Tax assets (net)	8	**419.77**	369.22
(d) Other non-current assets	9	**4,749.13**	1,350.11
Total non - current assets		**19,986.51**	15,804.21
2 **Current assets**			
(a) Inventories	10	**5,179.65**	5,436.16
(b) Financial assets			
(i) Investments	4(B)	**2,570.17**	1,873.40
(ii) Trade receivables	5(B)	**3,724.74**	2,557.54
(iii) Cash and cash equivalents	11	**83.23**	186.18
(iv) Bank balances other than (iii) above	11	**4,539.77**	6,042.00
(v) Other financial assets	12	**188.55**	143.02
(c) Other current assets	13	**229.66**	267.54
Total current assets		**16,515.77**	16,505.84
Total Assets (1+2)		**36,502.28**	32,310.05
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**8,282.38**	8,282.38
(b) Other equity	15	**15,823.27**	14,505.24
Total equity (a+b)		**24,105.65**	22,787.62
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial Liabilities			
(ia) Lease Liabilities	16	**644.98**	20.22
(b) Provisions	16	**35.01**	39.71
(c) Deferred tax liabilities (Net)	7	**2,811.96**	2,708.27
Total Non - Current Liabilities		**3,491.95**	2,768.20
2 **Current liabilities**			
(a) Financial liabilities			
(ia) Lease Liabilities	19	**555.36**	309.22
(ii) Trade payables			
(A) Total outstanding dues of Micro and Small enterprises; and	18	**332.15**	66.84
(B) Total outstanding dues of Creditors other than Micro and Small enterprises	18	**7,094.07**	5,593.05
(b) Other current liabilities	20	**898.46**	757.08
(c) Provisions	17	**24.64**	28.04
Total Current Liabilities		**8,904.68**	6,754.23
Total Equity and Liabilities (1+2+3)		**36,502.28**	32,310.05

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Date: Apr 20, 2023
Place: Pune

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN 07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary
ACS No.: 19158

Date: Apr 20, 2023
Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rupees in Lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	21	**34,150.35**	27,347.94
II	Other income	22	**699.88**	503.00
III	**Total Income (I + II)**		**34,850.23**	27,850.94
IV	**EXPENSES**			
	(a) Purchases of stock-in-trade	23(A)	**21,632.93**	17,689.16
	(b) Changes in inventories of stock-in-trade	23(B)	**256.51**	264.04
	(c) Employee benefits expense	24	**377.84**	380.13
	(d) Finance costs	25	**94.21**	44.89
	(e) Depreciation expense (Note no 3)		**648.81**	584.54
	(f) Other expenses	26	**5,382.01**	4,387.97
	Total Expenses (IV)		**28,392.31**	23,350.73
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		**6,457.92**	4,500.21
VI	**Exceptional Items**		**–**	–
VII	**Profit before extraordinary items and tax (V - VI)**		**6,457.92**	4,500.21
VIII	**Extraordinary items**		**–**	–
IX	**Profit before tax (VII - VIII)**		**6,457.92**	4,500.21
X	**Tax Expense**			
	(a) Current tax	27	**1,671.43**	1,232.09
	(b) Deferred tax	27	**103.87**	(97.36)
	Total tax expense		**1,775.30**	1,134.73
XI	**Profit after tax for the period from continuing operations (IX - X)**		**4,682.62**	3,365.48
XII	**Profit/(loss) after tax from discontinued operations**		**–**	–
XIII	**Tax expense of discontinuing operations**		**–**	–
XIV	**Profit/(Loss) for the period**		**4,682.62**	3,365.48
XV	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**0.71**	3.89
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**0.18**	0.98
	B (i) Items that may be reclassified to profit or loss			
	(a) Share of other comprehensive income of equity accounted investees		**–**	9,606.24
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	(2,417.70)
	Total Other Comprehensive Income		**0.89**	7,193.41
XVI	**Total comprehensive income for the period (X + XI)**		**4,683.51**	10,558.89
XVII	**Earnings per equity share (Nominal value per share Rs.0.20)**			
	a) Basic	28	**0.01**	0.01
	b) Diluted		**–**	–

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Date: Apr 20, 2023
Place: Pune

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN 07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary
ACS No.: 19158

Date: Apr 20, 2023
Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Rupees in Lakhs

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities			
Profit before tax for the year		**6,457.92**	4,500.21
Adjustments for:			
Interest on Fixed Deposit		**(446.29)**	(241.02)
Interest on Lease Liability		**91.02**	41.94
Dividend Income from current investments		**(96.93)**	(1.51)
Depreciation & Amortisation		**648.81**	584.54
Interest income on unwinding of security deposit		**3.36**	(2.91)
Provision for doubtful trade receivable		**(144.68)**	103.46
Revaluation through OCI		**0.89**	4.87
Provision for material buy back		**–**	275.00
Provision for warranty		**(5.79)**	3.84
		6,508.31	5,268.42
Movements in working capital:			
(Increase)/decrease in trade receivables		**(880.56)**	1,537.54
(Increase)/decrease in inventories		**256.51**	264.04
(Increase)/decrease in other assets		**31.89**	(1,138.87)
Increase/(decrease) in trade payables		**1,766.33**	(586.34)
Increase/(decrease) in provisions		**(2.31)**	24.54
Increase/(decrease) in other liabilities		**141.38**	(257.92)
Increase/(decrease) in financial liabilities		**(740.99)**	(632.62)
Cash generated from operations		**7,080.56**	4,478.79
Income taxes paid		**(1,722.16)**	(1,331.41)
Net cash generated by operating activities	**A**	**5,358.40**	3,147.38
Cash flows from investing activities			
Payments to acquire financial assets - Mutual Fund		**(4,411.36)**	(1,849.90)
Proceeds on sale of financial assets - Mutual Fund		**3,811.52**	2,414.08
Interest received		**400.76**	166.96
Inter corporate Deposits given		**(1,600.00)**	(1,500.00)
Inter corporate Deposits received		**1,600.00**	1,500.00
Payments to acquire financial assets - Fixed deposit		**(7,933.25)**	(6,661.42)
Proceeds on sale of financial assets - Fixed deposit		**6,036.46**	5,289.99
Net cash (used in)/generated by investing activities	**B**	**(2,095.87)**	(640.29)
Cash flows from financing activities			
Dividends paid on equity shares		**(3,365.48)**	(2,466.81)
Net cash generated by/(used in) financing activities	**C**	**(3,365.48)**	(2,466.81)
Net increase in cash and cash equivalents		**(102.95)**	40.28
Cash and cash equivalents at the beginning of the year		**186.18**	145.90
Cash and cash equivalents at the end of the year (Refer Note 11)	**A+B+C**	**83.23**	186.18

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Date: Apr 20, 2023
Place: Pune

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN 07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary
ACS No.: 19158

Date: Apr 20, 2023
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a) Equity share capital

Rupees in Lakhs

Particulars	**Number of Shares**	**Equity share capital (Amount)**
Balance at March 31, 2022	41,41,18,90,946	8,282.38
Changes in equity share capital during the year	–	–
Balance at March 31, 2023	**41,41,18,90,946**	**8,282.38**

b) Other Equity

Rupees in Lakhs

Particulars	**Retained earnings**	**Other comprehensive income (Remeasurements of the defined benefit Plans)**	**Securities premium reserve**	**Capital Reserve**	**Total**
Balance as at March 31, 2022	**5,132.91**	**8,677.11**	**144.31**	**550.91**	**14,505.24**
Profit for the year	4,682.61	–	–	–	4,682.61
Payment of Dividend	(3,365.48)	–	–	–	(3,365.48)
Other comprehensive income for the year, net of Income Tax	–	0.89	–	–	0.89
Balance as at March 31, 2023	**6,450.05**	**8,678.00**	**144.31**	**550.91**	**15,823.27**

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Date: Apr 20, 2023
Place: Pune

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN 07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary
ACS No.: 19158

Date: Apr 20, 2023
Place: Mumbai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note no. 1. GENERAL INFORMATION

Mahindra Two Wheelers Limited is in the business of trading in spare parts and accessories. It deals in parts required for the range of Two wheelers, passenger light motor vehicle and commercial vehicles manufactured and sold by its Holding Company, Mahindra & Mahindra Limited. The Company undertakes procurement, warehousing management, logistics and sale of spare parts and accessories. It has a network of dealers spread across India to ensure timely availability of spare parts to customers.

The Company has elected not to prepare consolidated financial statements, as Mahindra & Mahindra Limited being the Holding Company prepares consolidated financial statements at Group Level. Copies of the annual report of the Mahindra & Mahindra Limited can be obtained from the Company Secretary, Mahindra & Mahindra Limited, Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

Note no. 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance:

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

2.2 Basis of preparation and presentation:

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability

2.3 Revenue Recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, incentives, volume rebates, and outgoing taxes on sales.

2.4 Leases:

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

2.5 Foreign exchange transactions:

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

2.6 Employee Benefits:

2.6.1 Defined contribution plan

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

2.6.2 Defined benefit plan/leave encashment

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

2.6.3 Other benefits

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

2.7 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and applicable tax laws. Deferred tax is recognised on temporary differences between the carrying amounts assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property Plant & Equipment:

Property Plant & Equipments are carried at cost less depreciation. Cost comprises the purchase price and other attributable costs.

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

Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the useful life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. :

Vehicles	5 years
Plant & Machinery	7 years

2.9 Impairment:

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

2.10 Inventories:

Inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stock -in -trade are valued at lower of cost or net realisable value after provision for obsolescence and other losses, where considered necessary. Cost is determined on the basis of weighted average method.

2.11 Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims. The estimates for accounting of warranties are reviewed and revisions are made as required.

2.12 Financial Instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs, as appropriate, unless they are financial assets in the form of trade receivables that do not contain a significant financing component. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

<u>Investments in equity instruments at FVTOCI</u>

A financial asset is held for trading if:

1. It has been acquired principally for the purpose of selling it in the near term; or
2. on initial recognition it is part of a portfolio of identified financial instruments or a financial guarantee
3. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

The Company has equity investments in one entity which are not held for trading. The company has elected the FVTOCI irrevocable option for this investment (see note no 4). Fair value is determined in the manner described in note no 30. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit and loss on disposal of the investment.

Dividends on this investment in equity instruments is recognised in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other Income' line item.

Trade Receivable: Trade receivables are initially measured at their transaction price, unless those contain a significant financing component determined in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115). They are subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.13 Critical accounting judgements and key sources of estimation uncertainty:

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

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

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

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

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

2.15 Investments:

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

2.16 Segment Reporting:

The Company has single reportable business segment namely Automotive vehicles-related spare parts. The Company has only one reportable geographical segment.

2.17 Recent Accounting Pronouncements

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

i. Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. Ind AS 12 – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Company is currently assessing the impact of application of these amendments on its financial statements.

Note no. 3 - Property, plant and equipment

Rupees Lakhs

Description of Assets	Plant and Machinery	Computers	Furniture and Fixtures	Vehicles	Right to Use Building	Right to Use Vehicle	Total
I. Gross carrying amount							
Balance as at March 31, 2021	**142.31**	**23.36**	**2.35**	**43.54**	**1,792.05**		**2,003.60**
Additions	–	–	–	–	254.93	25.43	280.36
Disposals	–	–	–	10.30	–		10.30
Balance as at March 31, 2022	**142.31**	**23.36**	**2.35**	**33.23**	**2,046.98**	**25.43**	**2,273.66**
Additions	–	–	–	–	1,582.80	11.99	1,594.79
Disposals	–	–	–	–	232.21		232.21
Balance as at March 31,2023	142.31	23.36	2.35	33.23	3,397.57	37.42	3,636.24
II. Accumulated depreciation							
Balance as at March 31, 2021	**106.53**	**20.72**	**2.19**	**27.99**	**1,223.53**	**–**	**1,380.96**
Depreciation expense for the year	4.57	0.30	0.09	6.48	571.40	1.70	584.54
Eliminated on disposal of assets				9.62		–	9.62
Balance as at March 31, 2022	**111.10**	**21.02**	**2.28**	**24.85**	**1,794.93**	**1.70**	**1,955.88**
Depreciation expense for the year	**3.74**	**0.69**	**0.06**	**2.75**	**633.99**	**7.58**	**648.81**
Eliminated on disposal of assets					**158.29**	**–**	**158.29**
Balance as at March 31,2023	**114.84**	**21.70**	**2.34**	**27.60**	**2,270.63**	**9.28**	**2,446.40**
III. Net carrying amount (I-II)							
Balance as at March 31, 2023	**27.47**	**1.66**	**0.00**	**5.63**	**1,126.94**	**28.14**	**1,189.84**

Note no. 4(A) - Investments

Particulars	**Rupees Lakhs As at March 31, 2023** Quantity	Amount	Rupees Lakhs As at March 31, 2022 Quantity	Amount
<u>**Non-current**</u>				
Unquoted investments (all fully paid)				
Investments in equity instruments of a subsidiary -				
– Mahindra Automobile Distributor Private Limited equity shares of Rs. 10 each	**–**	**–**	–	–
Investments in 0.01% compulsorily convertible preference shares at fair value through other comprehensive income				
– SmartShift Logistics Solutions Private Limited	**1,53,195**	**13,491.27**	1,53,195	13,491.27
Total unquoted investments	**1,53,195**	**13,491.27**	1,53,195	13,491.27
Less: Impairment in value of investments Mahindra Automobile Distributor Private Limited	**–**	**–**	–	–
Total Non Current Investments	**1,53,195**	**13,491.27**	1,53,195	13,491.27

Note no. 4(B) - Investments

Particulars	**Rupees Lakhs As at March 31, 2023** Quantity	Amount	Rupees Lakhs As at March 31, 2022 Quantity	Amount
<u>**Current**</u>				
Quoted investments (all fully paid) at fair value through profit or loss				
– Investments in mutual funds	**2,81,140.38**	**2,570.17**	2,63,623.61	1,873.40
Total quoted investments	**2,81,140.38**	**2,570.17**	2,63,623.61	1,873.40

Note: Company has invested in Compulsorily convertible preference share of Smartshift logistic Pvt Ltd. The investment is fair valued at the end of the year using option to fair value through OCI. Smartshift being a start up company, current operations of the company are at normative level. In absence of a reliable valuation as on the balance sheet date, company has taken last available valuation as a basis for disclosing fair value of the investment.

Particulars	**Rupees Lakhs As at March 31, 2023** Quantity	Amount	Rupees Lakhs As at March 31, 2022 Quantity	Amount
Other Disclosures				
<u>**Aggregate carrying value of unquoted investments**</u>				
a. Equity shares	**–**	**–**	–	–
b. 0.01% compulsorily convertible preference shares of Rs.100 each	**1,53,195**	**13,491.27**	1,53,195	13,491.27
	1,53,195	**13,491.27**	1,53,195	13,491.27

Particulars	As at March 31, 2023 Quantity	As at March 31, 2023 Amount (Rupees Lakhs)	As at March 31, 2022 Quantity	As at March 31, 2022 Amount (Rupees Lakhs)
Aggregate book value of quoted investments				
a. Mutual funds:				
1. ICICI Pru Liquid Fund (DD)	**2,28,369**	**755.11**	2,28,369	715.12
2. HDFC Overnight Fund(G)	**21,751**	**718.10**	12,758	400.09
3. SBI Overnight Fund-Reg(G)	**11,095**	**400.35**	11,681	400.09
4. SBI Liqid Fund (G)	**19,925**	**696.61**	10,816	358.10
	2,81,140	**2,570.17**	2,63,624	1,873.40
Aggregate market value of quoted investments	**2,81,140**	**2,570.17**	2,63,624	1,873.40
Aggregate amount of impairment in value of investments	**–**	**–**	–	–

Note no. 5(A) - Trade receivables

Rupees Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Trade receivables		
Unsecured, considered good	**–**	141.96
Total	**–**	141.96

Note no. 5(B) - Trade receivables

Rupees Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables		
(a) Unsecured, considered good	**3,724.74**	2,557.54
(b) Unsecured, considered doubtful	**316.79**	461.47
Less: Allowance for bad and doubtful debts (expected credit loss allowance) (Refer note no 29)	**(316.79)**	(461.47)
Total	**3,724.74**	2,557.54

Refer note no. 29 for disclosure related to credit risk, expected credit loss and other related disclosure.

2022-23

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	3,595.88	57.01	48.27	31.30	309.06	4,041.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables – credit impaired	(0.66)	(0.79)	(33.50)	(29.15)	(252.69)	(316.79)
Total	**3,595.22**	**56.22**	**14.77**	**2.15**	**56.37**	**3,724.73**
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired						
Total Trade Receivables	**3,595.22**	**56.22**	**14.77**	**2.15**	**56.37**	**3,724.73**

2021-22

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	2,593.41	79.07	34.06	162.52	291.91	3,160.97
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	(7.05)	(162.52)	(291.91)	(461.47)
(iii) Undisputed Trade receivables – credit impaired						
Total	**2,593.41**	**79.07**	**27.01**	**–**	**–**	**2,699.49**
(iv) Disputed Trade Receivables considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total Trade Receivables	**2,593.41**	**79.07**	**27.01**	**–**	**–**	**2,699.49**

Note no. 6 - Loans

		Rupees Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Non current		
Security deposits		
– Unsecured, considered good	**136.50**	133.87
Total	**136.50**	133.87

Note no. 7 - Deferred tax liability (Net)

		Rupees Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Recognised in other comprehensive income:		
(i) Defined benefit obligations	**5.70**	5.52
(ii) Fair value of Investment in Resfeber	**(2,910.33)**	(2,910.33)
Total	**(2,904.63)**	(2,904.81)
Deferred tax asset:		
(i) Property, plant and equipment	**5.33**	5.37
(ii) Defined benefit obligations/Leave	**1.21**	(0.59)
(iii) Provision for doubtful debt	**79.73**	116.32
(iv) Provision for warranty	**4.30**	5.76
(v) Discounting of security deposit	**1.27**	0.42
(vi) Deferred revenue	**–**	–
(vii) Provision for material buy back	**27.13**	75.17
(viii) Financial asset at Fair value through profit and loss (FVTPL)	**(26.30)**	(5.91)
Total	**92.67**	196.54
Net deferred tax Liability	**(2,811.96)**	(2,708.27)

Movement of deferred tax

Particular	**Opening balance**	**Recognised in profit and loss**	**Recognised in other comprehensive income**	**Closing balance**
As at March 31, 2023				
Deferred tax (liabilities)/assets in relation to				
(i) Defined benefit obligations-gratuity	**4.93**	**1.80**	**(0.18)**	**6.91**
(ii) Fair value of Investment in Resfeber	**(2,910.33)**	**–**	**–**	**(2,910.33)**
(iii) Property, plant and equipment	**5.37**	**(0.04)**		**5.33**
(iv) Provision for doubtful debt	**116.32**	**(36.59)**		**79.73**
(v) Provision for warranty	**5.76**	**(1.46)**		**4.30**
(vi) Discounting of security deposit	**0.42**	**0.85**		**1.27**
(vii) Deferred revenue	**–**	**–**		**–**
(viii) Provision for material buy back	**75.17**	**(48.04)**		**27.13**
(ix) Financial asset at Fair value through profit and loss (FVTPL)	**(5.91)**	**(20.39)**		**(26.30)**
	(2,708.27)	**(103.87)**	**(0.18)**	**(2,811.96)**
As at March 31, 2022				
Deferred tax (liabilities)/assets in relation to				
(i) Defined benefit obligations-gratuity	**3.84**	**0.11**	**(0.98)**	**4.93**
(ii) Fair value of Investment in Resfeber	**(492.63)**	**–**	**2,417.70**	**(2,910.33)**
(iii) Property, plant and equipment	**6.82**	**(1.45)**		**5.37**
(iv) Provision for doubtful debt	**90.28**	**26.04**		**116.32**
(v) Provision for warranty	**4.79**	**0.97**		**5.76**
(vi) Discounting of security deposit	**1.15**	**(0.73)**		**0.42**
(vii) Deferred revenue	**–**	**–**		**–**
(viii) Provision for material buy back	**5.95**	**69.22**		**75.17**
(ix) Financial asset at Fair value through profit and loss (FVTPL)	**(9.11)**	**3.20**		**(5.91)**
	(388.91)	**97.36**	**2,416.72**	**(2,708.27)**

Note no. 8 - Non Current tax assets (net)

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Tax refund receivable	419.77	369.22
Total	419.77	369.22

Note no. 9 - Other non-current assets

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Prepayments	**–**	–
(b) Others:		
(i) Balances with government authorities		
– VAT credit receivable	**155.13**	155.13
(ii) Fixed deposits with maturity more than 12 months	**4,594.00**	1,194.98
(c) Others assets		
Total	**4,749.13**	1,350.11

Note no. 10 - Inventories

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Stock-in-trade (in respect of goods acquired for trading) (lower of cost and net realisable value)	**5,179.65**	5,436.16
Total	**5,179.65**	5,436.16
Included above, goods-in-transit:		
Stock-in-trade (in respect of goods acquired for trading)	**9.80**	13.63
Total goods-in-transit	**9.80**	13.63

Note no. 11 - Cash and cash equivalents

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
(a) Unrestricted balances with banks		
- With scheduled banks		
In current account	**83.23**	186.18
Total cash and cash equivalents	**83.23**	186.18
Other bank balances		
Balances with banks:		
(i) Fixed deposits with maturity less than 12 months	**4,539.77**	6,042.00
Total other bank balances	**4,539.77**	6,042.00

Note no. 12 - Other financial assets

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at amortised cost		
Current		
Interest accrued on fixed deposits & inter corporate deposit	**188.55**	143.02
Total	**188.55**	143.02

Note no. 13 - Other current assets

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Prepayments	**7.85**	9.49
(b) Balances with government authorities:		
(i) Deposit with excise authorities	**–**	–
(i) Income Tax Authorities	**139.55**	59.94
(ii) GST Authorities	**8.25**	40.16
	147.80	100.10
(c) Others:		
(i) Advance to suppliers	**74.01**	155.80
(ii) Gratuity (net)	**–**	2.15
(iii) Others	**–**	–
	74.01	157.95
Total	**229.66**	267.54

Note no. 14(A) - Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
975,000,000,000 equity shares of Rs 0.02/- each. As per scheme of merger	**195,000.00**	195,000.00
Issued, subscribed and fully paid:		
2,998,389,216 Equity shares of Rs 0.02/- each with voting rights	**599.68**	599.68
Share issuance according to merger:		
4,668,478,380 Equity shares of Rs 0.02/- each with voting rights	**7,682.70**	7,682.70

Note no. 14(B) - Equity share capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with voting rights			
MTWL March 31, 2023			
No. of shares	41,41,18,90,946	–	41,41,18,90,946
Amount (Rupees Lakhs)	8,282.38	–	8,282.38

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 0.02 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting (AGM), except in the case of interim dividend which is ratified by the shareholders at the AGM.

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

(iii) Details of shares held by the holding company & its nominees

Particulars	No. of Shares Equity Shares with Voting rights
MTWL March 31, 2023	
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,22,50,37,146
Mahindra Holding Limited	18,68,53,800

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

Class of shares/Name of shareholder	MTWL March 31, 2023 Number of shares held	% holding in that class of shares	% Change during the year
Equity shares with voting rights			
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,22,50,37,146	99.55%	NIL
Mahindra Holdings Limited	18,68,53,800	0.45%	NIL

Note no. 15 - Other equity

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	**6,450.05**	5,132.91
Other comprehensive income	**8,678.00**	8,677.11
	15,128.05	13,810.02
a) Securities premium account:		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
b) Capital Reserve:		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a) Retained earnings		
Adjustment in accordance with scheme of merger arrangement		
Balance at the beginning of the year	**5,132.91**	4,234.24
Add: Profit for the year	**4,682.62**	3,365.48
Less : Share issue expenses	**–**	–
Less: Payment of dividend (Refer note below)	**(3,365.48)**	(2,466.81)
Less: Tax paid on dividend	**–**	–
Closing Balance	**6,450.05**	5,132.91

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
b) Other comprehensive income		
Balance at the beginning of the year	**8,677.11**	1,483.70
<u>Items that will not be reclassified to profit or loss</u>		
Remeasurements of the defined benefit plans	**0.71**	3.89
Income tax relating to defined benefit plans	**0.18**	0.98
Share of other comprehensive income of equity accounted investees	**–**	9,606.24
Income tax relating to equity accounted investees	**–**	(2,417.70)
Closing Balance	**8,678.00**	8,677.11
c) Securities premium resrerve		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
d) Capital reserve		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91
Total other equity (a+b+c+d)	**15,823.27**	14,505.24

Note no. 16 - Provisions

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<u>**Non-current**</u>		
Provision for employee benefits		
Long-term employee benefits		
a) Compensated absences	**19.93**	18.98
b) Gratuity (net)	**–**	–
c) Others	**15.08**	20.73
Liability for purchase of property, plant & equipment	**644.98**	20.22
(As per IND AS-116)		
Total	**679.99**	59.93

Note no. 17 - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
<u>**Current**</u>		
(a) Provision for employee benefits		
(1) Short-term employee benefits		
– Compensated absences	**5.75**	5.15
– Gratuity (net)	**1.79**	–
(b) Other provisions		
(1) Warranty claims (Refer note no 36)	**17.10**	22.89
(2) Other Provisions for Statutory Liabilities	**–**	–
Total	**24.64**	28.04

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 18 - Trade payables

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 37)	**332.15**	66.84
(ii) Total outstanding dues other than micro enterprises and small enterprises	**7,094.07**	5,593.05
Total	**7,426.22**	5,659.89

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 29.

2022-23

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	332.15	–	–	–	332.15
(ii) Others	6,643.62	448.16	2.19	0.10	7,094.07
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**6,975.77**	**448.16**	**2.19**	**0.10**	**7,426.22**

2021-22

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	66.84	–	–	–	66.84
(ii) Others	5,557.52	34.72	–	0.81	5,593.05
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**5,624.36**	**34.72**	**–**	**0.81**	**5,659.89**

Note no. 19 - Other financial liabilities

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial liabilities at amortised cost		
Current		
Trade/Security Deposits	**–**	–
Interest accrued on trade payables		
Liability for purchase of property, plant & equipment	**555.36**	309.22
Total	**555.36**	309.22

Note no. 20 - Other current liabilities

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a. Advances received from customers	**611.46**	589.61
b. Others		
– Statutory dues (Excise duty, service tax, sales tax, TDS etc.)	**287.00**	167.47
Total	**898.46**	757.08

Note no. 21 - Revenue from operations

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Revenue from sale of products	**34,065.85**	27,331.17
(b) Other operating revenue		
– Sale of scrap	**84.50**	16.77
Total	**34,150.35**	27,347.94

Note no. 22 - Other income

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest income		
On financial assets at amortised cost	**359.03**	243.93
Inter corporate deposited cost	**83.90**	70.55
(b) Dividend income		
On equity shares	**–**	–
On financial assets at fair value through profit or loss	**–**	1.51

Rupees in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
(c)	Net gain/loss on sale of investments (current)	**96.93**	37.28
(d)	Liabilities & provision no longer required written back	**–**	–
(e)	Foreign Exchange Gain	**–**	3.22
(f)	Miscellaneous income	**160.02**	146.51
Total		**699.88**	503.00

Note no. 23(A) - Purchases of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Bought out spares	**21,632.93**	17,689.16
Total	**21,632.93**	17,689.16

Note no. 23(B) - Changes in inventories of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories at the beginning of the year:		
Stock-in-trade	**5,436.16**	5,700.20
	5,436.16	5,700.20
Inventories at the end of the year:		
Stock-in-trade	**5,179.65**	5,436.16
	5,179.65	5,436.16
Net (increase)	**256.51**	264.04

Note no. 24 - Employee benefit expense

Rupees in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Salaries and wages	**356.33**	352.66
(b)	Contribution to provident and other funds	**15.00**	17.50
(c)	Share based payments		
	Equity-settled share-based payments*	**0.43**	2.06
(d)	Staff welfare expenses	**6.08**	7.91
Total		**377.84**	380.13

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

Note no. 25 - Finance cost

Rupees in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Interest expense		
	– Interest on Lease Liability	**91.02**	41.94
	– Interest on delayed payment of Income Tax		
	– Interest on trade payables (MSME)	**2.03**	3.17
(b)	Others	**1.16**	(0.22)
Total		**94.21**	44.89

Analysis of interest expenses by category

Rupees in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Interest Expenses			
(a)	On financial liability at amortised cost	**2.03**	3.17
(b)	Other interest expenses	**92.18**	41.72

Note no. 26 - Other expenses

Rupees in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Rent including lease rentals	**44.41**	101.87
(b)	Rates and taxes	**7.74**	5.13
(c)	Insurance	**30.40**	33.34
(d)	Repairs and maintenance - others	**16.23**	13.14
(e)	Freight outward	**1,881.47**	1,527.33
(f)	Advertisement & sales promotion expenses	**24.09**	12.06
(g)	Travelling and conveyance expenses	**15.20**	6.96
(h)	Subcontracting, hire and service charges	**3,039.78**	2,379.66
(i)	CSR Expenditure	**92.22**	61.44
(j)	Warranty	**13.14**	19.83
(k)	Provision for doubtful trade receivables	**(144.68)**	103.47
(m)	Bad Debts written off	**195.22**	–
(l)	Auditors remuneration and out-of-pocket expenses		
	(i) As auditors	**12.60**	12.60
	(ii) For other services	**3.00**	3.00
	(iii) For reimbursement of expenses	**0.75**	–
(m)	Legal and other professional costs	**81.83**	70.53
(n)	Royalty	**5.31**	1.16
(o)	Packing Expenses	**4.44**	4.31
(p)	Foreign exchange loss (Net)	**13.12**	–
(q)	Miscellaneous expenses	**45.74**	32.14
Total		**5,382.01**	4,387.97

Note no. 27 - Tax expense

Income tax expense

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax		
Current income tax charge	**1,671.43**	1,232.09
Deferred tax		
In respect of current year origination and reversal of temporary differences	**103.87**	(97.36)
Total Tax Expense recognised in the statement of profit and loss	**1,775.30**	1,134.73

Numerical Reconciliation between average effective tax rate and applicable tax rate :

Rupees in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
	Amount	Amount
Profit Before tax from Continuing Operations	**6,457.92**	4,500.21
Enacted Tax Rate	**25.17%**	25.17%
Income Tax using the Company's domestic Tax rate #	**1,625.33**	1,132.61
Effect of Non deductible Expenses including CSR expenses and MSMED Interest	**111.03**	123.04
Effect of Tax - Exempt income	**–**	–
Difference in Tax rate for current tax & deferred tax	**–**	–
Others	**38.94**	(120.92)
Unrecognised MAT Credit		–
Income Tax recognised in statement of profit and loss from Continuing Operations (Effective Tax Rate)	**1,775.30**	1,134.73

Tax rate considered are as per the tax rates applicable for relevant Assessment Year.

Note no. 28 - Earning per share

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year attributable to owners of the Company	**4,682.62**	3,365.48
Weighted average number of equity shares	**41,41,18,90,946**	41,41,18,90,946
Earnings per share from continuing operations - Basic & diluted (face value of Rs.0.20 per share)	**0.01**	0.01

Note no. 29 - Financial instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

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

	As at March 31, 2023	As at March 31, 2022
Equity	**24,105.65**	22,787.62
Less: Cash and cash equivalents	**83.23**	186.18
	24,022.42	22,601.44

Categories of financial assets and financial liabilities

Rupees in Lakhs

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets								
Investments	**–**	**–**	**13,491.27**	**13,491.27**	**–**	–	13,491.27	13,491.27
Trade Receivables	**–**	**–**	**–**	**–**	**141.96**	–	–	141.96
Loans	**136.50**	**–**	**–**	**136.50**	**133.87**	–	–	133.87
Current Assets								
Investments	**–**	**2,570.17**	**–**	**2,570.17**	**–**	1,873.40	–	1,873.40
Trade Receivables	**3,724.74**	**–**	**–**	**3,724.74**	**2,557.54**	–	–	2,557.54
Cash and cash equivalents	**83.23**	**–**	**–**	**83.23**	**186.18**	–	–	186.18
Bank Balances	**4,539.77**	**–**	**–**	**4,539.77**	**6,042.00**	–	–	6,042.00
Other Financial Assets	**188.55**	**–**	**–**	**188.55**	**143.02**	–	–	143.02
Current Liabilities								
Trade Payables	**7,426.22**	**–**	**–**	**7,426.22**	**5,659.89**	–	–	5,659.89
Other Financial Liabilities								
– Non Derivative Financial Liabilities	**555.36**	**–**	**–**	**555.36**	**309.22**	–	–	309.22
– Derivative Financial Liabilities	**–**	**–**	**–**	**–**	**–**	–	–	–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company . The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management as and when required. The Company does not have significant credit risk exposure to any single counterparty.

The loss allowance provision is determined as follows:

As at March 31, 2023 — **Rupees in Lakhs**

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0%**	**0%**	**71%**	**8%**
Gross carrying amount	**3,255.68**	**340.19**	**445.65**	**4,041.53**
Loss allowance provision	**0.05**	**0.61**	**316.13**	**316.79**

As at March 31, 2022 — **Rupees in Lakhs**

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0%	0%	49%	7%
Gross carrying amount (Average)	3,029.82	283.00	581.06	3,893.88
Loss allowance provision (Average)	0.02	0.20	281.86	282.08

Reconciliation of loss allowance provision for Trade Receivables

Rupees in Lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance as at beginning of the year	**461.47**	358.01
Impairment losses recognised in the year based on lifetime expected credit losses (Net of Recovery)	**(144.68)**	103.46
Balance at end of the year	**316.79**	461.47

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rupees in Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
March 31, 2023				
Non-interest bearing	7,981.58			
Total	**7,981.58**	**–**	**–**	**–**
March 31, 2022				
Non-interest bearing	5,969.11	–	–	–
Total	**5,969.11**	**–**	**–**	**–**

(iii) Maturities of financial assets

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

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
March 31, 2023				
Non-interest bearing	**6,378.14**	**–**	**–**	**–**
(i) Investments	**2,570.17**	**–**	**–**	**–**
(ii) Trade receivables	**3,724.74**	**–**	**–**	**–**
(iii) Cash and cash equivalents	**83.23**	**–**	**–**	**–**
(iv) Loans		**–**	**–**	**–**
Fixed interest rate instruments	**4,728.32**	**4,594.00**	**–**	**–**
Total	**11,106.46**	**4,594.00**	**–**	**–**
March 31, 2022				
Non-interest bearing	4,617.12	141.96	–	–
(i) Investments	1,873.40	–	–	–
(ii) Trade receivables	2,557.54	141.96	–	–
(iii) Cash and cash equivalents	186.18	–	–	–
(iv) Loans		–	–	–
Fixed interest rate instruments	6,185.02	1,194.98	–	–
Total	10,802.14	1,336.94	–	–

Currency Risk

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

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

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade Receivables	USD	**331.65**	10,790.08
	INR (Rupees Lakhs)	**0.12**	8.17
	EUR	**–**	(2,244.61)
	INR (Rupees Lakhs)	**–**	(1.89)
Trade Payables	USD	**1,980.00**	27,792.83
	INR (Rupees Lakhs)	**1.63**	21.05
	EUR	**102,914.04**	28,471.64
	INR (Rupees Lakhs)	**92.27**	24.07

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

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade Receivables	USD	**331.65**	10,790.08
	INR (Rupees Lakhs)	**0.12**	8.17
	EUR	**–**	(2,244.61)
	INR (Rupees Lakhs)	**–**	(1.89)
Trade Payables	USD	**1,980.00**	27,792.83
	INR (Rupees Lakhs)	**1.63**	21.05
	EUR	**102,914.04**	28,471.64
	INR (Rupees Lakhs)	**92.27**	24.07

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

Rupees in Lakhs

For the year ended	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2023	**USD/EURO**	**+10%**	**(9.38)**	**(9.38)**
	USD/EURO	**-10%**	**9.38**	**9.38**
March 31, 2022	USD/EURO	+10%	(3.88)	(3.88)
	USD/EURO	-10%	3.88	3.88

Note no. 30 - Fair value measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rupees in Lakhs

Financial assets/financial liabilities measured at Fair value	Fair value as at 31-Mar-23	Fair value as at 31-Mar-22	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Mutual fund investments	2,570.17	1,873.40	Level 1	Value published by the respective Asset Management Company which is available in an active market	NA	NA

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

Rupees in Lakhs

Particulars	Level	As at March 31, 2023 Carrying amount	Fair value	As at March 31, 2022 Carrying amount	Fair value
Financial assets					
Financial assets carried at amortised cost					
Security deposit	Level 3	136.50	141.55	133.87	112.55
Investments	Level 3	–	–	–	–
Trade receivables	Level 3	3,724.74	3,724.74	2,699.50	2,699.50
Cash and cash equivalents	Level 1	83.23	83.23	186.18	186.18
Bank balances	Level 1	4,539.77	4,539.77	6,042.00	6,042.00
Other financial assets	Level 3	188.55	188.55	143.02	143.02
Financial liabilities					
Financial liabilities held at amortised cost					
Trade payables	Level 3	7,426.22	7,426.22	5,659.89	5,659.89
Other financial liabilities	Level 3	555.36	555.36	309.22	309.22

Note no. 31 - Related party transactions

1. Name of related party and nature of relationship where control exists

Nature of Relationship	Name of the related party
Parent Company	Mahindra & Mahindra Limited

2. Other parties with whom transactions have taken place during the year

Nature of Relationship	Name of the related party
Fellow subsidiary	Mahindra Heavy Engines Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Fellow subsidiary	Defence Land Systems India Limited
Fellow subsidiary	Mahindra Holdings Limited
Fellow subsidiary	Mahindra and Mahindra Financial Services Limited
Fellow subsidiary	Mahindra Logistics Limited
Fellow subsidiary	Lords Freight (India) Private Limited
Fellow subsidiary	NBS International Ltd.
Fellow subsidiary	Mahindra Engineering and Chemical Private Limited
Fellow subsidiary	Mahindra Retail Private Limited
Fellow subsidiary	Mahindra eMarket Limited
Fellow subsidiary	Fifth Gear Ventuures Limited
JV of Holding Company	Classic Legends Private Ltd
Associate of Holding Company	Mahindra CIE Automotive Limited
KMP of the Company	Arun Malhotra
KMP of the Company	Shrikant Marathe
KMP of the Company	Mr. Niteen Sudheer Karve
KMP of the Company	Mrs. Poonam Avinash Vaze

Details of transaction between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of transactions**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Mahindra & Mahindra Limited	Sale of goods	**1,903.01**	177.20
	Purchase of goods	**2,216.41**	1,906.98
	Receiving of services	**3,225.96**	2,658.73
	Dividend Paid	**3,350.29**	2,455.68
	Reimbursements received from parties	**6.71**	10.23
	Reimbursements made to parties (Note no 2)	**574.30**	434.14
Mahindra CIE Automotive Limited	Purchase of goods	**8.35**	4.72
NBS International Ltd.	Sale of goods	**47.60**	45.56
Mahindra Holdings Limited	Dividend Paid	**15.19**	11.13
Mahindra and Mahindra Financial Services Limited	Other expenses	**10.47**	–
Mahindra Heavy Engines Limited	Sale of goods	**–**	25.49
	Purchase of Goods	**966.22**	835.97
Classic Legends Private Ltd	Sale of services	**184.90**	183.35
Mahindra eMarket Ltd	Sale of goods	**–**	50.98
	Purchase of services	**–**	7.17
Fifth Gear Ventures Limited	Purchase of services	**7.08**	–
	Sale of goods	**45.29**	–
Mahindra Integrated Business Solutions Private Limited	Receiving of services	**30.06**	25.94
Mahindra Logistics Limited	Receiving of services	**986.61**	495.38
Lords Freight (India) Private Limited	Receiving of services	**7.30**	11.31
Defence Land Systems India Limited	Sale of goods	**23.22**	22.59
Arun Malhotra	Director	**5.40**	2.60
Shrikant Marathe	Director	**5.40**	2.60
Mrs. Poonam Avinash Vaze	Company Secretary	**2.54**	2.16

Details of balances between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of Balances**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Mahindra & Mahindra Ltd	Receivables	**1,764.15**	1,300.72
	Payables	**560.74**	114.94
Mahindra CIE Automotive Limited	Payables	**0.27**	1.16
NBS International Ltd.	Payables	**2.65**	3.21
Mahindra Heavy Engines Limited	Payables	**90.11**	31.05
Mahindra eMarket Ltd	Receivables	**–**	15.58
Fifth Gear Ventures Limited	Payables	**3.57**	–
Classic Legends Private Ltd	Receivables	**18.55**	20.60
Mahindra Integrated Business Solutions Private Limited	Payables	**0.93**	1.77
Defence Land Systems India Limited	Receivables	**0.36**	1.44
Mahindra Logistics Limited	Payables	**250.94**	233.38
Lords Freight (India) Private Limited	Receivables	**0.01**	9.09

Notes:

1. The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.
2. Related party transactions for the period are at arm's length.

Note no. 32 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.8.08 Lakhs (2022: Rs.7.11 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined Benefit Plans:

Gratuity

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

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

1) Liability Risks

a. Asset-Liability Mismatch Risk-

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

b. Discount Rate Risk-

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

c. Future Salary Escalation and Inflation Risk -

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

2) Asset Risks

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

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

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

	Valuation as at 31-Mar-23	**Valuation as at 31-Mar-22**
Discount rate(s)	**7.30%**	6.30%
Expected rate(s) of salary increase	**9.00%**	9.00%

Defined benefit plans – as per actuarial valuation on March 31, 2023

			Rupees in Lakhs
		Funded Plan	**Funded Plan**
		Gratuity	**Gratuity**
Particulars		**March 31, 2023**	**March 31, 2022**
Ia.	**Expense recognised in the Statement of Profit and Loss for the year:**	**4.64**	4.40
1.	Current service cost	**4.78**	4.55
2.	Past Service Credit	**–**	–
3.	Interest cost	**(0.14)**	(0.15)
Ib.	**Included in other Comprehensive Income**	**(0.71)**	(3.89)
1.	Return on plan assets	**–**	–
2.	Actuarial (Gain)/Loss on account of :	**(0.71)**	(3.89)
	- Demographic Assumptions		
	- Financial Assumptions	**(0.71)**	(3.89)
	- Experience Adjustments		
3.	Others (specify)	**–**	–

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

a. Service Cost:		
Current Service Cost	**4.78**	4.55
Past service cost and (gains)/losses from settlements		
Net interest expense	**(0.14)**	(0.15)
Components of defined benefit costs recognised in profit or loss	**4.64**	4.40
b. Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**–**	–
Actuarial gains and loss arising form changes in financial assumptions	**(0.71)**	(3.89)
Actuarial gains and loss arising form experience adjustments	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(0.71)**	(3.89)
Total	**3.93**	0.51

I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		**(1.79)**	2.15
1.	Present value of defined benefit obligation as at year end	**56.14**	49.22
2.	Fair value of plan assets as at year end	**54.35**	51.37
3.	Surplus/(Deficit)	**(1.79)**	2.15
4.	Current portion of the above	**(1.79)**	2.15
5.	Non current portion of the above		
II.	**Change in the obligation during the year ended**		
1.	Present value of defined benefit obligation at the beginning of the year	**49.22**	46.35
2.	Add/(Less) on account of Scheme of Arrangement/Business		
Transfer		**–**	–
3.	Expenses Recognised in Statement of Profit and Loss		
	- Current Service Cost	**4.78**	4.55

Particulars	Funded Plan Gratuity	Rupees in Lakhs Funded Plan Gratuity
	March 31, 2023	March 31, 2022
- Past Service Cost	**–**	–
- Transfer In/(Out)		
- Interest Expense (Income)	**3.10**	2.60
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	**(0.95)**	(4.28)
5. Benefit payments	**–**	–
6. Present value of defined benefit obligation at the end of the year	**56.15**	49.22

III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**51.37**	49.02
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. Expenses Recognised in Statement of Profit and Loss		
- Expected return on plan assets	**3.24**	2.75
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**(0.26)**	(0.39)
5. Contributions by employer (including benefit payments recoverable)	**–**	–
6. Benefit payments		
7. Fair value of plan assets at the end of the year	**54.35**	51.37

IV. The Major categories of plan assets		
Fund managed by insurer	**100.00%**	100.00%

V. Actuarial assumptions		
1. Discount rate	**7.30%**	6.30%
2. Expected rate of return on plan assets	**6.30%**	5.60%
3. Attrition rate	**20.00%**	20.00%
4. Medical premium inflation	**NA**	NA

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

Rupees in Lakhs

Principal assumption	Changes in assumption	March 31, 2023 Impact on defined benefit obligation Increase in assumption	March 31, 2023 Impact on defined benefit obligation Decrease in assumption	March 31, 2022 Impact on defined benefit obligation Increase in assumption	March 31, 2022 Impact on defined benefit obligation Decrease in assumption
Discount rate	-1.00%		58.60		51.53
	1.00%	53.88		47.10	
Salary growth rate	-1.00%		54.39		47.57
	1.00%	58.01		50.98	
Withdrawal rate	-1.00%		56.32		49.47
	1.00%	55.98		48.98	

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

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

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

Age	**Mortality rate**
21	0.000934
22	0.000937
23	0.000936
24	0.000933
25	0.000931

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

Maturity profile of defined benefit obligation:

Particulars	**March 31, 2023**	March 31, 2022
Within 1 year	**11.51**	9.67
1 - 2 year	**15.24**	9.15
2 - 3 year	**11.54**	12.06
3 - 4 year	**8.02**	9.28
4 - 5 year	**7.46**	6.32
5 - 10 years	**29.89**	25.75

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 is as follows:

Particulars	**March 31, 2023**	March 31, 2022
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

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

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

Note no. 33 - Segment Reporting

The Company has single reportable business segment namely Automotive vehicles-related spare parts. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments. The Company deals into trading of Spare parts. The Company has only one reportable geographical segment.

Geographic information	**As at March 31, 2023**	Rupees in Lakhs As at March 31, 2022
Revenue from external customers		
India	**34,079.19**	26,674.59
Outside India	**71.16**	673.35
Total revenue per statement of profit or loss	**34,150.35**	27,347.94

All the non-current assets of the Company are located in India.

Revenue from major products and service

The following is an analysis of the company's revenue from its major products and services:

		Rupees in Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Sale of spares	34,150.35	27,347.94
Total	34,150.35	27,347.94

Revenues from transactions with a single external customer does not amounts to 10% or more of a Company's revenues during the year.

Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 34 - INDAS 116

	Rupees in Lakhs
Maturity Analysis - Contractual Undiscounted Cash Flow	**Total**
Less than one year	555.36
One to Three years	644.98
Three to five years	–
More than five years	
Total undiscounted lease liabilities at Balance sheet date	
later than one year and not later than five years	644.98
later than five years	

Note No. 35 : Transaction with Struck off

				Rupees in Lakhs
Name of struck of Company	**Receivable**	**Payable**	**Other Outstanding Balances Assets**	**Other Outstanding Balances Liabilities**
Sanwaliya Motors Pvt. Ltd.	–	–	–	0.56
Rampadarath Singh Motors Pvt. Ltd.	0.02	–	–	–
Gap Automodi Pvt. Ltd.	0.66	–	–	–
R.S. Ajit Singh & CO. (Automotives) Pvt. Ltd.	0.19	–	–	–
Sivsakthi Automobiles Pvt. Ltd.	0.50	–	–	–
Mud Flap Technologies Pvt. Ltd.	–	–	–	0.40

Note: The above information is provided on basis of reasonable diligence done to ascertain relevant companies that have been struck off on the website of the Ministry of Company Affairs.

Note No. 36 : Ratios

						Rupees in Lakhs
Particulars	**Numerator**	**Denominator**	**As at March 31, 2023**	**As at March 31, 2022**	**Variance**	**Reasons**
Current Ratio	Current Assets	Current Liabilities	1.85	2.44	-24%	
Debt-Equity Ratio	Total Liabilities	Shareholder's Equity	–	–		
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	–	–		
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	0.19	0.15	32%	On account of increase in revenue from operations
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.12	3.22	28%	On account of higher/increase in operations during the end of the year.
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	10.63	7.77	37%	Highest sales at the end of the year
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	3.35	3.09	8%	
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	4.49	2.80	60%	Due to higher sale and efficient working capital management
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.19	0.16	15%	
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	0.24	0.18	33%	On account of increase in operations
Return on investment	Interest (Finance Income)	Investment	0.04	0.02	142%	Better returns due to market conditions

Note no. 37 - Additional Information to the Financial Statements

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

		Rupees in Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as at the end of the accounting year	**332.15**	66.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**2.03**	3.17
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**0.36**	–
(iv) The amount of interest due and payable for the year	**2.03**	3.17
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**4.84**	3.17
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**–**	–

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

Note no. 38 - Provision for Warranty:

		Rupees in Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Carrying Amount at the beginning of the year	**22.88**	19.05
Add: Additional Provision made during the year (net of reversal)	**12.22**	3.84
Less: Amounts Used during the year	**(18.00)**	
Carrying Amounts at the end of the year	**17.10**	22.88

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits

Provision for warranty relates to provision made in respect of certain products, the estimated costs of which is accrued at the time of sale. The products are generally covered under warranty period ranging upto 6 months or 20,000 kms. from the date of fitment, which ever is earlier.

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 39 - Auditors' remuneration

		Rupees in Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Audit fees	**12.60**	12.60
Other services	**3.00**	3.00
Out of pocket expenses reimbursed	**0.75**	–
Total	**16.35**	15.60

Note no. 40 - Contingent Liability

		Rupees in Lakhs
	As at March 31, 2023	As at March 31, 2022
Particulars As at March 31, 2023	**–**	–
Claims against the company not acknowledged as debt:	**–**	–
(i) Income Tax claims disputed by the company relating to disallowance of sales and promotion expenses, depreciation and other disallowance	**464.62**	464.62
	–	–

Note no. 41 - Events after the reporting period

No material events have occurred after the balance sheet date and upto the approval of financial statements by board of directors.

Annual accounts were approved on 20.04.23 by the board of directors.

Note no. 42 - Earnings in foreign exchange

		Rupees in Lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
FOB Value of exports	**71.16**	673.35
Total	**71.16**	673.35

Note no. 43 - Employee stock option

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

The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under Parent's ESOP scheme vests in 4/5 instalments on expiry of 12 months, 24 months, 36 months, 48 months and 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on specified day over a period of 4/5 years from the date of vesting. Such ESOP expense in respect of employees of the Company is charged by the holding Company over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge is recognised as share based payment expenses under Employee Benefit Expenses.

Note No. 44-Statement showing disclosure for CSR expense

			Rupees in Lakhs
	Particulars	**As at March 31, 2023**	As at March 31, 2022
(i)	Amount required to be spent by the company during the year	**91.92**	61.43
(ii)	Amount of expenditure incurred	**92.22**	61.44
(iii)	Shortfall at the end of the year	**–**	–
(iv)	Total of previous years shortfall	**–**	–
(v)	Reason for shortfall	**NA**	NA
(vi)	Nature of CSR activities	**1. Education of girl child of truck drivers.**	1. Education of girl child of truck drivers.
		2. Education of Girl Child (Nanhi Kali)	2. Tree plantation
		NA	NA
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	**NA**	NA
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**–**	0.10

Note no. 45 -

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

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Date: Apr 20, 2023
Place: Pune

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN 07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary
ACS No.: 19158

Date: Apr 20, 2023
Place: Mumbai

THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AT 31 MARCH 2023

PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE 39/2010

TO THE SHAREHOLDER OF MAHINDRA EUROPE S.R.L.

Report on the audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Europe S.r.l. ("the Company"), which comprises the Balance Sheet as at March 31st, 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended.

In our opinion, the annual Financial Statements at 31 March 2023 comply with the provisions which discipline the criteria for the drafting of the same; they have been drawn up clearly and give a true and correct representation of the Company's equity and financial situation and economic result.

Basis of opinion

We carried out the audit in accordance with international auditing standards (ISA Italy). Our responsibilities under these standards are further described in the Responsibilities of the independent auditors for auditing the financial statements section of this report. We are independent of the Company in accordance with the rules and principles in matters of ethics and independence applicable in the Italian legal system to the auditing of balance. We believe that we have obtained sufficient appropriate audit evidence upon which to base our opinion.

Disclosure reminders

The automotive market, as set out in the Explanatory Notes to which reference is made, continues to experience a significant change linked to European legislation which continues to favor engines that use renewable energy over traditional fuels. In this context, the Company had communicated to the sales network, made up of distributors and concessionaires, the termination of the commercial relations with 24 months' notice which expire during the next financial year. The Company justified this decision with the need to modify its business model in relation to the changed market conditions. From the information collected, the Company will continue to support customer needs as required by European and national legislation, therefore, through adequate support from the Shareholder and with the confirmation of current credit lines, it is possible to maintain the assumption of going concern also in this particular moment of transition.

Responsibility of the Directors and of the Statutory auditor for the financial statements

The Directors are responsible for preparing the financial statements that provide a true and fair view in compliance with the Italian regulations governing the accounting criteria, preparation and, within the terms established by law, for that part of the internal control they deem necessary to enable the preparation of financial statements that do not contain material errors due to fraud or unintentional behavior or events. The Directors are responsible for assessing the Company's ability to continue operate as a going concern and, in preparing the financial statements, for the appropriateness of the use of the going concern assumption, as well as for an adequate information on the subject. The Directors use the going concern assumption in preparing the financial statements unless they have assessed that the conditions exist for the liquidation of the Company or for the interruption of the activity or they have no realistic alternatives to such choices.

The Statutory auditor is responsible for supervising, within the terms established by law, the process of preparing the Company's financial information.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to acquire reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and to issue an audit report that includes our opinion. Reasonable certainty means a high level of certainty which, however, does not provide the guarantee that an audit carried out in accordance with international auditing standards (ISA Italy) will always identify a significant error, if any. Errors may derive from fraud or from unintentional behavior or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions taken by users on the basis of the financial statements. As part of the audit performed in accordance with international auditing standards (ISA Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the audit. Furthermore,

- we have identified and assessed the risks of significant errors in the financial statements, due to fraud or unintentional behavior or events; we have designed and performed audit procedures in response to these risks; we have obtained sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional behavior or events, as fraud may involve the existence of collusion, forgery, intentional omissions, misrepresentations or overrides of internal control;
- we have acquired an understanding of the internal control relevant for the purposes of the audit in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the Company's internal control;

- we have reached a conclusion on the appropriateness of the use by the directors of the going concern assumption and, based on the audit evidence obtained, on the possible existence of a significant uncertainty regarding events or circumstances that may give rise to significant doubts on the ability of the Company to continue to operate as a going concern. In the presence of a material uncertainty, we are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to reflect this circumstance in the formulation of our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may cause the Company to cease to operate as a going concern;
- we have evaluated the presentation, structure and content of the financial statements as a whole, including the information, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

We have communicated to those charged with governance, identified at an appropriate level as required by the Italy ISAs, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control identified in the course of the audit.

Report on other laws and regulations

Judgment pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 39/2010

The Directors of Mahindra Europe S.r.l. are responsible for preparing the management report of Mahindra Europe S.r.l. as at 31 March 2023, including its consistency with the related financial statements and its compliance with the law. We have carried out the procedures indicated in the auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the management report with the financial statements of Mahindra Europe S.r.l. as at 31 March 2023 and on its compliance with the law, as well as to issue a statement on any material misstatements.

In our opinion, the management report is consistent with the financial statements of Mahindra Europe S.r.l. as at 31 March 2023 and is drawn up in compliance with the law. With reference to the declaration referred to in Article 14, paragraph 2, letter e), of Legislative Decree 39/2010, issued on the basis of the knowledge and understanding of the company and the related context acquired during the auditing activity, we have nothing to report.

Roberto Mallardo
RB AUDIT Italia - Audit Partner
(Registration n. 135061)

Rome, May 19th 2023

Financial statement as on 31/03/2023

Balance Sheet	3/31/2023 Euro	3/31/2023 INR/Lakhs	3/31/2022 Euro	3/31/2022 INR/Lakhs
Assets				
A) Accounts receivable from shareholders in respect of unpaid share capital	**0**	**0.00**	0	0.00
B) Fixed assets				
I. Intangible assets				
3) Industrial patents & intellectual property rights	**0**	**0.00**	436	0.39
7) Others	**3,882**	**3.48**	4,964	4.45
Total I	**3,882**	**3.48**	5,400	4.84
II. Tangible assets				
2) Plant & Machinery	**23,962**	**21.48**	28,953	25.95
3) Industrial & commercial equipment	**179**	**0.16**	6,870	6.16
4) Other Assets	**82,607**	**74.05**	154,725	138.69
Total II	**106,748**	**95.69**	190,548	170.81
III. Financial assets				
1) Equity investments in other companies	**262**	**0.23**	262	0.23
2) Receivables				
d) Other companies due beyond 12 months	**10,555**	**9.46**	130	0.12
Total III	**10,817**	**9.70**	392	0.35
Total fixed assets	**121,447**	**108.86**	196,340	176.00
C) Current assets				
I. Stock				
4) Finished goods	**6,076,966**	**5,447.33**	2,837,507	2,543.51
5) Advance	**0**	**0.00**	0	0.00
Total I	**6,076,966**	**5,447.33**	2,837,507	2,543.51
II. Accounts receivable				
1) Trade within 12 months	**1,370,215**	**1,228.25**	957,577	858.36
4) Parent Company within 12 months	**87,414**	**78.36**	298,880	267.91
4-bis) Tax receivables within 12 months	**44,217**	**39.64**	71,647	64.22
4-ter) Deferred Tax assets within 12 months	**152,608**	**136.80**	200,468	179.70
5) Others				
due within 12 months	**826**	**0.74**	4,885	4.38
due beyond 12 months	**48,387**	**43.37**	47,438	42.52
Total II	**1,703,667**	**1,527**	1,580,895	1,417
III. Financial assets other than fixed assets				
IV. Liquid assets				
1) Bank & Post office deposit	**626,204**	**561.32**	856,080	767.38
2) Bank cheque	**0**	**0.00**	0	0.00
3) Cash on hand	**5,330**	**4.78**	10,047	9.01
Total IV	**631,534**	**566.10**	866,127	776.39
Total current assets	**8,412,167**	**7,540.58**	5,284,529	4,737.00
D) Accrued income and prepaid expenses				
Total accrued income and prepaid expenses	**80,816**	**72.44**	208,768	187.14
Total assets	**8,614,430**	**7,721.89**	5,689,637	5,100.13

Financial statement as on 31/03/2023 (Cont.)

		3/31/2023		3/31/2022	
		Euro	**INR/Lakhs**	Euro	INR/Lakhs
Liabilities					
A)	**Shareholders' equity**				
I.	Share capital	**1,421,151**	**1,273.91**	1,421,151	1,273.91
II.	Share premium reserve				
III.	Revaluation reserve				
IV.	Legal reserve	**35,041**	**31.41**	34,510	30.93
V.	Reserve for Treasury shares				
VI.	Reserves provided for by the articles on association				
VII.	Other reserves				
	Extraordinary reserve	**0**	**0.00**	0	0.00
	Advance for share capital				
	Rounding off reserve	**(1)**		(1)	
	Reserve for social initiatives		**0.00**		0.00
VIII.	Retained earnings (loss) carry forwards	**0**	**0.00**	0	0.00
IX.	Profit (loss) for the year	**205,162**	**183.91**	531	0.48
	Total shareholders' equity	**1,661,353**	**1,489.22**	1,456,191	1,305.32
B)	**Provisions for liabilities and charges**				
I.	Retirement benefits & similar obligations				
II.	Taxes, including deferred				
III.	Other	**27,863**	**24.98**	27,863	24.98
	Total provision for liabilities & charges	**27,863**	**24.98**	27,863	24.98
C)	**Employees' leaving indemnity**				
	Total employees' leaving indemnity	**148,613**	**133.22**	174,820	156.71
D)	**Debt and Payables**				
4)	Banks within 12 months	**904,032**	**810.37**	1,666	1.49
7)	Trade within 12 months	**1,431,673**	**1,283.34**	823,635	738.30
11)	Parent Company within 12 months	**4,063,707**	**3,642.67**	2,863,748	2,567.04
12)	Tax payables within 12 months	**200,121**	**179.39**	116,096	104.07
13)	Social security within 12 months	**19,798**	**17.75**	50,221	45.02
14)	Other within 12 months	**152,321**	**136.54**	169,625	152.05
	Total Debt & payables	**6,771,652**	**6,070.04**	4,024,991	3,607.96
E)	**Accrued liabilities and deferred income**				
	Total accrued liabilities and deferred income	**4,949**	**4.44**	5,772	5.17
	Total shareholders' equity and liabilities	**8,614,430**	**7,721.89**	5,689,637	5,100.13

Profit and loss account

	3/31/2023 Euro	3/31/2023 INR/Lakhs	3/31/2022 Euro	3/31/2022 INR/Lakhs
A) Revenues				
1) From sales and services	**12,030,781**	**10,784.27**	7,997,658	7,169.02
2) Changes in stocks of work in process, semi-finished and finished products				
3) Work in progress on order				
4) Capitalised internal work in progress				
5) Other revenues and income				
a) Other revenues and income	**363,053**	**325.44**	877,049	786.18
b) Contribution on trading account				
Total revenues	**12,393,834**	**11,109.71**	8,874,707	7,955.20
B) Expenses				
6) Raw materials, subsidiary materials, consumables and goods	**(12,597,522)**	**(11,292.29)**	(4,693,282)	(4,207.01)
7) Services	**(1,796,403)**	**(1,610.28)**	(1,789,266)	(1,603.88)
8) Rent/lease	**(122,386)**	**(109.71)**	(112,472)	(100.82)
9) Personnel costs				
a) salaries and wages	**(520,845)**	**(466.88)**	(562,051)	(503.82)
b) social contributions	**(140,789)**	**(126.20)**	(163,024)	(146.13)
c) employees' leaving indemnity	**(42,121)**	**(37.76)**	(45,575)	(40.85)
d) accruals for pension and similar costs				
e) other costs	**(1,711)**	**(1.53)**	(1,303)	(1.17)
Total 9)	**(705,466)**	**(632.37)**	(771,953)	(691.97)
10) Depreciation and value adjustments				
a) depreciation of intangible assets	**(1,518)**	**(1.36)**	(11,405)	(10.22)
b) depreciation of tangible assets	**(54,983)**	**(49.29)**	(64,101)	(57.46)
c) other value adjustments				
d) write down of accounts receivable recorded among current assets and liquid assets	**0**	**0.00**	0	0.00
Total 10)	**(56,501)**	**(50.65)**	(75,506)	(67.68)
11) Changes in raw materials, subsidiary materials, consumables and goods	**3,239,459**	**2,903.82**	(1,319,349)	(1,182.65)
12) Accruals to provisions for liabilities and charges	**0**	**0.00**	0	0.00
13) Other accruals	**0**	**0.00**	0	
14) Other operating costs	**(59,846)**	**(53.65)**	(65,617)	(58.82)
Total expenses	**(12,098,665)**	**(10,845.12)**	(8,827,445)	(7,912.83)
Difference between revenues and expenses(A–B)	**295,169**	**264.59**	47,262	42.37
C) Financial income and expense				
15) Income from shareholdings:				
– in controlled undertakings				
– in affiliated undertakings				
– other income		**0.00**		0.00
Total 15)	**0**	**0.00**	0	0.00
16) Other financial income:				
a) from accounts receivable recorded among fixed assets				
a1) controlled undertakings				
a2) from affiliated undertakings				
a3) from controlling companies				
a4) other financial income				
b) from securities recorded among fixed assets				
c) from securities recorded among current assets				
d) other income:				
d1) from controlled undertakings				

Profit and loss account (Cont.)

	3/31/2023 Euro	**3/31/2023 INR/Lakhs**	3/31/2022 Euro	3/31/2022 INR/Lakhs
d2) from affiliated undertakings				
d3) from controlling companies				
d4) other income	**94.00**	**0.08**	53.00	0.05
Total d)	**94.00**	**0.08**	53.00	0.05
Total 16)	**94.00**	**0.08**	53.00	0.05
17) Interest and other financial costs:				
a) from controlled undertakings				
b) from affiliated undertakings				
c) from controlling companies				
d) others financial costs	**(19,186.00)**	**(17.20)**	(40,628.00)	(36.42)
Total 17)	**(19,186.00)**	**(17.20)**	(40,628.00)	(36.42)
17-bis) Current and deferred exchange gains and losses	**7.00**	**0.01**	(409.00)	(0.37)
Total financial income and expense	**(19,085.00)**	**(17.11)**	(40,984.00)	(36.74)
D) Value adjustments of financial assets				
18) Write-ups:				
a) of shareholdings				
b) of financial fixed assets				
c) of securities recorded among current assets				
19) Write downs:				
a) of shareholdings				
b) of financial fixed assets		**0.00**		0.00
c) of securities recorded among current assets				
Total value adjustments to financial assets	**0**	**0.00**	0	0.00
E) Extraordinary income and costs				
20) Income:				
– capital gains on disposals of assets				
– other extraordinary income	**0**	**0.00**	0	0.00
Total 20)	**0**	**0.00**	0	0.00
21) Expenses:				
– losses on disposals of assets	**0**	**0.00**	0	0.00
– taxes of previous years		**0.00**	0	0.00
– other extraordinary costs	**0**	**0.00**	0	0.00
Total 21)	**0**	**0.00**	0	0.00
Total extraordinary income and costs	**0**	**0.00**	0	0.00
Result before taxes (A–B±C±D±E)	**276,084.00**	**247.48**	6,278.00	5.63
20) Taxes on the income for the year				
a) Current business year taxes	**(23,062.00)**	**(20.67)**	(5,707.00)	(5.12)
b) Taxes on last business year		**0.00**	(40.00)	(0.04)
c) Deferred tax liabilities and (assets)	**(47,860.00)**	**(42.90)**		0.00
23) Profit (loss) of the year	**205,162.00**	**183.91**	531.00	0.48

"EURO amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 89.639 = Euro 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2023".

A lakh is a unit in the Indian numering system equal to one hundred thousand (100.000).

This Financial Statement is in agreement with results of accountant records.

For The Board of Directors:

Sachin Arolkar

Chairman

Mumbai, 08th May 2023

Notes to the financial statements at 31/03/2023

Indian Rupees at the exchange rate of INR 89,639 = Eur 1

A lakh is a unit in the Indian numeric system equivalent to one hundred thousand (100.000).

Introduction

Dear Quotaholder,

The financial statements for the fiscal year ended 31/03/2023 is submitted for your verification and approval. The fiscal year FY2023 ended with a profit equal to Euro 205.162 / INR 183,91 Lakhs, net of taxes and after amortization and depreciation for a total of Euro 56.501 / INR 50,65 Lakhs

Area of Business

Your company carries out its activities in the sector of distribution of motor vehicles and spare parts, as official importer of Mahindra vehicles in the European markets like Italy, Spain, & other Eastern Europe countries.

Major events occurred during the company's fiscal year

The significant events that occurred during the year are as follows:

The Company obtained the necessary type-approval extensions with related waivers from the Ministry of Transport for its entire range of vehicles, in line with the requirements of the applicable regulations. The Company obtained the renewal of the existing credit lines with Intesa Sanpaolo and Bank of America Merrill Lynch. The credit lines are mainly used to finance the import of vehicles and spare parts and to finance short-term cash flow. All credit lines are settled at market conditions and guarantee the Company adequate financial resources to run its business. The Company has renewed its agreement with Fiditalia to offer its customers retail financing options to support the sales of vehicles. During the financial year, the Company managed trade credit through the factoring company Ifitalia of the BNP Paribas Group.

The automobile market continues to experience a significant change linked to emerging European market preferences which continues to favour vehicles that use renewable energy source over traditional fuels. Various studies & analysis done by major trade associations, have not yet been able to identify a single consumer preference. Hence your company is required to re-evaluate and restructure its business model more relevant to the current circumstances and those that are emerging in the medium term. As part of the business model restructuring process, a letter of termination of the distribution relationship was sent to distributors and dealers with two years notice, which expires next year. This residual period will allow the Company to continue exploring the possibilities of developing a business model suited to the new circumstances and capable of facing the new challenges in the market and enables Mahindra Europe to move towards its new goals.

In Financial Year 2022, the country finally overcame the difficulties resulting from the spread of the SARS Covid-19 infection and the resulting restrictions on activities, gaining a strong recovery. It must also be said that during the year major problems arose related to the supply of energy sources and the consequent strong growth in the inflation rate in Italy and in all European countries.

All this led to difficulties for our company in the initial period of the financial year but subsequently, thanks to the constant production of the Kuv100 model and the adjustment of the sales lists, the company achieved a good result in terms of sales and profit.

The Russian-Ukrainian conflict, which broke out in the middle of Europe in February 2022, has not had a negative impact on sales for our company.

Layout criteria

The criteria adopted for the preparation of the financial statements at 31/03/2022 take into account the changes introduced into Italian legislation by legislative decree 139/2015, through which EU Directive 2013/34 was implemented. As a result Legislative decree 139/2015 amended the Italian accounting principles issued by the Italian Accounting Body OIC (*Organismo Italiano di Contabilità*).

It was not feasible to calculate the cumulative past effects of the change in accounting principle and the determination of the past effects was too burdensome and therefore the new accounting principle OIC 15 and OIC 19 was not applied.

The financial statements have been drawn up in accordance with arts. 2423 of the Italian Civil Code, as appears from these Notes, which have been prepared pursuant to art. 2427 of the Italian Civil Code and are an integral part of the financial statements within the meaning and for the purposes of art. 2423.

Financial statement figures are expressed in whole Euro and INR/Lakhs by rounding off the relevant amounts to the nearest whole number. Any rounding-off differences were recorded under the item "INR/Lakhs Rounding-off reserve" included among the Shareholders' equity. Pursuant to article 2423(6) of the Italian civil code, the notes were drawn up in units of thousands of Euro and INR/Lakhs/(in whole Euro and INR/Lakhs).

The explanatory note presents the information of the balance sheet and income statement items in the order in which the related items are indicated in the respective financial statements .

Valuation criteria

(article 2427(1)(1) of the Civil Code, OIC 12)

The valuation of the items in the financial statements was made based on general criteria of prudence and competence, on going-concern basis.

The application of the prudence principle involved the individual valuation of the elements making up the individual items or items of the assets or liabilities, to avoid offsetting between losses that should have been recognized and profits that should not be recognized as unrealized.

In compliance with the accrual principle, the effect of transactions and other events has been recognized and attributed to the year to which these transactions and events refer, and not to the year in which the related cash movements take place (collections and payments).

In application of the principle of relevance, the obligations regarding recognition, evaluation, presentation and disclosure were not respected when their observance had irrelevant effects in order to give a true and correct representation.

The consistent application of accounting principles over time ensures the comparability of the company's financial statements drawn up in different fiscal years.

The recognition and presentation of the balance sheet items was made taking into account the substance of the transaction or contract.

The Company has not made use of the right to exempt from the ordinary rules relating to business continuity.

Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code

(article 2423 (5) of the Civil Code)

There have been no exceptional cases that have made it necessary to resort to exceptions pursuant to art. 2423 paragraph 5 of the Civil Code.

Changes in accounting principles

The Company has not changed the accounting principles.

As regards the application of the national accounting standards OIC 15 (credits) and OIC 19 (debts), relatively the application of the amortized cost criterion and the discounting of the expected cash flow of the correspondent nominal value of the credit / debit, the company makes use of the relevant presumptions of irrelevance for credits and debts with a maturity of less than twelve months, the effects being irrelevant with respect to the results that would be obtained with the pre-reform criteria, since the sale and purchase transactions are negotiated with deferred payments at market rates and with a negligible amount of transaction costs.

Problems of comparability and adaptation

The evaluation criteria adopted in the preparation of the financial statements closed on 31/03/2022 were the same used for the preparation of the financial statements for the previous fiscal year, therefore it was not necessary to calculate the previous cumulative effect of the change in principle.

Appraisal criteria applied

(Ref. Art. 2426, first paragraph, Civil Code)

Fixed assets

Intangible assets

These have been recorded at their historical purchase cost net of the relevant yearly amortisation charged to the individual items.

The costs relating to industrial patent rights and intellectual property rights, licenses, concessions and trademarks whose effects regard several different years are depreciated over a period of 5 business years, while the costs for the approval of vehicles are amortized over a period of 3 business years.

Software licenses were recorded in the assets and are amortized over a period of 2 business years.

Improvements to third party assets are amortized with rates depending upon the duration of the contract.

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the asset is written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

The Company has not made use of the right to suspend the depreciation rates for the 2020 financial year provided for in Article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020 (converted by Law 126/2020).

The Company has not made use of the right to revalue intangible assets as required by Article 110 of the Law Decree 104/2020 (converted by Law 126/2020).

Tangible assets

These have been recorded at their purchase cost and are adjusted by the relevant accumulated depreciation.

The book value includes any ancillary costs and the costs incurred for the use of the asset, less any trade discounts and any significant cash discounts.

The depreciation charged to profit and loss account has been calculated on the basis of the remaining useful life of the assets, taking into account their use, destination and economic-technical life, which we believe are well reflected by the following rates, unchanged compared to the previous fiscal year and halved in the year in which the asset has entered operation:

Type of Asset	**% Depreciation**
Specific Plants & Equipments	15%
Generic Systems	10%
Electronic Machines	20%
Passenger Vehicles	25%
Commercial Vehicles	20%
Office furniture & equipments	12%
Others	10%

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the fixed assets are written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

The company has not made use of the right to suspend the depreciation rates for the 2020 financial year provided for in Article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020.

The company has not made use of the right to revalue tangible fixed assets as required by Article 110 of Law Decree 104/2020 (converted by Law 126/2020).

Finance lease transactions

Finance lease transactions are shown in the financial statements using the net asset method, by charging the lease payments to the profit and loss account on an accruals basis. The additional information required by the law on the representation of finance lease agreements under the financial method is contained in a specific section of the notes.

The Company did not take advantage of the suspension of the payment of leasing fees as provided for in Article 56, paragraph 2, letter c), of Law Decree no. 18/2020 (converted by law no.27 of 24 April 2020), therefore the Company has not rescheduled the duration of the financial lease.

Accounts receivable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts receivable have been recorded at their presumed realisable value, without prejudice for the possibility to apply time discounting. The adjustment of the nominal value of receivables to the assumed realizable value is obtained through a reserve for bad debts, taking into consideration the general and industrial economic conditions and country risk.

Accounts receivable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their presumed realisable value since, as provided by accounting principle OIC 15, it was decided not to apply the amortised cost method and time discounting.

The nominal value of the accounts receivable was adjusted to the presumed realisable value by a bad debt reserve, having regard also to any indicators of permanent impairment.

Accounts receivable originally due within one year and subsequently transformed into long-term receivables were recorded in the balance sheet among financial assets.

Accounts receivable are written off when the contractual rights to receive the relevant cash flows have been extinguished or when the risks in connection with the payment of the receivables have been transferred.

Accounts payable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts payable have been recorded at their nominal value, without prejudice for the possibility to apply time discounting.

Accounts payable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their nominal value since, as provided by accounting principle OIC 19, it was decided not to apply the amortised cost method and time discounting.

Accrued income/liabilities – pre payments / deferred income

These have been determined on an accruals basis.

With regard to accrued income / liabilities and prepayments/deferred income of a duration exceeding one year, we checked the conditions for their original entry and adopted any necessary changes.

Inventory

Raw materials, auxiliary materials and finished products have been recorded at the lower of purchase or manufacturing cost and realisable value as inferred from market trend, applying the weighted average cost method for spare parts and the specific cost method for vehicles.

Production cost includes the direct and indirect costs incurred during production, which are necessary for stocks to be in the current place and conditions.

On 31/03/2022 the company has not goods-in-process and work-in-progress goods.

The value thus obtained is then adjusted by the “provision for stock obsolescence” in order to take into account those goods which are expected to be realised at a value lower than cost.

Any stocks which were written down but in respect of which in subsequent years the reasons for the write-down to their realisation value ceased to exist, were restored to their original value.

Securities

The company does not hold any securities.

Shareholdings

The company does not hold any shareholdings in subsidiary and affiliated.

The shareholdings included among current assets, which do not represent a long-term investment, have been valued at the lower of purchase cost and realisable value as inferred from market trend.

Treasury shares

The company does not hold any treasury shares.

Derivative financial instruments

The company does not hold any derivative financial instruments.

Provisions for contingent liabilities and charges

These provisions are set aside for the coverage of losses or liabilities that are certain or likely to arise, but whose amount or date of occurrence could not be determined at the year-end.

The provisions have been measured on a prudential and accruals basis and no generic funds without economic justification were created.

Any potential liabilities were carried to the financial statements and recorded in the relevant provisions as they were considered likely to arise and their amount could be reasonably estimated.

Provision for employees’ leaving indemnity (TFR)

This consists of the amounts actually accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total payments accrued for employees at the year-end net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

Income taxes

The provision for taxes has been set aside on an accruals basis and includes the following:

- accruals in respect of the taxes paid or to be paid for the year, determined at the current rates and in accordance with the rules in force;
- the amount of deferred tax assets or liabilities in respect of temporary differences which arose or were written off in the year;
- any adjustments to the balance of deferred taxes to account for changes in the tax rates occurred/for the introduction of the new tax during the year.

Deferred IRES assets and liabilities are calculated on the temporary differences between the assets and liabilities determined in accordance with civil code principles and the corresponding tax values, solely with regard to the company.

Current IRAP and any deferred IRAP assets and liabilities are determined solely with regard to the company.

Recognition of income

Proceeds from sales are recognised at the time of the transfer of ownership which usually coincides with the delivery or forwarding of the goods;

Financial income and income from the provision of services is recognised on an accruals basis.

Revenue and proceeds, costs and charges related to transactions in foreign currency are determined at the exchange rate in force at the date when the relevant transaction takes place.

Only the accrued portion of the income and costs related to buy/sell-back transactions, including the difference between the spot price and the forward price, is recognised.

Adjustment criteria

The company not applied the adjustment criteria.

Criteria for the translation of accounts in foreign currency

Accounts payable and receivable denominated in foreign currency and recorded at the exchange rates in force on the date of the transaction, are retranslated at the exchange rates ruling at the year-end as determined by Bank of Italy.

In particular, assets and liabilities which constitute assets and liabilities in foreign currency are recorded at the spot exchange rate ruling at the year-end and the relevant exchange gains and losses have been taken to the Profit and Loss Account under item 17bis "Exchange gains and losses".

Any net gain deriving from the adjustment of the items in foreign currency to the year-end exchange rates is included in the result for the year and, at the time of the financial statements approval and appropriation of the operating result to the legal reserve, the part which is not offset against the loss for the year, if any, is apportioned to a reserve which is not distributable until the gain is realised.

Non-current assets and liabilities in foreign currency are recorded at the exchange rate ruling at the time of purchase.

No significant effects of the changes to the exchange rates occurred between the year-end and the financial statements preparation date. (article 2427(1)(6-bis) of the Civil Code).

Commitments, guarantees and potential liabilities

Commitments, which are not recorded in the balance sheet, consist of obligations assumed by the company vis-à-vis third parties and arising from legal arrangements with mandatory effects but not yet implemented by either party. Commitments include both commitments in respect of which both the relevant execution and amount is known (for instance, on buy/sell-back transactions) and commitments which are definitely going to be executed but whose amount is unknown (for example, agreement with a price adjustment clause). The amount of the commitments is their nominal value as inferred from the relevant documentation.

The company didn't provide guarantees include personal guarantees and collaterals.

I. Intangible assets

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
3.882	5.400	(1.518)

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
3,48	4,84	(1,36)

Analysis of changes in intangible assets
(article 2427(1)(2) of the Civil Code)

EUR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance			
Purchase value	436	4.964	5.400
Value in Balance sheet	436	4.964	5.400
Changes in the Year			
Increases in the year			
Amortization in the year	436	1.082	1.518
Total changes	(436)	(1.082)	(1.518)
Closing balance			
Purchase value		3.882	3.882
Value in Balance Sheet		3.882	3.882

INR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance			
Purchase value	0,39	4,45	4,84
Value in Balance sheet	0,39	4,45	4,84
Changes in the Year			
Increases in the year	0,39	0,97	1,36
Amortization in the year	0,39	(0,97)	(1,36)
Total changes			
Closing balance			
Purchase value		3,48	3,48
Value in Balance Sheet		3,48	3,48

The Company did not deem it appropriate to suspend the amortization rates for the year 2021 and did not make use of the right to re-value intangible assets or exemptions from the statutory valuation criteria.

Reclassifications
(article 2427(1)(2) of the civil code)

No reclassification has been made from the prior year's financial statements presentation.

Write-downs and reversals of write-downs made during the year
(article 2427(1)(2) and (3-bis) of the Civil Code)

No write-down and reversals of write-downs has been made during the year.

Composition of start-up and expansion costs and development costs
(Article 2427(1)(3) of the civil code)

No Start-up and expansion costs and Development costs has been made.

Contributions toward investments
The Company has not received capital grants from Government.

II. Tangible assets

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
106.748	190.548	(83.800)

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
95,69	170,81	(75,12)

EUR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	122.832	169.471	388.709	681.012
Accumulated depreciation	93.879	162.601	233.984	490.464
Book Value	28.953	6.870	154.725	190.548
Changes during the year				
Increases in the year			41.926	41.926
Reclassifications (of Book Value)				
Decreases for disposals and divestments (of the book value)	476		70.268	70.744
Amortization for the year	4.515	6.691	43.776	54.983
Total changes	(4.991)	(6.691)	(72.118)	(83.800)
Closing balance				
Purchase value	123.357	169.471	321.044	613.872
Accumulated depreciation	99.395	169.292	238.437	507.124
Book Value	23.962	179	82.607	106.748

INR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	110,11	151,91	348,43	610,45
Accumulated depreciation	84,15	145,75	209,74	439,65
Book Value	25,95	6,16	138,69	170,81
Changes during the year				
Increases in the year			37,58	37,58
Reclassifications (of Book Value)				
Decreases for disposals and divestments (of the book value)	0,43	0,00	62,99	63,41
Amortization for the year	4,05	6,00	39,24	49,29
Total changes	(4,47)	(6,00)	(64,65)	(75,12)
Closing balance				
Purchase value	110,58	151,91	287,78	550,27
Accumulated depreciation	89,10	151,75	213,73	454,58
Book Value	21,48	0,16	74,05	95,69

The Company has not made use of the right not to charge the depreciation rates for the year 2021 to the income statement, furthermore the Company has not made use of the right to obtain the revaluation of tangible fixed assets.

No review of the useful life of capital assets has been made during the financial year.

Increases and decreases refers to the purchase and sale of company vehicles.

Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-bis) of the Civil Code)

No tangible fixed assets were subject to previous revaluations or devaluations.

Total revaluations of tangible assets at the year-end

(Article 2427(1)(2) of the civil code)

No monetary revaluations has been made.

Contributions toward investments

The company during the year ended 31/03/2023 has not applied for contributions toward investments.

Finance lease transactions

The company has in place one main finance lease agreements. We set out below the information regarding the lease agreements pursuant to article 2427 (1)(22) of the civil code:

- lease agreement no. 00928065/001 dated 09/06/2009;
- term of the agreement 216 months;
- asset industrial building;
- cost of the asset in INR/Lakhs 1522,34 / Euro 1.698.300
- initial higher lease payment (maxicanone) of INR/Lakhs 228,35 / Euro 254.745 made on 11/06/2009;

EUR

Description	Amount
Aggregate amount of finance leased assets at the year-end	985.014
Amount of depreciation that would have been charged in the year	50.949
Value adjustments and write-ups that would have been recognised in the year	(59.327)
Net present value of outstanding finance lease payments at the year-end	554.801
Financial costs accrued for the year based on the effective interest rate	25.191

Description	INR Amount
Aggregate amount of finance leased assets at the year-end	882,96
Amount of depreciation that would have been charged in the year	45,67
Value adjustments and write-ups that would have been recognised in the year	(53,18)
Net present value of outstanding finance lease payments at the year-end	497,32
Financial costs accrued for the year based on the effective interest rate	22,58

The company has not requested the suspension of the leasing installments provided for in Article 56 of Law Decree no. 18/2020.

III. Financial assets

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
10.817	392	10.425

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
9,70	0,35	9,34

Movements in equity investments, other securities and fixed asset derivative financial instruments

EUR

	Undertakings under control by the controlling companies	**Total shareholdings**
Opening balance		
Purchase value	262	262
Balance at	262	262
Closing balance		
Purchase value	262	262
Balance at	262	262

INR

	Undertakings under control by the controlling companies	**Total shareholdings**
Opening balance		
Purchase value	0,23	0,23
Balance at	0,23	0,23
Closing balance		
Purchase value	0,23	0,23
Balance at	0,23	0,23

Securities

The securities recorded among financial fixed assets constitute a long-term strategic investment for the company.

The securities in other companies are recorded at the purchase or subscription cost.

The securities recorded at purchase cost have not been written down as a result of a permanent value impairment and no cases occurred in which the original value of a written-down securities was restored.

The company don’t has securities in controlled or affiliated companies.

No destination of securities under fixed assets was changed.

No restrictions are put by any investing company on securities recorded under fixed assets, nor pre-emptive or preferential rights exist thereupon.

No significant transaction was carried out with companies belonging to CONAI, CONOU and Ecotyre Groups.

No fixed equity investments have undergone a change of destination.

Variations and Accounts Receivables

EUR

	Other companies	**Total accounts receivable**
Opening balance	130	130
Changes during the year	10.425	10.425
Closing balance	10.555	10.555
Due within one year		
Due after more than one year	10.555	10.555

INR

	Other companies	**Total accounts receivable**
Opening balance	0,12	0,12
Changes during the year	9,34	9,34
Closing balance	9,46	9,46
Due within one year		
Due after more than one year	9,46	9,46

No revaluations, write-downs and write-backs were made.

Receivables of a commercial nature have been entered in the item receivables from others for an amount of Euro 130 / INR 0.12 Lakhs refer to the caution deposits made to Italian suppliers of Electricity, Water & Gas, originally collectable at the end of the existing contract according to the conditions normally applied on the market.

The changes that occurred during the year are as follows.

EUR

	31/03/2022	**Changes**	**31/03/2023**
Other companies	130	10.425	10.555
Total	**130**	**10.425**	**10.555**

INR

	31/03/2022	**Changes**	**31/03/2023**
Other companies	0,12	9,34	9,46
Total	**0,12**	**9,34**	**9,46**

The increase of Eur 10,425 / INR 9,34 refers to the payment of a security deposit of sums potentially owed at the Social Court of Madrid.

The company has not signed a centralized group Treasury contract to optimize the use of financial resources (cash pooling contract).

Breakdown of the accounts receivable by geographical area

The following table shows a breakdown of the accounts receivable at 31/03/2023 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

Accounts receivable by geographical area	**From other companies**	**Total**
Italy	130	130
Spain	10.425	10.425
Total	10.555	10.555

INR

Accounts receivable by geographical area	From other companies	Total
Italy	0,12	0,12
Spain	9,34	9,34
Total	9,46	9,46

Analysis of the value of financial fixed assets

EUR

Description	accounting value	Fair value
Investments in other companies	262	262
Credits to other	10.555	10.555

INR

Description	accounting value	Fair value
Investments in other companies	0,23	0,23
Credits to other	9,46	9,46

Detail of the value of immobilized investments in other companies

EUR

Description	accounting value	Fair value
CONAI	12	12
Ecotyre	50	50
Conou	200	200
Total	262	262

INR

Description	accounting value	Fair value
CONAI	0,01	0,01
Ecotyre	0,04	0,04
Conou	0,18	0,18
Total	0,23	0,23

Detail of the value of the loans immobilized towards others

EUR

Description	accounting value	Fair value
security deposit	10.555	10.555
Total	10.555	10.555

INR

Description	accounting value	Fair value
security deposit	9,46	9,46
Total	9,46	9,46

The financial statements do not include financial fixed assets whose amount is higher than their fair value.

C) Current assets

I. Inventory

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
6.076.966,00	2.837.507,00	3.239.459,00

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
5.447,33	2.543,51	2.903,82

EUR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	2.837.507,00	3.239.459,00	6.076.966,00
Total	**2.837.507,00**	**3.239.459,00**	**6.076.966,00**

INR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	2.543,51	2.903,82	5.447,33
Total	**2.543,51**	**2.903,82**	**5.447,33**

Accounting policies have been applied consistently with the prior year as explained in the introduction to these notes.

The adopted assessment does not significantly differ from the one using the current cost approach.

The increase in vehicles in stock is majorly due to sales of the KUV100 model.

The item vehicles in stock refers to cars in storage at the Ariccia headquarters and at the depository company located in Livorno.

There are no commitments contractually undertaken for works and services still to be performed at year end.

The Company has not used its stock obsolescence provision. It should be noted that the Company has not recorded the inventory obsolescence provision but has written down the obsolete spare parts inventory items (not moved for more than five years) whose realizable value is lower than cost, adjusting the inventory value over the course of the financial year for approximately Euro 110,000 INR/Lakhs 98,60 which add up to the previous write-down carried out in 2021.

Any contractual undertakings in respect of works and services to be carried out at the year-end.

II. Accounts receivable

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
1.703.667	1.580.895	122.772

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
1.527,15	1.417,10	110,05

Changes and expiration of receivables entered in the circulating assets

EUR

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
From customers	957.577	412.638	1.370.215	1.370.215	
From controlling companies	298.880	(211.466)	87.414	87.414	
Tax credits	71.647	(27.430)	44.217	44.217	
Deferred tax assets	200.468	(47.860)	152.608		
Other accounts receivable	52.323	(3.110)	49.213	826	48.387
Total	1.580.895	122.772	1.703.667	1.502.672	48.387

INR

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
From customers	858,36	369,88	1228,25	1228,25	
From controlling companies	267,91	(189,56)	78,36	78,36	
Tax credits	64,22	(24,59)	39,64	39,64	
Deferred tax assets	179,70	(42,90)	136,80	0,00	
Other accounts receivable	46,90	(2,79)	44,11	0,74	43,37
Total	1417,10	110,05	1527,15	1346,98	43,37

The company took advantage of the possibility not to follow the amortised cost method and not to time discount accounts receivable.

Therefore, accounts receivable have been recognised at their presumed realisable value.

The item “Credits towards the Controlling company” includes the credit for repairs and services rendered on behalf or to the benefit of the parent company.

The deferred tax assets of INR/Lakhs 136.80 Eur 152.608 are in connection with tax loss carryovers in an amount of INR/Lakhs 569.98 Eur 635.867. For a description of the reasons which make it possible to recognise the potential tax benefit in connection with the losses, please refer to the relevant paragraph of these notes.

Break-down of the accounts receivable by geographical area

The following table shows a break-down of the accounts receivable at 31/03/2023 by geographical area (article 2427(1)(6) of the Civil Code):

EUR

Accounts receivable by geographical area	From customers	Deffered Tax Assets	Other accounts receivable	Total
ITALY	44.217	152.608	49.213	1.605.396
INDIA				87.414
SPAIN				9.404
AUSTRIA				1.453
TOTAL	**44.217**	**152.608**	**49.213**	**1.703.667**

INR

Accounts receivable by geographical area	From customers	Deffered Tax Assets	Other accounts receivable	Total
ITALY	39,64	136,80	44,11	1,439,06
INDIA				78,36
SPAIN				8,43
SERBIA				1,30
TOTAL	**39,64**	**136,80**	**44,11**	**1.527,15**

The nominal value of the accounts receivable has been adjusted by a bad debts reserve that during the year changed as follows:

EUR

Description	Bad debt reserve pursuant to article 2426 of the civil code	Total
Balance at 31/03/2022	62.196	62.196
Amount used in the year		
Amount accrued in the year		
Balance at 31/03/2023	**62.196**	**62.196**

INR

Description	Bad debt reserve pursuant to article 2426 of the civil code	Total
Balance at 31/03/2022	55,75	55,75
Amount used in the year		
Amount accrued in the year		
Balance at 31/03/2023	**55,75**	**55,75**

No account receivable with significant amount, not transferred with recourse and not accounts receivable put up as collateral of own accounts payable or commitments.

There are not receivables sold “with recourse” as at 31/03/2023.

IV. Cash-in-hand, cash-at-bank and cash equivalents

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
631.534	866.127	(234.593)

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
566,10	776,39	(210,29)

EUR

Description	Opening balance	Changes during the year	Closing balance
Bank and postal deposits	856.080	(229.876)	**856.080**
Cash and cash equivalents	10.047	(4.717)	**5.330**
Total	866.127	(234.593)	**631.534**

INR

Description	Opening balance	Changes during the year	Closing balance
Bank and postal deposits	767,38	(206,06)	**561,32**
Cash and cash equivalents	9,01	(4,23)	4,78
Total	776,39	(210,29)	**566,10**

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

D) Accrued income/prepayments

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
80.816	208.768	(127.952)

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
72,44	187,14	(114,69)

They constitute the adjustment to costs and income pertaining to more than one fiscal year, incurred and earned before actual payment or collection and calculated on an accrual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2023, there were no accrued income/prepayments of a duration exceeding five years.

EUR

	Prepayments	Total
Opening balance	208.768	**208.768**
Changes during the year	(127.952)	**(127.952)**
Closing balance	80.816	**80.816**

INR

	Prepayments	Total
Opening balance	187,14	**187,14**
Changes during the year	(114,69)	**(114,69)**
Closing balance	72,44	**72,44**

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

EUR

Description	Amount
Insurance and road tax	**6.467**
Prepaid rate for lease	**58.970**
multifunction copier rental	**324**
Software maintanance	**5.562**
Maintenance expenses	**5.619**
Others	**3.325**
Advertisement expenses	**549**
TOTAL	**80.816**

INR

Description	Amount
Insurance and road tax	**5,80**
Prepaid rate for lease	**52,86**
multifunction copier rental	**0,29**
Software maintanance	**4,99**
Maintenance expenses	**5,04**
Others	**2,98**
Advertisement expenses	**0,49**
TOTAL	**72,44**

The maxi rent paid equal to INR 215,26 / Euro 254.745 relates to the financial leasing contract of the industrial building contract in 2009, for which reference should be made to the relevant paragraph of these notes to accounts.

Liabilities

A) Shareholder equity

(article 2427(1)(4),(7) and (7-bis) of the Civil Code)

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
1.661.353	1.456.191	205.162

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
1.489,22	1.305,32	183,91

EUR

		Allocation of the profit for the previous fiscal year		Other changes				
	Opening balance	Allocation of dividends	Other allocations	Iincreases	Decreases	Reclassifications	Profit for the fiscal year	Closing balance
Share capital	1.421.151							1.421.151
Legal reserve	34.510			531				34.041
Extraordinary reserve	(1)							(1)
Others …	(1)							(1)
Total various other reserves								
Retained earnings (losses carried forward)								
Profit (Loss) for the year	531					(531)	205.162	205.162
Negative reserve for Treasury Shares								
Total	1.456.191			531		(531)	205.162	1.661.353

INR

		Allocation of the profit for the previous fiscal year		Other changes				
	Opening balance	Allocation of dividends	Other allocations	Iincreases	Decreases	Reclassifications	Profit for the fiscal year	Closing balance
Share capitalal	1273,91							1273,91
Legal reserve	30,93			0,48				31,41
Extraordinary reserve	0							0
Others …	0							0
Total various other reserves								
Retained earnings (losses carried forward)								
Profit (Loss) for the year	0,48					(0,48)	183,91	183,91
Negative reserve for Treasury Shares								
Total	1305,32			0,48		(0,48)	183,91	1.489,22

Use of shareholders' equity

The items of the shareholders' equity are broken down as follows according to their origin, possible use, distributability and use made in the three prior years (article 2427(1)(7-bis) of the Civil Code)

EUR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	1.421.151	Subscription of Company Quote	B	1.421.151		
Share premium reserve			A,B,C,D			
Revaluation surplus			A,B			
Legal reserve	35.041	Profit	A,B	35.041		
Reserves provided for by the articles of association						
Other reserves	–					
Extraordinary reserve						
Various other reserves	(1)					
Total various other reserves	(1)					
Retained earnings (losses carried forward)						
Total	**1.456.191**			**1.456.192**		
Non-distributable share						
Residual distributable share				1.456.192		

INR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	1.273,91		B	1.273,91		
Share premium reserve			A,B,C,D			
Revaluation surplus			A,B			
Legal reserve	31,41	Profit	A,B	31,41		
Reserves provided for by the articles of association						
Other reserves						
Extraordinary reserve						
Various other reserves						
Total various other reserves	(0)					
Retained earnings (losses carried forward)						
Total	**1305,32**			**1305,32**		
Non-distributable share						
Residual distributable share				1305,32		

(*) A: for capital increase; B: for loss coverage; C: for distribution to shareholders; D: for other obligations imposed by the articles of association

(**) After deduction of the negative reserve for treasury shares, if any, and of tax loss carryovers.

Information on the creation and use of shareholders' equity

As provided by article 2427(1)(4) of the civil code, we set out below the information on the creation and use of shareholders' equity items:

EUR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1.421.151	43.945	(138.827)	129.392	1.455.661
– other appropriations		(9.435)	138.826	(129.392)	(1)
increases					
reclassification					
Result of the prior year				531	
At the prior year-end	1.421.151	34.510	(1)	531	1.456.191
Appropriation of the result for the year					
– other appropriations					
increases		531			531
decreases					
Reclassifications				(531)	(531)
Current year's result				205.162	
At the current year-end	1.421.151	35.041	(1)	205.162	1.661.353

INR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1273,91	39,40	(124,44)	115,99	1304,84
– other appropriations		(8,46)	124,44	(115,99)	0,0
– Increases					
– Reclassifications					
Result of the prior year				0,48	
At the prior year-end	1273,91	30,93	0	0,48	1305,3
Appropriation of the result for the year					
– dividends					
– other appropriations					
Other changes					
– Increases		0,48			0,48
– Decreases					
– Reclassifications				(0,48)	(0,48)
Current year's result				183,91	
At the current year-end	1273,91	31,41	0	183,91	1489,2

The share capital amounts to Euro 1.421.151 - INR/Lakhs 1273,91 and is made up of quotas with a nominal value of 1 Euro, held by and fully available to the sole shareholder as no burdens exist on them. At year-end the shares subscribed are paid in as the total amount of the share capital was fully paid-up.

B) Provision for contingent liabilities and charges

(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
27.863	27.863	

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
24,98	24,98	

EUR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				27.863	27.863
Changes in the year:					
Increases as a result of changes in the fair value					
Decreases as a result of changes in the fair value					
Total changes					
Value at the end of the year				27.863	27.863

INR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				24,98	24,98
Changes in the year:					
Increases as a result of changes in the fair value					
Decreases as a result of changes in the fair value					
Total changes					
Value at the end of the year				24,98	24,98

The increases are in connection with the accrual for the year, while decreases consist of amounts used in the year.

The item "Other provisions" at 31/03/2023, of INR/Lakhs 24,98 Eur 27.863 is composed as follows: (article 2427(1)(7) of the civil code).

EUR

Description	As at 31/03/2023
Fund for warranties	27.863
TOTAL	27.863

INR

Description	As at 31/03/2023
Fund for warranties	24,98
TOTAL	24,98

The accrual to these provisions was justified by the fact that (i) the other provisions were made to the Warranty fund, because it has been considered not adequate to cover contract discrepancies between what has been acknowledged by the Company and what has been received by the Parent company.

During the year, the value of the provision for warranty was reinstated for a value deemed appropriate.

C) Indemnity for Employees leaving the Company
(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
148.613	174.820	(26.207)

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
133,22	156,71	(23,49)

The difference can be described as follows.

EUR

	Indemnity for Employees leaving company
Value at the beginning of the year	174.820
Changes in the year:	18.350
Decrease for utilization	44.557
Total changes	(26.207)
Value at the end of the year	148.613

INR

	Indemnity for Employees leaving company
Value at the beginning of the year	156,71
Changes in the year:	16,45
Decrease for utilization	39,94
Total changes	(23,49)
Value at the end of the year	133,22

The provision consists of the amounts payable at 31/03/2023 to the employees on the company's payroll at that date, net of any advances paid.

This consists of the amounts actually accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total amounts accrued at 31 December 2006 for employees at the year-end, net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

During the year, the company accrued € 42.121 INR/Lakhs 37,76 for this indemnity, of which € 23.771 INR/Lakhs 16,45 transferred to the complementary pension fund and € 18.350 INR/Lakhs 13.21 to the TFR fund.

The use of Euro 44.557/ INR/Lakhs 39,94 refers to the liquidation of four employees who left the job during the year.

In the year after 31/03/2023 employees are not expected to receive a estimated employees' leaving indemnity as a result of incentivised dismissals and corporate reorganisation plans.

D) Accounts payable

(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
6.771.652	4.024.991	2.746.661

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
6070,04	3607,96	2462,08

The balance can be broken down by due date as follows (article 2427(1)(6) of the Civil Code):

EUR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year
Accounts payable to banks	1.666	902.366	904.032	904.032
Accounts payable to suppliers	823.635	608.038	1.431.673	1.431.673
Accounts payable to controlling companies	2.863.748	1.199.959	4.063.707	4.063.707
Taxes payable	116.096	84.025	200.121	200.121
Accounts payable to social security institutions	50.221	(30.423)	19.798	19.798
Other accounts payable	169.625	(17.304)	152.321	152.321
Total	**4.024.991**	**2.746.661**	**6.771.652**	**6.771.652**

INR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year
Accounts payable to banks	1,49	808,87	810,37	810,37
Accounts payable to suppliers	738,30	545,04	1283,34	1283,34
Accounts payable to controlling companies	2567,04	1075,63	3642,67	3642,67
Taxes payable	104,07	75,32	179,39	179,39
Accounts payable to social security institutions	45,02	27,27	17,72	17,75
Other accounts payable	152,05	15,51	136,54	136,54
Total	**3607,96**	**2462,08**	**6070,04**	**6070,04**

The balance of the accounts payable to banks at 31/03/2023, in an amount of INR/Lakhs 810,37 / Eur 904.032 total amount debit for credit card, corresponds to the full payable including principal amount, interest and ancillary charges which have come to maturity and can be collected.

The item “Advances” includes any advances from customers on goods and services not yet supplied or rendered; this item includes advance payments, as earnest money or otherwise, received in connection with the sale of tangible, intangible and financial fixed assets.

Accounts payable from suppliers are recognised at their nominal value of net of trade discounts; cash discounts are recorded upon payment. The nominal value of these payables has been adjusted in case of returns or allowances (invoice adjustments) by the corresponding amount agreed with the other party.

The company took advantage of the possibility not to follow the amortised cost method and/or not to time discount accounts payable since 2016.

The company adopted the following accounting policies: no time discounting of accounts payable due within one year; no time discounting of accounts payable if the effective interest rate does not significantly differ from market rate; no adoption of the amortised cost method for accounts payable due within one year, no adoption of the amortised cost method if transaction costs, commission fees and any other difference between initial value and value on expiry are of negligible amount.

With regard to the accounts payable to controlled companies and undertakings under control by the controlling companies, we note that they refer to vehicles’ and spare parts’ supplies under normal market conditions.

The item “Tax liabilities” only includes the actual taxes payable, while any likely tax liabilities or tax liabilities whose amount or date of occurrence is doubtful or deferred tax liabilities, are recorded in item B.2 of the liabilities section of the balance sheet (Provision for taxes).

The accounts payable falling due within one year not include accounts payable backed by covenants.

No significant changes occurred in the amount of Tax liabilities.

In the tax payables item are registered IVA debt € 190.218 INR/Lakhs 170,51 and WHT € 5.240 INR/Lakhs 4,70

Breakdown of the accounts payable by geographical area

The following table shows a breakdown of the accounts payable at 31/03/2023 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

	Accounts payable to banks	Accounts payable to suppliers
Italy	**904.032**	**806.279**
Spain		**55.308**
Slovacchia		**5.621**
Ireland		**1.775**
Portugal		**1.170**
Altri		**2.034**
Total	**904.032**	**1.431.673**

INR

	Accounts payable to banks	Accounts payable to suppliers
Italy	**810,37**	**1224,26**
Spain		**49,58**
Slovacchia		**5,04**
Ireland		**1,59**
Portugal		**1,05**
Altri		**1,82**
Total	**810,37**	**1283,34**

Accounts payable secured by collaterals on corporate assets
The accounts payable are not secured by collaterals on corporate assets (article 2427(1)(6) of the Civil Code):

EUR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					904.032	904.032
Accounts payable to suppliers					1.431.673	1.431.673
Accounts payable to controlling companies					4.063.707	4.063.707
Taxes payable					200.121	200.121
Accounts payable to social security institutions					19.798	19.798
Other accounts payable					152.321	152.321
Total					**6.771.652**	**6.771.652**

INR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					810,37	810,37
Accounts payable to suppliers					1283,34	1283,34
Accounts payable to controlling companies					3642,67	3642,67
Taxes payable					179,39	179,39
Accounts payable to social security institutions					17,75	17,75
Other accounts payable					136,54	136,54
Total					**6070,04**	**6070,04**

Debt restructuring operations
The company did not do any debt restructuring.

E) Accrued liabilities/Deferred income

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
4.949	5.772	(823)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
4,44	5,17	(0,74)

EUR

	Accrued liabilities	Deferred income	Total
Opening balance	**5.772**		5.772
Changes during the year	**(823)**		(823)
Closing balance	**4.949**		4.949

INR

	Accrued liabilities	Deferred income	Total
Opening balance	**5,17**		5,17
Changes during the year	**(0,74)**		(0,74)
Closing balance	**4,44**		4,44

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

Description	EUR Value
TARIP	**3.882**
IMU	**1.067**
Total	**4.949**

Description	INR Value
TARIP	**3,48**
IMU	**0,96**
Total	**4,44**

They constitute the adjustment to costs and income calculated on an annual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2023, there were no accrued liabilities/deferred income of a duration exceeding five years.

Profit and loss account

For the purposes of the correct interpretation of the financial statements as at 03/31/2023 and assessment of the possible comparability of the same with the financial statements relating to the previous year, it should be noted that the emergency situation deriving from the SARS Covid-19 infection had made it necessary in the previous year, the adoption of specific measures to support the activity and the workers involved that can no longer be repeated in the year ended 03/31/2023 with a consequent effect on the data in the Income Statement.

In particular, in the previous year the Company had resorted to social safety nets to deal with the drop in demand, a situation that was not necessary during the year ended 03/31/2023.

A) Revenue

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
12.393.834	8.874.707	3.519.127

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
11109,71	7955,20	3154,51

EUR

Description	Balance at 31/03/2023	Balance at 31/03/2022	Difference
From sales and services	**12.030.781**	7.997.658	4.033.123
Other revenues and proceeds	**363.053**	877.049	(513.996)
Total	**12.393.834**	8.874.707	3.519.127

INR

Description	Balance at 31/03/2023	Balance at 31/03/2022	Difference
From sales and services	**10784,27**	7169,02	3615,25
Other revenues and proceeds	**325,44**	786,18	(460,74)
Total	**11109,71**	7955,20	3154,51

The reason for the changes is explained in the Directors' report.

Services rendered refer to reimbursements for Warranties issued on the European market and for trade incentives or marketing expenses and homologation expenses.

Revenue by activity
(Article 2427(1)(10) of the civil code)

EUR

Activity	31/03/2023
Sale of vehicles	**10.000.173**
Sale of spares	**150.135**
Sale of accessories	**150.135**
Service supplies	**329.630**
Total	**12.030.781**

INR

Activity	31/03/2023
Sale of vehicles	**8964,06**
Sale of spares	**1390,16**
Sale of accessories	**134,58**
Service supplies	**295,48**
Total	**10784,27**

Revenue by geographical area
(Article 2427(1)(10) of the civil code)

EUR

Area	31/03/2023
Italy	**11.467.966**
India	**212.297**
Spain	**207.194**
Hungary	**45.769**
Slovacchia	**30.260**
Croatia	**16.955**
bosnia	**15.212**
Austria	**7.915**
Greece	**5.182**
France	**5.133**
Bulgaria	**5.438**
others	**11.460**
Totale	**12.030.781**

INR

Area	31/03/2023
Italy	**10279,77**
India	**190,30**
Spain	**185,73**
Hungary	**41,03**
Slovacchia	**27,12**
Croatia	**15,20**
bosnia	**13,64**
Austria	**7,09**
Greece	**4,65**
France	**4,60**
Bulgaria	**4,87**
others	**10,27**
Totale	**10784,27**

The company has not entered revenue of an exceptional amount or incidence.

B) Expenses

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
12.098.665	8.827.445	3.271.220

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
10845,12	7912,83	2932,29

EUR

Description	Balance at 31/03/23	Balance at 31/03/22	Difference
Raw materials, subsidiary materials and goods	**12.597.522**	4.693.282	7.904.240
Services	**1.796.403**	1.789.266	7.137
Rent/lease	**122.386**	112.472	9.914
Salaries and wages	**520.845**	562.051	(41.206)
Social security contributions	**140.789**	163.024	(22.235)
Employees' leaving indemnity	**42.121**	45.575	(3.454)
Other personnel costs	**1.711**	1.303	408
Amortisation of intangible assets	**1.518**	11.405	(9.887)
Depreciation of tangible assets	**54.983**	64.101	(9.118)
Changes to stocks of raw materials	**(3.239.459)**	1.319.349	(4.558.808)
Miscellaneous running costs	**59.846**	65.617	(5.771)
Total	**12.098.665**	8.827.445	3.271.220

INR

Description	Balance at 31/03/23	Balance at 31/03/22	Difference
Raw materials, subsidiary materials and goods	**11292,29**	4207,01	7085,28
Services	**1610,28**	1603,88	6,40
Rent/lease	**109,71**	100,82	8,89
Salaries and wages	**466,88**	503,82	(36,94)
Social security contributions	**126,20**	146,13	(19,93)
Employees' leaving indemnity	**37,76**	40,85	(3,10)

INR

Description	Balance at 31/03/23	Balance at 31/03/22	Difference
Other personnel costs	**1,53**	1,17	0,37
Amortisation of intangible assets	**1,36**	10,22	(8,86)
Depreciation of tangible assets	**49,29**	57,46	(8,17)
Changes to stocks of raw materials	**(2903,82)**	1182,65	(4086,47)
Miscellaneous running costs	**53,65**	58,82	(5,17)
Total	**10845,12**	7912,83	2932,29

Costs of raw materials, subsidiary materials, consumables and goods and costs of services

They are closely related to the information provided in the Directors' report and to point A (Revenue) of the Profit and loss account.

Personnel costs

This item includes all employee costs, including bonuses, promotions, cost-of-living increases, untaken holidays and the provisions made pursuant to the law and the national collective bargaining agreements.

During the financial year the Company has not used help from Government to mitigate the adverse economic effect related to Covid-19 like extraordinary redundancy fund (C.I.G.S.).

The reduction in personnel costs is due to the leaving of 2 human resources.

Depreciation of tangible assets

Depreciation has been calculated on the basis of the useful life of the assets and their contribution to the production process.

The Company accrued the depreciation related the financial year closed as at 31/03/2023.

Other write-downs of fixed assets

The item is not reflected in the present financial statements.

Write-downs of accounts receivable included among current assets and of liquid assets

The item is not reflected in the present financial statements.

Accruals to provisions for contingent liabilities and charges

The item is not reflected in the present financial statements.

Other accruals

The item is not reflected in the present financial statements.

Miscellaneous running costs

They refer to taxes other than income tax, subscriptions and other charges.

The company has not entered expenses for exceptional amount or incidence.

C) Financial income and costs

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
(19.085)	(40.984)	21.899

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
(17,11)	(36,74)	19,63

Financial income

EUR

Description	Balance at 31/03/2023	Balance at 31/03/2022	Difference
Other income	**94**	53	41
(Interest and other financial costs)	**(19.186)**	(40.628)	21.442
Exchange gains and losses	**7**	(409)	416
Total	**(19.085)**	**(40.984)**	**21.899**

INR

Description	Balance at 31/03/2023	Balance at 31/03/2022	Difference
Other income	**0,08**	0,05	0,04
(Interest and other financial costs)	**(17,20)**	(36,42)	19,22
Exchange gains and losses	**0,01**	(0,37)	0,37
Total	**(17,11)**	**(36,74)**	**19,63**

Other financial income

Description	EUR Total
Bank and postal interest	19.182
Other proceeds	4
TOTAL	**19.186**

Description	INR Total
Bank and postal interest	17,19
Other proceeds	0,00
TOTAL	**1,72**

Interest and other financial costs

EUR

Description	Other companies	Total
Bank interest	19.182	19.182
Other proceeds	4	4
TOTAL	**19.186**	**19.186**

INR

Description	Other companies	Total
Bank interest	17,19	17,19
Other proceeds	0,00	0,00
TOTAL	**1,72**	**1,72**

Exchange gains and losses

The total amount of exchange gains on the income statement of INR/Lakhs 0.01 / Eur 16 refers to exchange differences between forward contracts and spot contracts on the date on which the contract was concluded. There are no gains on unrealized exchange rates at the end of the year.

The total amount of foreign exchange losses resulting in the income statement equal to Eur 9 INR/Lakhs 0.01 refers to exchange differences between forward contracts and spot contracts on the date the contract was signed.

Revaluations and write-downs of financial assets and liabilities

The item is not reflected in the present financial statements.

Taxes on the income of the period

EUR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
70.922	5.747	65.175

INR

Balance at 31/03/2023	Balance at 31/03/2022	Difference
63,57	5,15	58,42

EUR

Taxes	Balance at 31/03/23	Balance at 31/03/22	Difference
Current taxes:	**23.062**	5.707	17.355
IRES	**2.656**		2.656
IRAP	**20.404**	5.707	14.697
Deferred tax liabilities/ (assets)	**2**		2
previous period taxes		40	(40)
advance taxes	**47.860**		47.860
IRES	**47.860**		47.860
Total	**70.922**	**5.747**	**65.175**

INR

Taxes	Balance at 31/03/23	Balance at 31/03/22	Difference
Current taxes:	**20,67**	5,12	15,56
IRES	**2,38**		2,38
IRAP	**18,29**	5,12	13,17
Deferred tax liabilities/ (assets)	**0,00**		0,00
previous period taxes	**0,00**	0,04	(0,04)
advance taxes	**42,90**		42,90
IRES	**42,90**		42,90
Total	**63,57**	**5,15**	**58,42**

Taxes pertaining to the financial year have been entered.

We set out below the reconciliation between the theoretical tax liability per the financial statements and the tax liability:

Reconciliation between the theoretical tax liability per the financial statements and the tax liability (IRES)

EUR

Description	Value	Tax
Pre-tax result	276.084	
Theoretical tax liability (%)	24	66.260
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	2.322	
Imu		
deductible interest		
total	**2.322**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(1.742)	
Imu		
interest	(119.810)	
Bad Debts utilization		
total	**(121.552)**	
Differences which will not be reversed in future years		
Capital gain	(5.094)	
Reversal of bad debts		
Iper depreciation	(14.260)	
ACE	(38.789)	
Tax losses from previous years 80%	(199.417)	
Irap	(1.300)	
Indemnity for employees leaving		
Insurance reimbursement		
Not deductible expenses	113.071	
Total	**(145.789)**	
Taxable income	11.065	
current taxes on income for the year		2.656

INR

Description	Value	Tax
Pre-tax result	247,48	
Theoretical tax liability (%)	24	59,39
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	2,08	
imu		
deductible interest		
total	**2,08**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(1,56)	
Imu		
interest	(107,40)	
Bad Debts utilization		
total	**(108,96)**	
Differences which will not be reversed in future years		
Capital gain	(4,57)	
Reversal of bad debs		
Iper depreciation	(12,78)	
ACE	(34,77)	
losses from previous years 80%	(178,76)	
Irap	(1,17)	

Description	Value	INR Tax
Indemnity for employees leaving		
Insurance reimbursement		
Not deductible expenses	101,36	
Total	(130,68)	
Taxable income	9,92	
current taxes on income for the year		2,38

Determination of the IRAP taxable amount

Description	Value	EUR Tax
Difference between revenue and expenses	1.000.635	
Costs not relevant for IRAP	773.223	
Revenue not relevant for IRAP	(1.350.529)	
Total	**423.329**	
Theoretical tax liability (%)	4,82	20.404
Temporary difference deductible in future years:		
Irap taxable amount	423.329	
Current IRAP for the year		20.404

Description	Value	INR Tax
Difference between revenue and expenses	896,96	
Costs not relevant for IRAP	693,11	
Revenue not relevant for IRAP	(1210,60)	
total	**379,47**	
Theoretical tax liability (%)	4,82	18,29
Temporary difference deductible in future years:		
Irap taxable amount	379,47	
Current IRAP for the year		18,29

Pursuant to article 2427(1)(14) of the civil code, we set out below the required information on deferred tax assets and liabilities:

Deferred tax assets and liabilities

Deferred tax assets have been recorded since in the years in which the underlying deductible temporary differences are going to be reversed there is reasonable certainty that taxable income not lower than the amount of the differences to be reversed is going to be realized.

The main temporary differences that have given rise to deferred tax assets and liabilities and their effects are shown in the following table.

Recording of deferred tax assets and liabilities and relevant effects:

EUR

	31/03/2023 Amount of temporary differences IRES	31/03/2023 Tax effect IRES	31/03/2023 Amount of temporary differences IRAP	31/03/2023 Tax effect IRAP	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP
Warranty fund								
Business losses								
Total								
Net deferred tax liabilities (assets)								
Tax losses	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect
– for the year								
– carried over from prior years	652.324				835.282			
TOTAL	**652.324**				**835.282**			
Losses carried forward	635.867				835.282			
Tax rate	**24**	**152.608**			**24**	**200.468**		
	31/03/23	31/03/23	31/03/23	31/03/23	31/03/22	31/03/22	31/03/22	31/03/22

INR

	31/03/2023 Amount of temporary differences IRES	31/03/2023 Tax effect IRES	31/03/2023 Amount of temporary differences IRAP	31/03/2023 Tax effect IRAP	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP
Garantee fund								
Business losses								
Total								
Net deferred tax liabilities (assets)								
Tax losses								
– for the year								

INR

	31/03/2023 Amount of temporary differences IRES	31/03/2023 Tax effect IRES	31/03/2023 Amount of temporary differences IRAP	31/03/2023 Tax effect IRAP	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP
– carried over from prior years	**584,66**				748,74			
TOTAL	584,66				748,74			
Losses carried forward	569,98				748,74	179,70		
Tax rate	**24**	**136,80**			**24**			
	31/03/23	**31/03/23**	**31/03/23**	**31/03/23**	**31/03/22**	**31/03/22**	**31/03/22**	**31/03/22**

Tax loss Information

EUR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the yeat						
of previous exercises	652.234			835.282		
Total tax losses	652.234			835.282		
tax losses carried forward recoverable with reasonable certainty	635.867	24	152.608	835.282	24	200.468

INR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the yeat						
of previous exercises	584,66			748,74		
Total tax losses	584,66			748,74		
tax losses carried forward recoverable with reasonable certainty	569,98	24	136,80	748,74	24	179,70

Pre-paid taxes were not recognized for provisions for warranties, due to the elimination of the temporary reabsorb able differences in subsequent years.

Deferred tax assets in connection with tax losses for the year or loss carryovers of prior years have been recorded since the conditions required by the accounting principles for the recognition of the future benefit were met, with particular regard to the reasonable certainty that in future the company will generate sufficient taxable income to offset the losses.

On the basis of the information available also taking into account the contents of the budget for the next financial year being approved, the directors consider the assumption of going concern to be appropriate.

Employee information

(article 2427(1)(15) of the Civil Code)

Compared to the previous year the personnel broken down by category has changed as shown below:

Staff	31/03/2023	31/03/2022	Change
Executives	**1**	1	
Middle Manager	**1**	2	(1)
Employees	**6**	7	(1)
Labourers	**4**	4	
Others	**0**	0	
Total	**12**	**14**	**(2)**

The national collective bargaining agreement for companies in the commercial sector applies.

The decrease is due to the leaving of two employees.

Industrial relations are good and there are no litigations with employees still working or dismissed.

	Executives	Quadri	Employees	Labourers	Others	Total
Average	1	1	6	4	0	**12**

Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf

EUR

	Directors	Auditors
Remunerations	5.469	14.768
Advances		
Credits		
Commitments assumed on their behalf as a result of any type of guarantee provided		

INR

	Directors	Auditors
Remunerations	4,90	13,24
Advances		
Credits		
Commitments assumed on their behalf as a result of any type of guarantee provided		

Information concerning the Auditor's fees

(article 2427(1)(16-bis) of the civil code)

As required by law, we set out below the amount of fees charged for services rendered by the audit company firm and by entities that are members of its network:

EUR

Description	Fee
Audit of annual accounts	9.936
Total fees due to the auditor or audit company	9.936

Description	INR Fee
Audit of annual accounts	8,91
Total fees due to the auditor or audit company	8,91

The members of the Board of Directors renounced the remuneration due for the position held in the Mahindra group companies.

The independent Director's fee is Eur 5.469 INR/Lakhs 4,90.

Information on significant events which occurred after the end of the financial year

Overcome the emergency situation from the SARS Covid-19 infection, during 2022 the problems inherent in the Russian-Ukrainian military conflict and the explosion in the inflation rate arose at an international level, in particular as regards energy supply costs. Our company was not affected by the conflict, not being involved in the markets referred to, while the increase in the costs of raw materials and international transport were absorbed with adjustments to the sales price lists.

The Company has entered into commercial agreements with leading Italian rental companies to maintain and strengthen its position on the market.

In light of the information provided in these notes and in the Directors' Report, the Board of Directors believes that the adverse events will not affect the Company's ability to continue as a going concern over the next 12 months.

Information on the company which prepares the consolidated financial statements for the larger/smaller set of companies which the company is a member of in a capacity as controlled undertaking

As required by law, we set out below the information pursuant to article 2427(1)(22-quinquies and sexies) of the civil code.

Description	Larger set	Smaller set
Company name	Mahindra & Mahindra Ltd	
Registered office	India	Mauritius
Tax code		
Place of filing of a copy of the consolidated financial statements	India	Mauritius

Group

c Group and is subject to the management and the coordination of MAHINDRA & MAHINDRA Ltd pursuant to article 2497-bis of the Italian Civil Code.It is controlled by Mahindra Overseas Investment Company (Mauritius) Limited, which is totally controlled by Mahindra & Mahindra Ltd.

The Company does not own shares of parent companies, neither directly nor through third parties or trust companies.

The table below shows essential data from the last financial statements approved by Mahindra & Mahindra Ltd. Values are expressed in thousand INR/LAKS. Please note that Mahindra & Mahindra Ltd prepares yearly consolidated Financial Statements.

Description	Latest available financial statements	EUR Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	4.445.591	3.986.380
C) Current assets	2.320.114	2.122.452
Total assets	6.765.705	6.108.832

Description	Latest available financial statements	EUR Financial statements prior to the latest available ones
LIABILITIES:		
A) Shareholders' equity:		
Share capital	76.494	76.652
Reserves	3.698.240	3.266.327
Profit (loss) for the year	617.343	561.197
	4.392.077	3.904.176
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		
D) Accounts payable	2.373.628	2.204.656
E) Accrued liabilities and deferred income		
Total liabilities	6.765.705	6.108.832
PROFIT AND LOSS ACCOUNT		
A) Revenue	7.100.274	6.503.652
B) Expenses	6.269.840	5.758.875
C) Financial income and costs	(14.558)	(14.455)
D) Value adjustments to financial assets	(3.817)	55.863
Taxes on income for the year	196.302	224.988
Profit (loss) for the year	615.757	561.197

Description	Latest available financial statements	INR/Lakhs Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	3984,98	3573,35
C) Current assets	2079,73	1902,54
Total assets	6064,71	5475,90
LIABILITIES:		
A) Shareholders' equity:		
Share capital	68,57	68,71
Reserves	3315,07	2927,90
Profit (loss) for the year	553,38	503,05
TOTAL	3937,01	3499,66
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		
D) Accounts payable	2127,70	1976,23
E) Accrued liabilities and deferred income		
Total liabilities	6064,71	5475,90
PROFIT AND LOSS ACCOUNT		
A) Revenue	6364,61	5829,81
B) Expenses	5620,22	5162,20
C) Financial income and costs	(13,05)	(12,96)
D) Value adjustments to financial assets	(3,42)	50,08
Taxes on income for the year	175,96	201,68
Profit (loss) for the year	551,96	503,05

Appropriation of the profit for the year

We hereby suggest that the QuotaHolder allocate the profit of the year Eur 205.162 INR/Lakhs 183,91 to legal reserve for Eur 10.258 INR/Lakhs 9,20 and extraordinary reserve for Eur 194.904 INR/Lakhs 174,71.

Final considerations

These financial statements, composed of the balance sheet, profit and loss account and notes, are a true and fair view of the company's state of affairs and economic result for the year and are in accordance with the underlying accounting records.

We invite the Quota Holder to approve the financial statements in their current form and all the single items, year.

The Chairman of the Board of Directors
Sachin Arolkar

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements to the shareholder of Mahindra and Mahindra South Africa Proprietary Limited

Opinion

We have audited the annual financial statements of Mahindra and Mahindra South Africa Proprietary Limited (the company) set out on pages herein, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mahindra and Mahindra South Africa Proprietary Limited as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled 'Mahindra and Mahindra South Africa Proprietary Limited annual financial statements for the year ended 31 March 2023', which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

Auditors' responsibilities for the audit of the Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual financial information of the entity or business activities to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Leonie Els
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor

28 April 2023
Building 4, Summit Place
221 Garstfontein Road
Menlyn
0181

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note(s)	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	**26,379,595**	12,506,918
Right-of-use assets	4	**2,417,313**	5,004,858
Deferred tax	6	**34,981,637**	30,076,134
		63,778,545	47,587,910
Current Assets			
Loans receivable	7	**2,665,000**	–
Inventories	8	**1,479,533,385**	526,846,996
Trade and other receivables	9	**134,351,303**	91,241,866
Cash and cash equivalents	10	**76,916,575**	214,522,124
		1,693,466,263	832,610,986
Total Assets		**1,757,244,808**	880,198,896
Equity and Liabilities			
Equity			
Share capital	11	**52,000,000**	52,000,000
Reserves	12	**(17,447,252)**	(16,599,699)
Retained income		**144,265,629**	93,929,477
		178,818,377	129,329,778
Liabilities			
Non-Current Liabilities			
Lease liabilities	13	**1,763,933**	3,353,498
Contract Liabilities	14	**163,824,013**	101,381,860
Provisions	15	**97,087,749**	54,025,159
		262,675,695	158,760,517
Current Liabilities			
Lease liabilities	13	**2,189,769**	2,373,580
Contract Liabilities	14	**74,571,955**	50,609,910
Provisions	15	**19,053,382**	44,976,490
Trade and other payables	16	**1,210,154,611**	485,995,092
Bank overdraft	10	**5,305,271**	–
Current tax payable		**4,475,748**	8,153,529
		1,315,750,736	592,108,601
Total Liabilities		**1,578,426,431**	750,869,118
Total Equity and Liabilities		**1,757,244,808**	880,198,896

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2023 R	2022 R
Revenue	17	**3,939,689,362**	2,288,265,832
Cost of sales	18	**(3,629,982,591)**	(2,083,818,583)
Gross profit		**309,706,771**	204,447,249
Other operating income		**2,132,751**	1,805,315
Other operating gains (losses)		**(1,965,452)**	2,786,536
Other operating expenses		**(214,074,397)**	(129,797,994)
Operating profit	19	**95,799,673**	79,241,106
Investment income	20	**11,676,287**	8,980,516
Interest expense	21	**(16,775,034)**	(5,844,992)
Profit before taxation		**90,700,926**	82,376,630
Taxation	22	**(24,764,774)**	(24,340,616)
Profit for the year		**65,936,152**	58,036,014
Other comprehensive income:			
Exchange differences on translating foreign operations		**(847,553)**	(75,595)
Other comprehensive income for the year net of taxation		**(847,553)**	(75,595)
Total comprehensive income for the year		**65,088,599**	57,960,419

STATEMENT OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Retained income	Total equity
	R	R	R	R
Balance at 01 April 2021	**52,000,000**	**(16,524,103)**	**43,693,463**	**79,169,360**
Profit for the year	–	–	58,036,014	58,036,014
Other comprehensive income	–	(75,596)	–	(75,596)
Total comprehensive income for the year	–	**(75,596)**	**58,036,014**	**57,960,418**
Dividends	**–**	**–**	**(7,800,000)**	**(7,800,000)**
Total distributions to owners of company recognised directly in equity	–	**–**	**(7,800,000)**	**(7,800,000)**
Balance at 01 April 2022	**52,000,000**	**(16,599,699)**	**93,929,477**	**129,329,778**
Profit for the year	–	–	65,936,152	65,936,152
Other comprehensive income	–	(847,553)	–	(847,553)
Total comprehensive income for the year	–	**(847,553)**	**65,936,152**	**65,088,599**
Dividends	–	–	(15,600,000)	(15,600,000)
Total distributions to owners of company recognised directly in equity	**–**	**–**	**(15,600,000)**	**(15,600,000)**
Balance at 31 March 2023	**52,000,000**	**(17,447,252)**	**144,265,629**	**178,818,377**
Note(s)	11	12		

STATEMENT OF CASH FLOWS

	Note(s)	2023 R	2022 R
Cash flows from operating activities			
Cash generated from operations	23	**(69,074,048)**	19,188,865
Interest received	20	**11,676,287**	8,980,516
Interest paid	21	**(16,775,034)**	(5,844,992)
Tax paid	24	**(33,348,058)**	(26,003,014)
Net cash from operating activities		**(107,520,853)**	(3,678,625)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(21,989,540)**	(8,013,871)
Proceeds from sale of property, plant and equipment		**7,811,402**	1,540,916
Cash advanced in loans receivable	7	**(2,665,000)**	–
Net cash from investing activities		**(16,843,138)**	(6,472,955)
Cash flows from financing activities			
Lease liabilities paid		**(2,946,829)**	(2,580,254)
Dividends paid		**(15,600,000)**	(7,800,000)
Net cash from financing activities		**(18,546,829)**	(10,380,254)
Total cash movement for the year		**(142,910,820)**	(20,531,834)
Cash at the beginning of the year		**214,522,124**	235,053,958
Total cash at end of the year	10	**71,611,304**	214,522,124

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Useful lives and depreciation of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of all assets are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Contract liabilities

The fair value of contract liabilities from service plans is management's best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

Provision for warranties

Warranty provisions are management's best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two, three or five year warranties based on the current year warranty claims occurred. The cost per day calculated on those claims is used to estimate the future cost for the remaining warranty days under consideration.

The warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

Fair value estimation

The fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments do not reasonably approximate their value at each reporting date.

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

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

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

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

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

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

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

Recoverability of receivables

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. Management has incorporated the effect of COVID-19 into the assessment of the recoverability of trade receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Determination of net realisable value of inventory

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The write down is included in cost of sales.

1.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	4 years
Computer software	Straight line	5 years
Furniture and fixtures	Straight line	3 years
Leasehold improvements	Straight line	3 years
Motor vehicles	Straight line	4 years
Motor vehicles - Held for rental	Straight line	4 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 28 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

Trade and other receivables

Classification

Loans receivable (note 7) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 20).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the company considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 19).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 28).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other payables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note and the financial instruments and risk management note.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest expense.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value and are subsequently measured at amortised cost.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current is based on taxable profit for the year.

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

No transactions giving rise to the exceptions relating to the recognition of deferred tax liabilities and assets were concluded.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in the Lease liability note.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in interest expense.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use asset is initially measured at cost which comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings and infrastructure	Straight line	Over the lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.12 Revenue from contracts with customers

Revenue comprises consideration received or receivable on contracts entered into with customers for the sale of goods and services in the ordinary course of the entities' activities. The performance obligation is identified as the distinct goods and services as agreed in the contract(s). Revenue is shown net of trade discounts, volume rebates and value added tax and is recognised when the entity satisfies its' performance obligations as set out in the contracts entered into with its customers. Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at the amount as depicted in the contract for the exchange of the goods and services. Where a contract has multiple performance obligations, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

The principles of IFRS 15 are applied using the following five-step model:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue streams

- Sale of spares
- Sales of vehicles
- Sale of service plan
- Sale of agricultural produce
- Sale of construction equipment
- Commission income and recoveries

Revenue is recognised when an entity satisfies a performance obligation as control is passed, either over time or at a point in time. The above revenue is recognised at a point in time, except for Service plans which is recognised over time. Service Plan is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Contract liabilities relates to Service Plan Revenue and is reflected under Liabilities in the Statement of Financial Position. Amounts not yet invoiced, for which revenue has been recognised are reflected under trade and other receivables.

Costs incurred on assembly of vehicles which do not yet meet the revenue recognition criteria are capitalised to inventories as work-in-progress and are expensed when the five principles of IFRS 15 are met.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were capitalised to any assets during the financial year.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 Levies

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The company has inventory stored in a bonded warehouse where duties, levies and taxes are due once the inventory leaves the bonded warehouse, or 24 months, whichever are earlier.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

3. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Computer equipment	**3,062,478**	**(2,516,820)**	**545,658**	2,770,943	(2,147,746)	623,197
Computer software	**4,590,394**	**(3,818,409)**	**771,985**	4,397,594	(2,908,384)	1,489,210
Furniture and fixtures	**4,336,835**	**(4,336,835)**	**–**	4,148,031	(4,051,050)	96,981
Leasehold improvements.	**1,024,690**	**(1,024,690)**	**–**	1,024,690	(964,560)	60,130
Motor vehicles	**35,898,470**	**(11,213,306)**	**24,685,164**	19,622,768	(9,856,087)	9,766,681
Motor vehicles - Held for rental	**764,886**	**(764,886)**	**–**	764,886	(637,406)	127,480
Office equipment	**1,100,155**	**(776,183)**	**323,972**	858,192	(671,726)	186,466
Plant and machinery	**3,270,615**	**(3,217,799)**	**52,816**	4,643,965	(4,487,192)	156,773
Total	**54,048,523**	**(27,668,928)**	**26,379,595**	38,231,069	(25,724,151)	12,506,918

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	**623,197**	**291,535**	**–**	**(369,074)**	**545,658**
Computer software	**1,489,210**	**192,800**	**–**	**(910,025)**	**771,985**
Furniture and fixtures	**96,981**	**188,804**	**–**	**(285,785)**	**–**
Leasehold improvements	**60,130**	**–**	**–**	**(60,130)**	**–**
Motor vehicles	**9,766,681**	**21,074,438**	**(1,870,838)**	**(4,285,117)**	**24,685,164**
Motor vehicles-Held for rental	**127,480**	**–**	**–**	**(127,480)**	**–**
Office equipment	**186,466**	**241,963**	**–**	**(104,457)**	**323,972**
Plant and machinery	**156,773**	**7,208**	**(36,262)**	**(74,903)**	**52,816**
	12,506,918	**21,996,748**	**(1,907,100)**	**(6,216,971)**	**26,379,595**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	485,999	438,462	–	(301,264)	623,197
Computer software	141,135	1,687,203	–	(339,128)	1,489,210
Furniture and fixtures	661,857	–	–	(564,876)	96,981
Leasehold improvements	401,659	–	–	(341,529)	60,130
Motor vehicles	8,217,836	5,741,661	(545,076)	(3,647,740)	9,766,681
Motor vehicles-Held for rental	318,701	–	–	(191,221)	127,480
Office equipment	283,206	1,565	–	(98,305)	186,466
Plant and machinery	234,256	144,980	(39,178)	(183,285)	156,773
	10,744,649	8,013,871	(584,254)	(5,667,348)	12,506,918

4. Right-of-use assets

The company leases various buildings as the need arises. Lease contracts are typically made for fixed periods between 3 years to 5 years. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease contracts do not impose any covenants.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2023			2022		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Buildings and infrastructure	**7,475,668**	**(5,058,355)**	**2,417,313**	10,316,018	(5,311,160)	5,004,858

Reconciliation of right-of-use assets - 2023

	Opening balance	Additions	Modification	Other adjustments	Depreciation	Total
Buildings and infrastructure	**5,004,858**	**122,775**	**(894,268)**	**–**	**(1,816,052)**	**2,417,313**

Reconciliation of right-of-use assets - 2022

	Opening balance	Additions	Modification	Other adjustments	Depreciation	Total
Buildings and infrastructure	6,583,398	1,028,655	–	5,714	(2,612,909)	5,004,858

5. Retirement benefits

Defined contribution plan

It is the policy of the company to provide retirement benefits to all its employees. A defined contribution provident fund which is subject to the Pensions Fund Act exists for this purpose. The scheme is funded by company and employee contributions only, which are charged to the income statement as they are incurred. The total company contributions to such scheme in 2023 was R2 718,398 (2022: R2 273,134).

The company is under no obligation to cover any unfunded benefits.

6. Deferred tax

Deferred tax asset

	2023	2022
Deferred revenue less Section 24C allowance	**1,287,338**	994,581
Lease liabilities	**1,066,329**	1,266,213
Prepaid expenses	**(216,340)**	(69,659)
Property, plant and equipment	**–**	633,661
Provisions	**33,496,984**	28,338,469
Right-of-use assets	**(652,674)**	(1,087,131)
Total deferred tax asset	**34,981,637**	30,076,134

Reconciliation of deferred tax asset

	2023 R	2022 R
At beginning of year	**30,076,134**	25,144,769
Taxable / (deductible) temporary difference on interest on deferred revenue	**292,757**	(106,074)
Taxable / (deductible) temporary difference on lease liabilities	**(199,884)**	(475,107)
Taxable / (deductible) temporary difference on prepaid expenses	**(146,681)**	(143,435)
Taxable / (deductible) temporary difference on property, plant and equipment	**(633,661)**	(252,333)
Taxable / (deductible) temporary difference on provisions	**5,158,515**	5,430,845
Taxable / (deductible) temporary difference on right-of-use assets	**434,457**	477,469
	34,981,637	30,076,134

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

Management expects sufficient future taxable income in the company to enable the company to realise the deferred tax asset.

7. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, if any, as follows:

Supplier enterprise development loan	2,665,000

The loan is unsecured, interest free and repayable on demand.

Exposure to credit risk

Loans receivable inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Fair value of loans receivable

The fair value of loans receivable approximates their carrying amounts.

8. Inventories

	2023 R	2022 R
Agricultural produce	**4,017,643**	3,638,842
Goods in transit	**21,868,840**	118,398,481
Motor vehicles	**1,318,979,385**	350,654,101
Spares	**152,467,090**	66,990,291
	1,497,332,958	539,681,715
Provision for write down of inventories to net realisable value - motor vehicles, spares and agricultural produce	**(17,799,573)**	(12,834,719)
	1,479,533,385	526,846,996

Inventory pledged as security

Inventories were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

9. Trade and other receivables

	2023 R	2022 R
Financial instruments:		
Trade receivables	**130,046,156**	68,960,954
Deposits	**1,106,275**	3,503,159
Non-financial instruments:		
Prepayments	**3,198,872**	6,523,004
VAT	**–**	12,254,749
Total trade and other receivables	**134,351,303**	91,241,866

NOTES TO FINANCIAL STATEMENTS (Contd.)

Financial instrument and non-financial instrument components of trade and other receivables

	2023	2022
	R	R
At amortised cost	**131,152,431**	72,464,113
Non-financial instruments	**3,198,872**	18,777,753
	134,351,303	91,241,866

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk the company deals with reputed banks and customers and also demands bank guarantees or purchase credit insurance where applicable.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 9 days (2022: 9 days). No interest is charged on outstanding trade receivables.

The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix has been applied to appropriate groupings of receivables based on shared credit risk characteristics. There is no material expected credit losses on application of the provision matrix for the businesses.

Furthermore, the company writes off a receivable where there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the company recovery procedure, considering legal advice where appropriate. In the current year there has been no receivables that have been written-off.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

10. Cash and cash equivalents

	2023	2022
	R	R
Cash and cash equivalents consist of:		
Cash on hand	**51,956**	122,752
Bank balances	**76,864,619**	214,399,372
Bank overdraft	**(5,305,271)**	–
	71,611,304	214,522,124
Current assets	**76,916,575**	214,522,124
Current liabilities	**(5,305,271)**	–
	71,611,304	214,522,124

There is a cession amounting to R125 139 (2022: R125 139) relating to the First National Bank Account (Account number: 74865277774).

The carrying amount of cash and cash equivalents reasonably approximates its fair value.

All cash balances are placed with reputable financial institutions which have positive credit ratings. Therefore, there is no significant credit risk associated with cash and cash equivalents.

11. Share capital

	2023	2022
	R	R
Authorised		
70,000,000 Ordinary shares with no par value	**70,000,000**	70,000,000
Reconciliation of number of shares issued:		
Reported as at 01 April 2022	**52,000,000**	52,000,000
Issued		
52,000,000 Ordinary shares with no par value	**52,000,000**	52,000,000

12. Foreign currency translation reserve

The Kenya Branch operations in Shilling has been translated to ZAR based on the exchange rate. The foreign currency reserve is a result of the foreign currency translation.

	2023	2022
	R	R
Kenya Branch operations	**(17,447,252)**	(16,599,699)

13. Lease liabilities

	2023	2022
	R	R
The maturity analysis of lease liabilities is as follows:		
- within one year	**2,189,769**	2,373,580
- in second to fifth year inclusive	**1,763,933**	3,353,498
	3,953,702	5,727,078
The lease liability classification at year end is as follows:		
Non-current liabilities	**1,763,933**	3,353,498
Current liabilities	**2,189,769**	2,373,580
	3,953,702	**5,727,078**

The lease liability relates to the right-of-use assets disclosed under note 4.

The company leases various buildings as the need arises under operating leases. Lease contracts are typically made for fixed periods between 3 years and 5 years.

Interest is based on the incremental borrowing rate of 10.25% for the South African Office and the training centre leases.

Interest is based on the incremental borrowing rate of 9% for the basement parking rental.

	2023	2022
	R	R
Analysis of movement in lease liabilities		
Balance on 01 April	**5,727,078**	7,291,522
New leases	**122,775**	1,028,655
Terminations	**(333,888)**	–
Foreign Currency Translation Reserve	**–**	(15,700)
Capital repayments	**(1,562,263)**	(2,577,399)
- Lease payments	**(1,994,923)**	(3,163,509)
- Interest charges	**432,660**	586,110
Balance on 31 March	**3,953,702**	5,727,078

For details of the exposure to liquidity risk related to finance lease liabilities, as well as the maturity analysis of the gross amounts payable, refer to note 28.

14. Contract liabilities

	2023	2022
	R	R
Summary of contract liabilities		
Service plan	**238,395,968**	151,991,770
Reconciliation of contract liabilities		
Opening balance	**151,991,770**	116,583,415
Raised in current year	**151,815,700**	85,447,159
Revenue in current year	**(65,411,502)**	(50,038,804)
	238,395,968	151,991,770
Split between non-current and current portions		
Non-current liabilities	**163,824,013**	101,381,860
Current liabilities	**74,571,955**	50,609,910
	238,395,968	**151,991,770**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Nature: Certain vehicles are sold with a service plan. This service plan then covers certain services for a predetermined number of years and kilometres travelled. The income from these service plans is deferred and recognised as these services are performed.

Assumptions: The fair value of contract liabilities from service plans is management's best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

15. Provisions

Reconciliation of provisions – 2023

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	**99,001,649**	**29,477,042**	**(18,896,134)**	**6,558,574**	**116,141,131**

Reconciliation of provisions – 2022

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	76,955,238	67,298,216	(51,559,761)	6,307,956	99,001,649
Non-current liabilities				97,087,749	54,025,159
Current liabilities				19,053,382	44,976,490
				116,141,131	99,001,649

Nature: This provision is raised due to the fact that certain vehicles, Gensets and Tractors sold are sold under a warranty, thus this provision estimates cost that would occur in the future for repairs under warranties.

Assumptions: Warranty provisions are managements best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two or three year warranties based on three years actual historical sales and warranty claims occurred. The warranty period for Gensets and Tractors being a twelve month period from date of sale.

Further, the warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

16. Trade and other payables

	2023 R	2022 R
Financial instruments:		
Accrued expenses	**72,008,053**	43,302,861
Accrued leave pay	**3,388,774**	2,903,031
Other payables	**1,844,199**	1,431,296
Sundry payables	**2,395,197**	1,084,125
Trade payables	**1,123,019,761**	437,273,779
Non-financial instruments:		
VAT	**7,498,627**	–
	1,210,154,611	485,995,092

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. Revenue

	2023 R	2022 R
Revenue from contracts with customers		
Sale of goods	**3,936,070,790**	2,279,576,570
Commissions received	**3,618,572**	8,689,262
	3,939,689,362	2,288,265,832

	2023 R	2022 R
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:		
Sale of spares	**273,831,954**	201,546,629
Sale of vehicles	**3,503,079,332**	1,985,055,963
Sale of service plan	**65,411,502**	50,038,804
Sale of agricultural produce	**5,106,335**	5,866,625
Sale of construction equipment	**48,413,022**	24,873,374
Sale of farm equipment	**40,228,645**	12,195,175
Commissions income and recoveries	**3,618,572**	8,689,262
	3,939,689,362	2,288,265,832
Timing of revenue recognition:		
At a point in time	**3,874,277,860**	2,238,227,028
Over time	**65,411,502**	50,038,804
	3,939,689,362	2,288,265,832

Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date

The transaction price which has been allocated to performance obligations which are unsatisfied or partially unsatisfied at the reporting date are presented below, together with the expected timing of satisfying the performance obligations:

2023

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	**74,571,955**	**66,560,585**	**98,278,969**

2022

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	50,609,947	43,077,611	58,304,231

18. Cost of sales

	2023 R	2022 R
Sale of goods	**3,629,982,591**	2,083,818,583

19. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditors' remuneration - external

	2023 R	2022 R
Audit fees	**656,458**	714,300
Adjustment for previous year	**40,000**	–
Tax compliance services	**29,710**	40,373
	726,168	754,673

Leases

	2023 R	2022 R
Short term leases	**1,408,681**	2,119,119
Total lease expenses	**1,408,681**	2,119,119

NOTES TO FINANCIAL STATEMENTS (Contd.)

Other operating gains

	2023 R	2022 R
Loss (profit) on exchange differences	**5,014,380**	(1,829,873)
Profit on sale of property, plant and equipment	**(3,048,928)**	(956,663)

Expenses by nature

The operating expenses are analysed by nature as follows:

	2023 R	2022 R
Depreciation	**8,033,023**	8,261,694
Employee costs	**53,930,797**	45,537,791

20. Investment income

	2023 R	2022 R
Interest income		
From investments in financial assets:		
Bank	**11,676,287**	8,980,516

21. Interest expense

	2023 R	2022 R
Bank and other	**33,195**	2,035
Lease liabilities	**432,660**	586,110
Vehicle purchase credit	**16,309,179**	5,256,847
Total finance costs	**16,775,034**	5,844,992

22. Taxation

Major components of the tax expense

	2023 R	2022 R
Current		
Local income tax – current period	**29,670,277**	29,271,981
Deferred		
Deferred income tax – current period	**(4,905,503)**	(6,045,296)
Reduction in tax rate	**–**	1,113,931
	(4,905,503)	(4,931,365)
	24,764,774	24,340,616

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2023 R	2022 R
Accounting profit	**90,700,926**	82,376,630
Tax at the applicable tax rate of 28% (20221: 28%)	**24,489,250**	23,065,456
Tax effect of adjustments on taxable income		
Non deductible expenses*	**429,075**	503,161
Non taxable operations Kenya	**(153,551)**	(341,932)
Change in tax rate from 28% to 27% relating to deferred tax	**–**	1,113,931
	24,764,774	24,340,616

Non-deductible expenses* include foreign travel expenses, donations and deprecation on leasehold improvements.

In February 2022, numerous changes to the tax law were enacted in South Africa, including a decrease in the corporate tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. The entity therefore, recognised the deferred tax balance at 27% in the prior year.

In the current year, the current and deferred tax is recognised at 27%.

23. Cash generated from operations

	2023 R	2022 R
Profit before taxation	**90,700,926**	82,376,630
Adjustments for non-cash items:		
Depreciation and amortisation	**8,033,023**	8,261,694
Profit on sale of assets	**(3,048,928)**	(956,663)
Movements in provisions	**17,139,482**	22,046,411
Adjust for items which are presented separately:		
Interest income	**(11,676,287)**	(8,980,516)
Interest expense	**16,775,034**	5,844,992
Changes in working capital:		
(Increase) decrease in inventories	**(952,686,389)**	(381,013,416)
(Increase) decrease in trade and other receivables	**(37,275,086)**	(38,577,893)
Increase (decrease) in trade and other payables	**716,559,979**	294,779,271
Increase (decrease) in contract liabilities	**86,404,198**	35,408,355
	(69,074,048)	19,188,865

24. Tax paid

	2023 R	2022 R
Balance at beginning of the year	**(8,153,529)**	(4,884,562)
Current tax for the year recognised in profit or loss	**(29,670,277)**	(29,271,981)
Balance at end of the year	**4,475,748**	8,153,529
	(33,348,058)	(26,003,014)

25. Commitments

Short term leases

	2023 R	2022 R
Minimum lease payments due		
first year	**573,680**	822,088

Operating lease payments represents rentals payable by the company for short term leases of its premises (residential and office properties). Short term leases are leases with a lease term of 12 months or less. No contingent rent is payable.

26. Related parties

Relationships

Holding company	Mahindra & Mahindra Limited
Fellow subsidiaries	Erkunt Tractor Ind Inc.
	Mahindra Racing UK Limited
Members of key management	Vijay Nakra
	Rajeev Goyal (Appointed 02 April 2021)
	Rajesh Gupta
	Sandip Kulkarni

NOTES TO FINANCIAL STATEMENTS (Contd.)

Related party balances

	2023 R	2022 R
Amounts included in Trade receivable regarding related parties		
Mahindra & Mahindra Limited	**14,653,397**	11,656,601
Rajesh Gupta	**402,361**	–
Sandip M Kulkarni	**–**	2,137
	15,055,758	11,658,738
Amounts included in Trade Payable regarding related parties		
Erkunt Tractor Ind Inc.	**(335,784)**	–
Mahindra & Mahindra Limited (Payable)	**(1,044,052,928)**	(367,823,894)
Mahindra Racing UK Limited	**(53,760)**	–
	(1,044,442,472)	(367,823,894)
Amounts included in goods-in-transit		
Mahindra & Mahindra Limited	21,868,840	118,398,481

Related party transactions

Purchases from related parties		
Erkunt Tractor Ind Inc.	**13,507,446**	5,088,869
Mahindra & Mahindra Limited	**2,863,865,452**	1,503,364,845
	2,877,372,898	1,508,453,714

Other expenses paid to related parties

Mahindra & Mahindra Limited	**53,760**	–

Commission received from related party

Mahindra & Mahindra Limited	**358,597**	861,098
	358,597	861,098

27. Directors' emoluments

Executive

2023	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	**2,487,648**	**279,935**	**967,422**	**3,735,005**
Sandip Kulkarni	**2,345,050**	**306,591**	**373,388**	**3,025,029**
	4,832,698	**586,526**	**1,340,810**	**6,760,034**

2022 Directors' emoluments	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	2,240,854	233,864	397,174	2,871,892
Sandip Kulkarni	2,013,427	297,770	50,366	2,361,563
	4,254,281	531,634	447,540	5,233,455

Vijay Nakra (Chairman) and Rajeev Goyal did not earn any emoluments for their services as a director of the entity.

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023	Note(s)	Amortised cost	Total	Fair value
Loans receivable	7	**2,665,000**	**2,665,000**	**2,665,000**
Trade and other receivables	9	**131,152,431**	**131,152,431**	**131,152,431**
Cash and cash equivalents	10	**76,916,575**	**76,916,575**	**76,916,575**
		210,734,006	**210,734,006**	**210,734,006**

2022	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	9	72,464,113	72,464,113	72,464,113
Cash and cash equivalents	10	214,522,124	214,522,124	214,522,124
		286,986,237	286,986,237	286,986,237

Categories of financial liabilities

2023	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	13	**–**	**3 953 702**	**3 953 702**	**3 953 702**
Trade and other payables		**1,202,655,984**	**–**	**1,202,655,984**	**1,202,655,984**
		1,202,655,984	**3,953,702**	**1,206,609,686**	**1,206,609,686**

2022	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	13	–	5,727,078	5,727,078	5,727,078
Trade and other payables		485,995,092	–	485,995,092	485,995,092
		485,995,092	5,727,078	491,722,170	491,722,170

Capital risk management

The company's capital management objectives are:

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

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

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

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

The maximum exposure to credit risk is presented in notes 7, 9 and 10.

Liquidity risk

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as

NOTES TO FINANCIAL STATEMENTS (Contd.)

cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day- to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Short-term liquidity needs for a 120-day or less are identified monthly.

Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The company has contractual maturities which are summarised below:

31 March 2023	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	**1,202,655,984**	**1,200,114,404**	**–**	**–**
Lease liabilities contractual maturities	**–**	**–**	**2,189,769**	**1,763,933**
	1,202,655,984	**1,200,114,404**	**2,189,769**	**1,763,933**

31 March 2022	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	485,995,113	483,817,840	–	–
Lease liabilities contractual maturities	–	–	2,225,980	3,837,684
	485,995,113	483,817,840	2,225,980	3,837,684

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Foreign currency risk

Most of the company's transactions are carried out in Rands. Exposure to currency exchange rates arise from the operations in Kenya, as well as the company's overseas purchases and sea freight, which are primarily denominated in US Dollars.

Foreign currency denominated financial assets and liabilities, translated in Rands at the closing rate, are as follows:

Foreign currency exposure at the end of the reporting period

	2023 R	2022 R
Assets (Included in Trade and other receivables and Cash and cash equivalents)		
Ameriworld International Limited (2023: USD 0; 2022: USD 41 579)	**–**	602,836
Bank balance (2023: USD 49 400 EGP 6 853 KES 4 671 298; 2022: USD 170 232 EGP 280 000 KES 1 217 113)	**892,424**	2,841,850
Mahindra and Mahindra Limited (2023: USD 529 763; 2022: USD 490 822).	**9,519,735**	7,116,134
Liabilities (Included in Trade and other payables)		
Bidvest Panalpina (2023: USD 0; 2022: USD 829 769)	**–**	12,030,323
Deloitte India (2023: USD 0; 2022: USD 10 200)	**–**	147,884
Erkunt (2023: Euro 19 792; 2022: Euro 98 798)	**386,851**	1,595,126
Hoegh Autoliners (2023: USD 313 692; 2022: USD 318 637)	**5,636,988**	4,619,733
Mahindra and Mahindra Limited (2023: USD 198 575; INR 4 809 152; 2022: USD 443 531)	**4,618,265**	6,430,499

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year and equity in regards to the company's financial assets and financial liabilities and the US Dollar Rand exchange rate.

It assumes a +11.8% and 7.6% change of the Rand / US Dollar exchange rate for the year ended 31 March 2023 (2022: +6.8% and 6.4%). This has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the company's foreign currency financial instruments held at balance sheet date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Rand had weakened against the US Dollar by 7.6% (2022: 6.8%) then this would have had the following impact:

	2023 R	2022 R
Net results for the year	**17,466**	974,838

If the Rand had strengthened against the US Dollar by 11.8% (2022: 6.4%) then this would have had the following impact:

	2023 R	2022 R
Net results for the year	**(27,096)**	**(913,175)**

Exposure to foreign exchange rates vary during the year depending on the volumes of overseas transactions. Nonetheless, the analysis above is considered to be representative of the company's exposure to currency risk.

Interest rate risk

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2% and -2% (2022: +2% and -2%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the company's financial instruments held at each balance sheet date. All other variables are held constant.

	2023	2023	2022	2022
Net results for the year	**2,905,311**	**(2,905,311)**	1,426,137	(1,426,137)

29. Banking facilities

The company avails credit facilities from First National Bank Limited which has sanctioned a ZAR facility of R 100 million (2022: R 100 million with ICICI Bank) for working capital borrowings. At the year end, the company has utilised R 5 305 272 of the facility from First National Bank. (2022: R Nil). The ICICI Bank facility was terminated in the current year.

The above facility has been secured as follows:

- General notarial bond over inventory.
- Cession of debtors.

30. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The entity has maintained a net asset position and holds sufficient funds to finance future operations. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

31. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mahindra North American Technical Center, Inc.

Opinion

We have audited the accompanying financial statements of Mahindra North American Technical Center, Inc. ('the Company') which comprise the balance sheets as of March 31, 2023, and March 31, 2022, the related statements of loss, stockholder's (deficit) equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations has generated negative cashflows from operations. The Company also has an accumulated stockholders' deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Emphasis of matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations and has generated negative cash flows from operations. The Company also has an accumulated stockholders' deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Other matter

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon the exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

KNAV P.A.

Atlanta, Georgia
April 28, 2023

BALANCE SHEETS

	USD		INR	
	As at March 31,		As at March 31,	
	2023	2022	**2023**	2022
ASSETS				
Current assets				
Cash and cash equivalents	**102,855**	3,705,134	**8,453,652**	304,524,963
Accounts receivable	**13,840**	12,703	**1,137,510**	1,044,060
Accounts receivable, related parties	**30,199**	851,671	**2,482,056**	69,998,839
Inventories	**14,782,605**	8,773,168	**1,214,982,305**	721,066,678
Prepaid expenses and other current assets	**123,515**	325,455	**10,151,698**	26,749,146
Total current assets	**15,053,014**	13,668,131	**1,237,207,221**	1,123,383,686
Property, plant and equipment, net	**1,283,038**	2,640,617	**105,452,893**	217,032,311
Intangible assets, net	**–**	19,034	**–**	1,564,406
Operating leases right-of-use assets	**1,888,675**	3,679,958	**155,230,198**	302,455,748
Other assets	**119,503**	119,503	**9,821,952**	9,821,952
Total assets	**18,344,230**	20,127,243	**1,507,712,264**	1,654,258,103
LIABILITIES AND STOCKHOLDER'S (DEFICIT) EQUITY				
Current liabilities				
Trade payables	**1,456,820**	2,359,104	**119,736,036**	193,894,758
Operating lease liability	**1,334,377**	1,326,159	**109,672,446**	108,997,008
Accrued expenses	**11,474,738**	9,746,471	**943,108,716**	801,062,451
Intercompany payables	**8,768,034**	2,168,161	**720,644,714**	178,201,153
Total current liabilities	**23,033,969**	15,599,895	**1,893,161,912**	1,282,155,370
Operating lease liability – non-current	**1,053,102**	2,347,225	**86,554,453**	192,918,423
Total liabilities	**24,087,071**	17,947,120	**1,979,716,365**	1,475,073,793
Stockholder's (deficit) equity				
Common stock, $ 0.10 par value 100,000 shares authorized 1,000 shares issued and outstanding - Refer Note T	**100**	100	**8,219**	8,219
Common stock, $ 25 par value 5,000,000 shares authorized 2,580,709 shares issued and outstanding (March 31, 2022: 2,560,709 shares) - Refer Note R	**64,517,729**	64,017,729	**5,302,712,147**	5,261,617,147
Additional paid in capital	**9,900**	9,900	**813,681**	813,681
Accumulated deficit	**(70,270,570)**	(61,847,606)	**(5,775,538,148)**	(5,083,254,737)
Total stockholder's (deficit) equity	**(5,742,841)**	2,180,123	**(472,004,101)**	179,184,310
Total liabilities and stockholder's (deficit) equity	**18,344,230**	20,127,243	**1,507,712,264**	1,654,258,103

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	USD		INR	
	Year ended March 31,		**Year ended March 31,**	
	2023	2022	**2023**	2022
Operating revenues	**32,914,789**	9,812,961	**2,705,266,508**	806,527,265
Cost of sales	**30,528,104**	16,408,162	**2,509,104,868**	1,348,586,835
Gross profit (loss)	**2,386,685**	(6,595,201)	**196,161,640**	(542,059,570)
Selling, general and administrative expense	**7,944,982**	6,417,369	**652,998,070**	527,443,558
Depreciation & amortization	**1,766,300**	1,249,403	**145,172,197**	102,688,433
Total costs and expenses	**9,711,282**	7,666,772	**798,170,267**	630,131,991
Operating loss	**(7,324,597)**	(14,261,973)	**(602,008,627)**	(1,172,191,561)
Other income	**–**	(91,236)	**–**	(7,498,687)
Loss on scrappage of assets	**–**	99,404	**–**	8,170,015
Restructuring expenses	**1,098,367**	–	**90,274,784**	–
Loss before income taxes	**(8,422,964)**	(14,270,141)	**(692,283,411)**	(1,172,862,889)
Income tax expense	**–**	–	**–**	–
Net loss	**(8,422,964)**	(14,270,141)	**(692,283,411)**	(1,172,862,889)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S (DEFICIT) EQUITY

(All amounts are stated in USD, except number of shares)

	Common stock						
	Authorized		Issued & outstanding				
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**	**Additional paid in capital**	**Accumulated deficit**	**Total stockholder's (deficit) equity**
Balance as on April 1, 2021	1,100,000	25,010,000	2,307,709	57,667,829	9,900	(47,577,465)	10,100,264
Increase in authorized common stock	4,000,000	100,000,000	–	–	–	–	–
Common stock issued during the year	–	–	254,000	6,350,000	–	–	6,350,000
Net loss for the year	–	–	–	–	–	(14,270,141)	(14,270,141)
Balance as at March 31, 2022	**5,100,000**	**125,010,000**	**2,561,709**	**64,017,829**	**9,900**	**(61,847,606)**	**2,180,123**
Balance as on April 1, 2022	5,100,000	125,010,000	2,561,709	64,017,829	9,900	(61,847,606)	2,180,123
Common stock issued during the year	–	–	20,000	500,000	–	–	500,000
Net loss for the year	–	–	–	–	–	(8,422,964)	(8,422,964)
Balance as at March 31, 2023	**5,100,000**	**125,010,000**	**2,581,709**	**64,517,829**	**9,900**	**(70,270,570)**	**(5,742,841)**

(The accompanying notes are an integral part of these financial statements)

	Common stock						
	Authorized		Issued & outstanding				
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**	**Additional paid in capital**	**Accumulated deficit**	**Total stockholder's equity**
Balance as on April 1, 2021	1,100,000	2,055,571,900	2,307,709	4,739,718,866	813,681	(3,910,391,848)	830,140,699
Increase in authorized common stock	4,000,000	8,219,000,000	–	–	–	–	–
Common stock issued during the year	–	–	254,000	521,906,500	–	–	521,906,500
Net loss for the year	–	–	–	–	–	(1,172,862,889)	(1,172,862,889)
Balance as at March 31, 2022	**5,100,000**	**10,274,571,900**	**2,561,709**	**5,261,625,366**	**813,681**	**(5,083,254,737)**	**179,184,310**
Balance as on April 1, 2022	5,100,000	10,274,571,900	2,561,709	5,261,625,366	813,681	(5,083,254,737)	179,184,310
Common stock issued during the year	–	–	20,000	41,095,000	–	–	41,095,000
Net loss for the year	–	–	–	–	–	(692,283,411)	(692,283,411)
Balance as at March 31, 2023	**5,100,000**	**10,274,571,900**	**2,581,709**	**5,302,720,366**	**813,681**	**(5,775,538,148)**	**(472,004,101)**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	**2023**	2022
Cash flow from operating activities				
Net loss	**(8,422,964)**	(14,270,141)	**(692,283,411)**	(1,172,862,889)
Adjustments to reconcile net loss to net cash used in operating activities				
Loss on scrappage of assets	**–**	**99,404**	**–**	**8,170,015**
Depreciation and amortization expense	**1,766,300**	1,249,403	**145,172,197**	102,688,433
Changes in assets and liabilities				
Accounts receivable	**(1,137)**	(3,598)	**(93,450)**	(295,720)
Accounts receivable, related parties	**821,472**	(176,248)	**67,516,784**	(14,485,823)
Inventories	**(6,009,437)**	(1,589,057)	**(493,915,627)**	(130,604,595)
Prepaid expenses and other current assets	**201,940**	58,234	**16,597,449**	4,786,252
Other assets	**–**	2	**–**	164
Operating lease right of use assets	**1,791,283**	1,340,550	**147,225,550**	110,179,805
Trade payables	**(902,284)**	1,098,767	**(74,158,722)**	90,307,660
Intercompany payables	**6,599,873**	1,901,337	**542,443,562**	156,270,888
Operating leases liability	**(1,285,904)**	(1,341,190)	**(105,688,450)**	(110,232,406)
Accrued expenses	**1,728,266**	8,124,830	**142,046,183**	667,779,778
Net cash used in operating activities	**(3,712,592)**	(3,507,707)	**(305,137,935)**	(288,298,438)
Cash flow from investing activities				
Purchase of property, plant and equipment	**(389,687)**	(95,850)	**(32,028,375)**	(7,877,912)
Net cash used in provided by investing activities	**(389,687)**	(95,850)	**(32,028,375)**	(7,877,912)
Cash flow from financing activities				
Issuance of common stock	**500,000**	6,350,000	**41,095,000**	521,906,500
Net cash provided by financing activities	**500,000**	6,350,000	**41,095,000**	521,906,500
Net (decrease) increase in cash and cash equivalents	**(3,602,279)**	2,746,443	**(296,071,311)**	225,730,150
Cash and cash equivalents at the beginning of the year	**3,705,134**	958,691	**304,524,963**	78,794,813
Cash and cash equivalents at the end of the year	**102,855**	3,705,134	**8,453,652**	304,524,963
Supplemental cash flow information				
Income taxes paid	**–**	–	**–**	–
Interest paid	**–**	–	**–**	–

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A – ORGANIZATION AND NATURE OF OPERATIONS

Mahindra North American Technical Center, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on December 18, 2013 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. ("MANA"). The Company engineers, designs, develops, assembles, and delivers parts and vehicles to the global automotive market, both for on and off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

Ownership of the Company changed on April 30, 2017, when 100% of its stock was acquired by MANA from Mahindra USA, Inc. ("MUSA").

In Michigan, when engaged in automotive manufacturing activities, the Company does business as ("d/b/a") Mahindra Automotive North America Manufacturing ("MANAM"). MANAM produces ROXOR, an off-road side-by-side vehicle. MANAM shipped 1,935 vehicles during the fiscal year ended March 31, 2023.

The Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" of FCA's Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease and desist order was effective from August 11, 2020.

The cease-and desist order related to the prohibition of marketing, sale, importation, and manufacturing of the model year 2018, 2019 and erstwhile 2020 ROXOR off-road vehicle by the Group in the United States of America ("US"). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 12, 2020. However, the Company could sell ROXORs in Canada since the limited exclusion order prohibited the Company from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Company furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order since the Company could not carry out marketing activities as well, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the "notice to appeal" to the court for review of the final determination of the ITC's exclusion of re-designed ROXOR from the cease-and-desist order. FCA's appeal did not prevail per a decision from the Federal Circuit Court of Appeals on March 09, 2022. Therefore, the ITC's decisions for allowing the sale of redesigned ROXOR remains valid.

In the concurrent Eastern District of Michigan case, FCA requested the Court to enjoin the redesigned post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals. On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the "safe-distance rule" when assessing the current redesigned ROXOR to determine if it sufficiently departs from the original 2018, 2019 and erstwhile 2020 design. That court of appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of 2nd quarter of 2023.

During the year ended March 31, 2022, the Company launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021 in the United States and Canada. Before the cease-and-desist order, the Company used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through its affiliate company Mahindra Vehicle Sales and Services, Inc ("MVSS") to its customers. However, effective September 01, 2021, the Company entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MagNA") to distribute the ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MagNA's dealership network.

Pursuant to the terms of the agreement, the Company will act as a principal in the sale transaction and the agreement includes the following provisions.

- The distribution agreement is applicable throughout the United States and Canada ("the Territory").
- The Company agrees to sell to MagNA all of the products, as forecasted and ordered by MagNA at prices as determined in the terms of the agreement.
- MagNA shall promote, advertise, merchandise, sell and service the products in the territory in a manner consistent with the current sales efforts utilized by MagNA and in connection therewith.
- All products shall be sold ex-works by the Company to a destination identified by MagNA.
- The parties acknowledge that the Company is the exclusive owner of all Mahindra Trademarks. The Company granted MagNA a non-transferable, royalty-free license to use Mahindra Trademarks solely in connection with the sale and distribution of the products. MagNA shall use Mahindra Trademarks only in accordance with the directions, standards and requirements established by the Company from time to time. MagNA shall not be entitled to use Mahindra Trademarks on any products other than products sold under the agreement.
- The Company warrants the product through limited warranties that are ultimately provided to the end customer purchaser of the product.

The Company continues to supply the accessories and service parts to its affiliate, MVSS to honor the warranty or product liability on sales made through MVSS before the cease-and-desist order.

NOTE B – GOING CONCERN EVALUATION

Due to the cease-and desist order, the Company could not conduct any sale of ROXOR along with its kit and assemblies in the US from August 12, 2020 and had to redesign the ROXOR. The Company started selling the redesigned ROXOR effective November 2021. The Company has reported loss amounting to USD 8,422,964 (INR 692,283,411) and USD 14,270,141 (INR 1,172,862,889) for the years ended March 31, 2023, and March 31, 2022, respectively. This has resulted in an accumulated deficit of USD 70,270,570 (INR 5,775,538,148) as at March 31, 2023 and USD 61,847,606 (INR 5,083,254,737) as at March 31, 2022. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 500,000 (INR: 41,095,000) and USD 6,350,000 (INR 521,906,500) during the years ended March 31, 2023, and March 31, 2022, respectively, for meeting the cash flow requirements. To revive its operations, through the sale of redesigned ROXOR, the Company has entered into the agreement with MagNA to sell and distribute ROXOR and its parts through MagNA's dealership network. Additionally, the other plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring and right sizing.
2) New business development plans for the marketing of redesigned ROXOR and to make the Company business profitable.
3) Obtain capital financing from 'Mahindra Overseas Investment Company Mauritius Limited', parent of parent company, to meet near term working capital requirements.
4) Obtain a commitment from the parent company to continue to provide financial support and honor the Company's future obligations.

Based on the above mitigating factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.

   b. The financial statements are for the fiscal years ended March 31, 2023, and March 31, 2022.

   c. Financial information in this report is in US dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2023, and March 31, 2022, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 82.19 INR per dollar as on March 31, 2023. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's (deficit) equity.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affects the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of plant, property and equipment, provision for inventory obsolescence, slow moving and non-moving items, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Cash and cash equivalents*

   The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 20,547,500). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. *Inventories*

   Raw materials, work in progress and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined on a weighted average basis. The measurement of inventories includes the direct cost of materials and labor as well as indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs for sale and distribution.

   The Company makes additional adjustments to its inventory reserves based on the identification of specific situations and increases its inventory reserves accordingly. As further changes in future economic or industry conditions occur, the Company will revise the estimates that were used to calculate its inventory reserves.

5. *Income taxes*

   Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due, plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

6. *Revenue recognition*

<u>*Sale of manufactured goods*</u>

The Company recognizes revenues from sale of manufactured ROXOR off-road side by side vehicles and their related accessories.

Revenue is recognized when control of the vehicles, parts or accessories have been transferred and the Company's performance obligation to the customer have been satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transfer of goods. The timing of when the Company transfers the goods to the customer may differ from the timing of the customer's payment.

When the Company gives the customer the right to return eligible goods, the Company estimates the expected returns based on an analysis of historical experiences.

During the year ended March 31, 2021, the Company sold vehicles and service parts to its customers through its affiliate company. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts were made available to the customer, or when the vehicles or service parts were released to the carrier responsible for transporting them to the customer. This was also the point at which invoices were issued, with payment terms for vehicles and for service parts. For component part sales, revenue recognition was consistent with that of service parts.

However, after the launch of redesigned 2020 ROXOR, the Company decided to sell the redesigned ROXOR vehicle and its parts to the dealership through its affiliate, Mahindra USA LLC ("MAgNA") in the United States and Canada. Per the distribution agreement with MAgNA, the Company acts as a principal in the sale transaction. Pursuant to the agreement the Company will deliver the ROXOR on MAgNA's direction on ex-works basis. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts were released to the carrier responsible for transporting them to the customer. This is also the point at which invoices are issued, with payment terms for vehicles and for service parts. For component part sales, revenue recognition is consistent with that of service parts.

The Company sponsors certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products are sold to the dealerships to the extent that it is probable. The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid. Sales promotion incentive programs include volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives are recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change.

7. *Product warranty*

The Company provides a limited warranty for redesigned ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD 872,624 (INR 71,720,967) as on March 31, 2023 (March 31, 2022: USD 177,157 (INR 14,560,534)).

8. *Product liability*

The Company is subject to product liability claims in the normal course of business. Adequate insurance coverage is carried for catastrophic product liability claims. The Company self-insures product liability claims up to the purchased catastrophic insurance coverage. The estimated costs resulting from uninsured losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably determinable.

9. *Property, plant and equipment*

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method except for production tools. Upon retirement or disposal of assets, the cost and accumulated depreciation will be eliminated from the accounts and the resulting gain or loss will be credited or charged to operations.

The estimated useful life used to determine depreciation is:

Particulars	**Useful life**
Computers	3-5 years
Furniture	5-7 years
Leasehold improvements	7-15 years
Machinery & equipment	3-5 years
Tooling	2-5 years

The cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress.

The Company expenses all capital expenses below USD 5,000. Expenditures for maintenance and repairs are charged to expense. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

10. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates.

11. *Government incentives*

The Company receives incentives from the Michigan Economic Development Corporation ("MEDC") in the form of business development grants. These grants are recognized at their fair values in the statement of loss where there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

12. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

13. *Leases*

Accounting Standard Update ("ASU") 2016-02, Leases

The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

14. *Accounts receivable & allowance for doubtful debts*

Accounts receivable represent amounts due related to sale of goods and services. Accounts receivables are reduced by an estimate of the amount that will ultimately be uncollectible. Management determines the allowance for doubtful accounts by a review of the outstanding amounts on a monthly basis. The allowance is determined by identifying troubled accounts, by using historical experience applied to an aging of accounts. Allowance for doubtful accounts is included in selling, general and administrative expenses in the consolidated statement of loss. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

15. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE D – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Bank balances	**102,855**	3,705,134	**8,453,652**	304,524,963
Total	**102,855**	3,705,134	**8,453,652**	304,524,963

NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2021
Accounts receivable	**13,840**	12,703	**1,137,510**	1,044,060
Total	**13,840**	12,703	**1,137,510**	1,044,060

NOTE F – INVENTORIES

Inventories comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Raw materials	**11,560,619**	8,696,387	**950,167,276**	714,756,048
Material in transit	**1,547,931**	4,965,585	**127,224,449**	408,121,431
Work-in-process	**1,634,632**	1,242,358	**134,350,404**	102,109,404
Finished goods	**5,985,711**	308,111	**491,965,587**	25,323,643
Less: provision for slow moving, damaged goods and obsolescence	**(5,946,288)**	(6,439,273)	**(488,725,411)**	(529,243,848)
Total	**14,782,605**	8,773,168	**1,214,982,305**	721,066,678

NOTE G – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Prepaid insurance	**51,666**	62,315	**4,246,429**	5,121,670
Prepaid others	**71,849**	227,845	**5,905,269**	18,726,580
Advance to supplier	–	35,295	**–**	2,900,896
Total	**123,515**	325,455	**10,151,698**	26,749,146

NOTE H – PROPERTY, PLANT AND EQUIPMENT, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Leasehold improvements	**2,189,821**	2,189,821	**179,981,388**	179,981,388
Machinery & equipment	**2,866,117**	2,788,042	**235,566,156**	229,149,172
Furniture	**4,723**	4,723	**388,183**	388,183
Computers	**61,374**	56,139	**5,044,329**	4,614,064
Tooling	**2,359,850**	2,053,473	**193,956,072**	168,774,946
	7,481,885	7,092,198	**614,936,128**	582,907,753
Less: Accumulated depreciation	**(6,198,847)**	(4,451,581)	(509,483,235)	(365,875,442)
Property, plant and equipment, net	**1,283,038**	2,640,617	**105,452,893**	217,032,311

Depreciation expense for the year ended March 31, 2023 is USD 1,747,266 (INR 143,607,793) (March 31, 2022: USD 1,211,352 (INR 99,561,021).

NOTE I – INTANGIBLE ASSETS, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Software	**325,048**	325,048	**26,715,695**	26,715,697
Less: Accumulated amortization	**(325,048)**	(306,014)	**(26,715,695)**	(25,151,291)
Total	**–**	19,034	**–**	1,564,406

Amortization expense for the year is USD 19,034 (INR 1,564,404) (March 31, 2022: USD 38,051 (INR:3,127,412)

NOTE J – ACCRUED EXPENSES

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Accrued vacation	**47,683**	159,091	**3,919,066**	13,075,689
Accrued payable	**1,048,254**	1,282,959	**86,155,996**	105,446,400
Accrual for restructuring	**1,098,367**	–	**90,274,784**	–
Sourcing liability	**1,814,273**	1,942,035	**149,115,098**	159,615,857
Accrual for material in transit	**1,547,930**	**4,965,586**	**127,224,367**	**408,121,513**
Accrued merit pay	**355,211**	**225,311**	**29,194,792**	**18,518,311**
Accrued payroll	**108,990**	**107,600**	**8,957,888**	**8,843,644**
Accrued warranty expense	**872,624**	**177,157**	**71,720,967**	**14,560,534**
Co-op liability	**1,203,000**	**301,000**	**98,874,570**	**24,739,190**
Rebate liability	**3,326,836**	**531,300**	**273,432,651**	**43,667,547**
Withholding payroll taxes	**11,662**	8,223	**958,498**	675,848
Others	**39,908**	46,209	**3,280,039**	3,797,918
Total	**11,474,738**	9,746,471	**943,108,716**	801,062,451

NOTE K – LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2023 and March 31, 2022

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Assets				
Operating lease right-of-use assets	**1,888,675**	3,679,958	**155,230,198**	302,455,748
Total lease assets	**1,888,675**	3,679,958	**155,230,198**	302,455,748
Liabilities				
Current				
Operating lease liabilities	**1,334,377**	1,326,159	**109,672,446**	108,997,008
Long term				
Operating lease liabilities	**1,053,102**	2,347,225	**86,554,453**	192,918,423
Total lease liabilities	**2,387,479**	3,673,384	**196,226,899**	301,915,431

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
Operating lease expenses*	**2,258,906**	1,736,159	**185,659,484**	142,694,908
Total lease expenses	**2,258,906**	1,736,159	**185,659,484**	142,694,908

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2023, for operating leases having an initial or remaining non-cancelable lease term in excess of one year are as follows:

	Amount	
Year ended March 31,	**USD**	**INR**
2024	1,408,329	115,750,561
2025	1,009,601	82,979,106
2026	59,570	4,896,058
2027	4,533	372,567
Total minimum lease payments	**2,482,033**	**203,998,292**
Less: Interest	(94,554)	(7,771,393)
Present value of lease payments	**2,387,479**	**196,226,899**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2023.

Weighted-average remaining lease term (years)	
Operating leases	1.82
Weighted-average discount rate	
Operating leases	4.72%

The following table presents supplemental information for operating leases for the year ended March 31, 2023, and March 31, 2022.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	**1,468,515**	1,499,802	**120,697,248**	123,268,726

NOTE L – REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
Vehicle sales	**32,394,527**	9,009,307	**2,662,506,174**	740,474,943
Parts and accessory sales	**474,484**	505,553	**38,997,840**	41,551,401
Bike sales	**45,778**	**298,101**	**3,762,494**	**24,500,921**
Total revenue by product line	**32,914,789**	9,812,961	**2,705,266,508**	806,527,265

The following table presents revenue disaggregated by timing of recognition:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
Products transferred at a point in time	**32,914,789**	9,812,961	**2,705,266,508**	806,527,265
Total revenue by timing of revenue recognition	**32,914,789**	9,812,961	**2,705,266,508**	806,527,265

The following table presents revenue disaggregated by geography based on Company's locations:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
United States of America	**32,914,789**	9,812,961	**2,705,266,508**	806,527,265

Contract balances

The Company's contracts with customers are comprised of purchase orders along with standard terms and conditions. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2023 and Mach 31, 2022:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	2022	**2023**	2022
Accounts receivable	**13,840**	12,703	**1,137,510**	1,044,060
Accounts receivable, related parties	**30,199**	851,671	**2,482,056**	69,998,839

NOTE M – INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to federal taxation and in the State of Michigan.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2023**	2022	**2023**	2022
Deferred tax asset (liability)				
Net operating loss – Federal - non SRLY	**10,410,381**	9,976,289	**855,629,214**	819,951,196
Net operating loss – Federal - SRLY	**1,906,026**	1,906,026	**156,656,277**	156,656,277
Accrued vacation	**10,740**	37,211	**882,721**	3,058,372
Research and development credit	**499,422**	499,422	**41,047,494**	41,047,494
Accrued warranty	**196,542**	41,435	**16,153,787**	3,405,543
Accrued merit pay	**80,005**	52,698	**6,575,611**	4,331,249
Co-op liability	**270,953**	–	**22,269,627**	–
Accrued MEDC	**119,654**	124,253	**9,834,362**	10,212,354
Obsolescence reserve	**1,339,291**	1,483,167	**110,076,327**	121,901,496
Incentive accrual	**702,463**	168,961	**57,735,434**	13,886,905
Flooring interest accrual	**46,845**	34,560	**3,850,191**	2,840,486
Bad debts	**18,582**	19,296	**1,527,255**	1,585,938
163 (j) interest limitation adj.	**434,986**	432,949	**35,751,499**	35,584,078
Foreign tax credit	**1,158,810**	1,206,071	**95,242,594**	99,126,975
UNICAP	**21,826**	14,927	**1,793,879**	1,226,850
Lease assets	**112,347**	1,538	**9,233,800**	126,408
Net operating loss - Michigan	**998,597**	1,049,275	**82,074,687**	86,239,912
Prepaid expenses	**(45,154)**	(65,542)	**(3,711,207)**	(5,386,897)
Fixed assets	**(185,325)**	(628,186)	**(15,231,862)**	(51,630,607)
Valuation Allowance	**(18,096,991)**	(16,354,350)	**(1,487,391,690)**	(1,344,164,029)
Total	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 18,096,991 (INR 1,487,391,690) is recognized as at March 31, 2023 (March 31, 2022 USD 16,354,350 (INR 1,344,164,029).

The Company has federal net operating losses ("NOLs") carryforwards of USD 58,649,556 (INR 4,820,406,989) and USD 56,582,451 (INR 4,650,511,648) as at March 31, 2023 and March 31, 2022, respectively. Out of the total NOLs of USD 58,649,556 (INR 4,820,406,989), if unutilized, NOLs of USD 29,355,508 (INR 2,410,087,206) will begin to expire from the year 2035, whereas the remaining NOLs will be carried forward indefinitely.

The Company has state NOLs of USD 21,067,451 (INR 1,731,533,768) and USD 22,136,594 (INR 1,819,406,661) as at March 31, 2023 and March 31, 2022, respectively which if unutilized will begin to expire from the year 2026.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2019, 2020 and 2021 remains subject to examination by the taxing authorities.

NOTE N – RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. ("MANA")	Parent company
3	Mahindra Vehicle Manufacturers Limited – US Branch	Affiliate company
4	Mahindra Vehicle Sales and Service, Inc ("MVSS")	Affiliate company
5	Mahindra Tractor Assembly, Inc. ("MTAI")	Affiliate company
6	Mahindra Integrated Business Solutions Private Limited – US Branch ("MIBS")	Affiliate company
7	Mahindra USA, Inc ("MAgNA")	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	For the year ended March 31		For the year ended March 31	
Particulars	**2023**	2022	**2023**	2022
<u>**Transactions during the year**</u>				
Mahindra Integrated Business Solution Pvt Limited – US branch (erstwhile MVML)				
Expenses incurred on behalf of the Company	**18,904**	119,048	**1,553,720**	9,784,555
Administrative services rendered	**142,428**	142,428	**11,706,157**	11,706,157
Expenses incurred on behalf of MIBS	**108,739**	62,778	**8,937,258**	5,159,724
Mahindra Tractor Assembly, Inc.				
Purchases	**–**	–	**–**	–
Expenses incurred on behalf of Mahindra Tractor Assembly, Inc.	**59,325**	1,005,975	**4,875,922**	82,681,085
Mahindra Vehicle Sales and Services, Inc.				
Accessories and service parts	**66,605**	505,533	**5,474,265**	41,549,757
Expenses incurred on behalf of MVSS	**115,085**	174,897	**9,458,836**	14,374,784
Expenses incurred on behalf of the Company	**–**	19,760	**–**	1,624,074

	USD		**INR**	
	For the year ended March 31		**For the year ended March 31**	
Particulars	**2023**	2022	**2023**	2022
Mahindra Automotive North America, Inc.				
Corporate cost allocation	**2,948,333**	2,636,072	**242,323,489**	216,658,758
Corporate cost allocation payment	–	2,399,644	–	197,226,740
Issuance of common stock	**500,000**	6,350,000	**41,095,000**	521,906,500
Expenses incurred on behalf of MANA	**69,672**	529,126	**5,726,342**	43,488,866
Expenses incurred on behalf of MNATC	**4,803**	–	**394,759**	–
Mahindra and Mahindra, Limited				
Purchase of raw materials	**20,577,067**	3,041,570	**1,691,229,137**	249,986,638
Expenses incurred on behalf of MNATC	**980**	–	**80,546**	–
Mahindra USA Inc				
Commission on sale of vehicles	**757,804**	201,357	**62,283,911**	16,549,532
Expense incurred on behalf of the Company	**258,271**	271,753	**21,227,293**	22,335,379
Expense reimbursements by the Company	**1,911,039**	10,077	**157,068,295**	828,229
Purchase of spare parts	**4,986**	12,602	**409,799**	1,035,758
Sale of spare parts	**120,138**	–	**9,874,142**	–

	USD		**INR**	
	As at March 31,		**As at March 31,**	
Particulars	**2023**	2022	**2023**	2022
Balances at the end of the year Accounts receivable, related parties				
Mahindra Vehicle Sales and Service, Inc.	**6,555**	141,239	**538,755**	11,608,433
Mahindra USA, Inc	**–**	570,227	**–**	46,866,957
Mahindra Integrated Business Solution	**23,644**	12,460	**1,943,301**	1,024,087
Mahindra Tractor Assembly, Inc.	**–**	127,745	**–**	10,499,362
	30,199	851,671	**2,482,056**	69,998,839

	USD		**INR**	
	As at March 31,		**As at March 31,**	
Particulars	**2023**	2022	**2023**	2022
Intercompany payables				
Mahindra USA, Inc	**440,468**	–	**36,202,065**	–
Mahindra Automotive North America, Inc.	**2,945,575**	491,370	**242,096,809**	40,385,701
Mahindra and Mahindra, Limited	**5,381,991**	1,676,791	**442,345,840**	137,815,452
	8,768,034	2,168,161	**720,644,714**	178,201,153
Accrued payable expenses	**–**	5,150	**–**	423,279
(Classified under accrued expenses)				
Mahindra and Mahindra, Limited	**–**	942,016	**–**	77,424,295
(Classified under trade payables)				

NOTE O – COMMITMENTS AND CONTINGENCIES

Litigation

The Company was engaged in litigation over violation of “trade dress” of FCA’s Jeep branded vehicles with FCA US, LLC both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company’s ROXOR off-road utility vehicle violated the “trade dress” claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model (redesigned ROXOR). The ITC’s decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022. Therefore, the ITC’s decisions for allowing the sale of post-2020 ROXOR remains valid. There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matter is ongoing. The Company believes it has a strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably.

Also in the Eastern District of Michigan case, FCA requested the Court to enjoin the post-2020 ROXOR based on the “safe distance rule”. The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals. On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the “safe-distance rule” when assessing the current ROXOR design to determine if it sufficiently departs from the original 2018/2019 design. That court of appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of Q2 of 2023. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE P – EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 37,677 (INR 3,096,673) and USD 20,663 (INR 1,698,292) for the years ended March 31, 2023, and March 31, 2022, respectively.

NOTE Q – COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2023, and March 31, 2022, was 5,000,000 shares, respectively of $ 25 each and 100,000 shares of $ 0.10 each. As at March 31, 2023 and March 31, 2022, total shares issued and outstanding was 2,581,709 and 2,561,709 shares, respectively.

The Company issued 20,000 shares and 254,000 shares for USD 25 each for years ended March 31, 2023, and March 31, 2022, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE R – GOVERNMENT INCENTIVE AND CREDITS

Michigan Economic Development Incentive (MEDC)

The Company, during the year ended March 31, 2019, had recorded government grant incentive income received from MEDC amounting to USD 531,250 (INR 40,226,250). The Company had received this incentive on account of creation of 50 qualified jobs in State of Michigan. During the year 2022, the Company had additionally received USD 318,750 (INR 24,135,750). However, due to the onset of COVID and cease-and-desist order, the Company had furloughed approximately 86 employees and even terminated few employees during the year ended March 31, 2021. The Company terminated and furloughed few other employees in the current year as well on account of its plan of rightsizing and restructuring. Due to these uncertain circumstances, the management believes that it could have potentially violated the conditions stipulated based on which the Company had received the grant in FY 2018-19 and FY 2021-22. The Company is currently evaluating its exposure and is in continuous discussions with the MEDC authorities. The Company has therefore recognized an accrual amounting to USD 850,000 (INR 69,861,500) and USD 850,000 (INR 69,861,500) as at March 31, 2023 and March 31, 2022 for MEDC incentive received in FY 2018-19 and FY 2021-22.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of Social Security taxes. The payroll tax deferral period commenced on March 27, 2020 and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer's share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited by December 31, 2022. The Company in the previous year has repaid all the payroll tax deferral amounting to USD 77,529 (INR 6,372,109). The Company has deferred the employment taxes amounting to USD NIL (INR NIL) and USD NIL (INR NIL) as on March 31, 2023, and March 31, 2022, respectively.

Employee retention credit

During the year ended March 31, 2021, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company during year ended March 31, 2023, amounts to USD NIL (INR NIL) and for year ended March 31, 2022, amounts to USD 165,407 (INR 13,594,801). The Company in the previous year has repaid all the credits availed to the IRS amounting to USD 280,280 (INR: 23,036,213). The balance outstanding as on March 31, 2023, and March 31, 2022, is USD NIL (INR NIL) and USD NIL (INR NIL) respectively.

NOTE S – RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan

NOTE T – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023, through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Automotive North America, Inc.

Qualified opinion

We have audited the accompanying separate parent company financial statements of Mahindra Automotive North America, Inc. ("the Company") which comprise the balance sheets as of March 31, 2023, and March 31, 2022, the related statements of profit and loss, stockholder's equity and cash flows for the years then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of not consolidating the wholly owned subsidiaries and except for the possible effects of the impairment adjustments to the carrying amounts as discussed in the Basis of qualified opinion paragraph, the separate parent company financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and March 31, 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of qualified opinion

As discussed in Note D. 1 a, to the separate parent company financial statements, the Company reports investment in its wholly owned subsidiaries, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis.

a) Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 137,947,507 (INR: 11,337,905,602) and USD 131,550,756 (INR 10,812,156,636) as on March 31, 2023 and March 31, 2022, respectively; total liabilities would have increased by USD 24,363,666 (INR 2,002,449,707) and USD 20,149,262 (INR 1,656,067,844) as on March 31, 2023 and March 31, 2022, respectively; stockholder's equity would have decreased by USD 162,311,173 (INR 13,340,355,309) and USD 151,700,018 (INR 12,468,224,479) as on March 31, 2023 and March 31, 2022, respectively and net loss would have been reported as USD 8,321,471 (INR 683,941,702) and USD 17,190,224 (INR 1,412,864,511) for each of the years then ended.

b) The Company has not reviewed its investments in Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Services, Inc as of March 31, 2023, and March 31, 2022, for impairment. We have not been able to obtain sufficient and appropriate evidence over the recoverable amounts of those investments as of March 31, 2023, and March 31, 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate parent company financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations has generated negative cashflows from operations. The Company also has an accumulated stockholders' deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Other matter

The presentation of financial information in Indian rupees in the separate parent company financial statements is not a required part of the basic separate parent company financial statements. We have verified the arithmetic accuracy of the presentation based upon exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information, and our opinion is not modified with respect to this matter.

Responsibilities of management for the separate parent company financial statements

Management is responsible for the preparation and fair presentation of these separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the separate parent company financial statements are issued.

Auditor's responsibilities for the audit of the separate parent company financial statements

Our objectives are to obtain reasonable assurance about whether the separate parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.
Atlanta, Georgia
April 28, 2023

Separate Parent Company Financial Statements

BALANCE SHEETS

	USD		INR	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
ASSETS				
Current assets				
Cash and cash equivalents	**10,187,000**	5,258,537	**837,269,530**	432,199,156
Accounts receivable, related parties	**3,344,035**	1,712,745	**274,846,237**	140,770,512
Prepaid expenses and other current assets	**331,015**	184,612	**27,206,123**	15,173,260
Total current assets	**13,862,050**	7,155,894	**1,139,321,890**	588,142,928
Investment in subsidiaries	**153,263,499**	150,893,499	**12,596,726,983**	12,401,936,683
Investment	**1,050,000**	1,080,000	**86,299,500**	88,765,200
Operating lease right-of-use asset	**934,525**	980,735	**76,808,610**	80,606,610
Property and equipment, net	**7,597,171**	7,802,958	**624,411,485**	641,325,118
Intangible assets, net	**16,667**	25,000	**1,369,861**	2,054,750
Other assets	**38,598**	50,240	**3,172,370**	4,129,226
Total assets	**176,762,510**	167,988,326	**14,528,110,699**	13,806,960,515
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payable	**74,522**	172,357	**6,124,963**	14,166,022
Intercompany payable, related parties	**2,000**	27,000	**164,380**	2,219,130
Operating lease liability	**159,202**	147,648	**13,084,812**	12,135,189
Accrued expenses and other current liabilities	**1,103,132**	3,330,259	**90,666,422**	273,713,988
Total current liabilities	**1,338,857**	3,677,264	**110,040,577**	302,234,329
Other liabilities				
Operating lease liability – non-current	**876,270**	953,362	**72,020,631**	78,356,823
Total liabilities	**2,215,126**	4,630,626	**182,061,208**	380,591,152
Stockholder's equity				
Common stock, $ 25 par value March 31, 2023: 8,000,000 shares authorized 7,773,737 shares issued and outstanding (March 31, 2022: 8,000,000 shares authorized 7,417,737 shares issued and outstanding) – Refer Note Q	**194,343,430**	185,443,430	**15,973,086,512**	15,241,595,512
Accumulated deficit	**(19,796,046)**	(22,085,730)	**(1,627,037,021)**	(1,815,226,149)
Total stockholder's equity	**174,547,384**	163,357,700	**14,346,049,491**	13,426,369,363
Total liabilities and stockholder's equity	**176,762,510**	167,988,326	**14,528,110,699**	13,806,960,515

(The accompanying notes are an integral part of these separate parent company financial statements)

Separate Parent Company Financial Statements

STATEMENTS OF PROFIT AND LOSS

	USD Year ended March 31,		INR Year ended March 31,	
	2023	**2022**	**2023**	**2022**
Operating revenues	**7,698,689**	8,522,500	**632,755,249**	700,464,275
Cost of revenue	**968,865**	961,924	**79,631,014**	79,060,534
Gross profit	**6,729,824**	7,560,576	**553,124,235**	621,403,741
Selling, general and administrative expenses	**6,438,936**	7,013,604	**529,216,151**	576,448,112
Depreciation and amortization expense	**239,176**	222,140	**19,657,875**	18,257,687
Total costs and expenses	**6,678,112**	7,235,744	**548,874,026**	594,705,799
Operating profit	**51,712**	324,832	**4,250,209**	26,697,942
Net (loss) gain arising on investments measured	**(30,000)**	330,000	**(2,465,700)**	27,122,700
Other income, net	**2,267,972**	–	**186,404,619**	–
Profit before income tax	**2,289,684**	654,832	**188,189,128**	53,820,642
Income tax expense	**–**	–	**–**	–
Net profit	**2,289,684**	654,832	**188,189,128**	53,820,642

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of stockholder's equity

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	Shares	Value ($)	Shares	Value ($)	Accumulated (deficit)	Total stockholder's equity
Balance as at April 1, 2021	6,700,000	167,500,000	6,817,737	170,443,430	(22,740,562)	147,702,868
Increase in authorized common stock	1,300,000	32,500,000	–	–	–	–
Common stock issued during the year	–	–	600,000	15,000,000	–	15,000,000
Net profit	–	–	–	–	654,832	654,832
Balance as at March 31, 2022	**8,000,000**	**200,000,000**	**7,417,737**	**185,443,430**	**(22,085,730)**	**163,357,700**
Balance as at April 1, 2022	8,000,000	200,000,000	7,417,737	185,443,430	(22,085,730)	163,357,700
Common stock issued during the year	–	–	356,000	8,900,000	–	8,900,000
Net profit	–	–	–	–	2,289,684	2,289,684
Balance as at March 31, 2023	**8,000,000**	**200,000,000**	**7,773,737**	**194,343,430**	**(19,796,046)**	**174,547,384**

(The accompanying notes are an integral part of these separate parent company financial statements)

(All amounts are stated in Indian Rupees, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	Shares	Value (INR)	Shares	Value (INR)	Accumulated (deficit)	Total stockholder's equity
Balance as at April 1, 2021	6,700,000	13,766,825,000	6,817,737	14,008,745,512	(1,869,046,791)	12,139,698,721
Increase in authorized common stock	1,300,000	2,671,175,000	–	–	–	–
Common stock issued during the year	–	–	600,000	1,232,850,000	–	1,232,850,000
Net profit	–	–	–	–	53,820,642	53,820,642
Balance as at March 31, 2022	**8,000,000**	**16,438,000,000**	**7,417,737**	**15,241,595,512**	**(1,815,226,149)**	**13,426,369,363**
Balance as at April 1, 2022	8,000,000	16,438,000,000	7,417,737	15,241,595,512	(1,815,226,149)	13,426,369,363
Common stock issued during the year	–	–	356,000	731,491,000	–	731,491,000
Net profit			–	–	188,189,128	188,189,128
Balance as at March 31, 2023	**8,000,000**	**16,438,000,000**	**7,773,737**	**15,973,086,512**	**(1,627,037,021)**	**14,346,049,491**

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Net profit	**2,289,684**	654,832	**188,189,128**	53,820,641
Adjustments to reconcile net profit to net cash used in operating activities				
Depreciation expense	**239,176**	222,140	**19,657,875**	18,257,687
Net (loss) gain arising on investments	**30,000**	(330,000)	**2,465,700**	(27,122,700)
Changes in assets and liabilities				
Accounts receivable, related parties	**(1,631,289)**	(1,151,253)	**(134,075,643)**	(94,621,484)
Prepaid expenses and other current assets	**(146,403)**	348,739	**(12,032,863)**	28,662,858
Operating lease right- of -use assets	**46,210**	101,448	**3,798,000**	8,338,011
Other assets	**11,642**	(158)	**956,856**	(12,986)
Accounts payable	**(97,835)**	(643,460)	**(8,041,059)**	(52,885,977)
Intercompany payable, related parties	**(25,000)**	(113,518)	**(2,054,750)**	(9,330,044)
Operating lease liability	**(65,539)**	(100,434)	**(5,386,650)**	(8,254,670)
Accrued expenses and other current liabilities	**(2,227,127)**	(2,497,802)	**(183,047,568)**	(205,294,347)
Net cash used in operating activities	**(1,576,481)**	(3,509,466)	**(129,570,973)**	(288,443,011)
Cash flow from investing activities				
Purchase of property and equipment	**(25,056)**	–	**(2,059,353)**	–
Investment in subsidiary	**(2,370,000)**	(10,700,000)	**(194,790,300)**	(879,433,000)
Net cash used in investing activities	**(2,395,056)**	(10,700,000)	**(196,849,653)**	(879,433,000)
Cash flows from financing activities				
Issuance of common stock	**8,900,000**	15,000,000	**731,491,000**	1,232,850,000
Net cash provided by financing activities	**8,900,000**	15,000,000	**731,491,000**	1,232,850,000
Net increase in cash and cash equivalents	**4,928,463**	790,534	**405,070,374**	64,974,071
Cash and cash equivalents at beginning of the year	**5,258,537**	4,468,003	**432,199,156**	367,225,167
Cash and cash equivalents at the end of the year	**10,187,000**	5,258,537	**837,269,530**	432,199,156
Supplemental cash flow information				
Software purchased from related party	**–**	25,000	**–**	2,054,750
Income taxes paid	**–**	–	**–**	–
Interest paid	**–**	–	**–**	–

(The accompanying notes are an integral part of these separate parent company financial statements)

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

NOTE A- ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Automotive North America, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on March 27, 2017 and is a wholly owned subsidiary of Mahindra Overseas Investment Company Mauritius, Limited ("MOICML"). Both, the Company and MOICML are subsidiaries of Mahindra and Mahindra Limited ("M&M"). The Company engineers, designs, develops, assembles and delivers parts and vehicles to the global automotive market for off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

The Company owns 100% of two separate business units ("Group"); Mahindra Vehicle Sales and Service, Inc. ("MVSS") which was previously engaged in the sales of off-road recreational vehicles and Mahindra North American Technical Centre, Inc. ("MNATC") which is involved in the manufacture of off-road vehicles as well as the development of prototype on road vehicles. The Company's vehicle brand, ROXOR, is an off-road side-by-side vehicle.

NOTE B- SUBSIDIARIES OPERATIONS

On April 30, 2017, the Company acquired all the stock of MNATC from Mahindra USA, Inc., another wholly owned subsidiary of M&M.

On January 15, 2018, MNATC began producing ROXOR vehicles from its facility in Auburn Hills, MI. In Michigan, when engaged in automotive manufacturing activities, MNATC does business as "d/b/a" Mahindra Automotive North America Manufacturing ("MANAM").

MVSS was formed on May 13, 2017 to function as the sales and distribution business unit for ROXOR. MVSS used to purchase the ROXORs manufactured by MANAM and wholesale them to MVSS's 363 dealerships.

The Group was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" of FCA's Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Group. The cease and desist order was effective from August 11, 2020.

The cease-and desist order related to the prohibition of marketing, sale, importation, and manufacturing of the model year 2018, 2019 and 2020 erstwhile ROXOR off-road vehicle by the Group in the United States of America ("US"). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 11, 2020. However, the Group could sell ROXORs in Canada since the limited exclusion order prohibited the Group from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Group furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order since the Group could not carry out marketing activities as well, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the "notice to appeal" to the court for review of the final determination of the ITC's exclusion of re-designed ROXOR from the cease-and-desist order. FCA's appeal did not prevail per a decision from the Federal Circuit Court of Appeals on March 09, 2022. Therefore, ITC's decisions for allowing the sale of redesigned ROXOR stands.

In the concurrent Eastern District of Michigan case, FCA requested the Court to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals. On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the "safe-distance rule" when assessing the current ROXOR design to determine if it sufficiently departs from the 2018, 2019 design and erstwhile 2020 design. That Court of Appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of Q2 of 2023.

During the year ended March 31, 2022, the Group launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021, in the United States and Canada. Before the cease-and-desist order, MANAM used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through MVSS to its customers. However, effective September 01, 2021, the Group entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network.

Pursuant to the terms of the agreement, MANAM is the principal in the sale transaction and the agreement includes the following provisions.

- The distribution agreement is applicable throughout the United States and Canada ("the Territory").
- MANAM agrees to sell to MAgNA all of the Products, as forecasted and ordered by MAgNA at prices as determined in the terms of the agreement.
- MAgNA shall promote, advertise, merchandise, sell and service the Products in the Territory in a manner consistent with the current sales efforts utilized by MAgNA and in connection therewith.
- All Products shall be sold ex-works by MANAM to a destination identified by MAgNA.
- The parties acknowledge that the Group is the exclusive owner of all Mahindra Trademarks. The Group hereby granted MAgNA a non-transferable, royalty-free license to use Mahindra Trademarks solely in connection with the sale and distribution of the Products. MAgNA shall use Mahindra Trademarks only in accordance with the directions, standards and requirements established by the Group from time to time. MAgNA shall not be entitled to use Mahindra Trademarks on any Products other than Products sold under the agreement.
- The Group warrants the Product through limited warranties that are ultimately provided to the end customer purchaser of the Product.

NOTE C- GOING CONCERN EVALUATION

Due to the cease-and desist order, the Group could not conduct any sale of ROXOR along with its kit and assemblies in the US from August 11, 2020 and had to redesign the ROXOR. The Group started selling the redesigned ROXOR effective November 2021. There is an accumulated deficit of USD 19,796,046 (INR 1,627,037,021) as at March 31, 2023 and USD 22,085,730 (INR 1,815,226,149) as at March 31, 2022. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 8,900,000 (INR 731,491,000) and USD 15,000,000 (INR 1,232,850,000) during the years ended March 31, 2023, and March 31, 2022, respectively, in the form of equity contribution, for meeting the cash flow requirements. To revive its operations, through the sale of redesigned ROXOR, the Company has entered into the agreement with MAgNA to sell and distribute ROXOR and its parts through MAgNA's dealership network. Additionally, the other plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring and right sizing.
2) New business development plans for the marketing of redesigned ROXOR and to make the Company business profitable.
3) Obtain capital financing from 'Mahindra Overseas Investment Company Mauritius Limited', the parent company, to meet near term working capital requirements.
4) Obtain a commitment from the parent company to continue to provide financial support and honor the Company's future obligations.

Based on the above mitigating factors, the separate parent company financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE D- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. ***Basis of preparation***

a. The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company. The Company reports investment in its wholly owned subsidiary, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 137,947,507 (INR: 11,337,905,602) and USD 131,550,756 (INR 10,812,156,636) as on March 31, 2023 and March 31, 2022, respectively; total liabilities would have increased by USD 24,363,666 (INR 2,002,449,707) and USD 20,149,262 (INR 1,656,067,844) as on March 31, 2023 and March 31, 2022, respectively; stockholder's equity would have decreased by USD 162,311,173 (INR 13,340,355,309) and USD 151,700,018 (INR 12,468,224,479) as on March 31, 2023 and March 31, 2022, respectively and net loss would have been reported as USD 8,321,471 (INR 683,941,702) and USD 17,190,224 (INR 1,412,864,511) for each of the years then ended.

b. The separate parent company financial statements are for the years ended March 31, 2023, and March 31, 2022.

c. Financial information in the separate parent company financial statements is shown in U.S. dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2023, and March 31, 2022, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 82.19 INR per dollar on March 31, 2023. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

d. Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported separate parent company net profit or stockholder's equity.

2. ***Use of estimates***

The preparation of separate parent company financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the separate parent company financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation allowance for deferred tax assets, and other contingencies. Management believes that the estimates used in the preparation of the separate parent company financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the separate parent company financial statements.

3. ***Revenue recognition***

Revenue of the Company comprise of fees for services rendered to its ultimate parent company and its subsidiaries. These fees have been accrued as the related services have been performed.

Revenue is recognized upon transfer of control of services promised to customers in an amount that reflects the consideration the Company expects to receive in exchange for these products or services.

4. ***Cash and cash equivalents***

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 20,547,500). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

5. ***Property and equipment***

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to statements of profit and loss.

The estimated useful life used to determine depreciation is:

Buildings	39-40 years
Leasehold improvements	7 years or the lease period
Furniture	5-7 years
Computer equipment	2 years

Expenditures for maintenance and repairs are charged to statement of loss. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

The cost of property and equipment not ready for use before such date are disclosed under capital work-in-progress.

6. ***Intangible assets***

Intangible assets comprise of computer software which has been recognized at cost and amortized over a period of estimated useful life. Subsequent expenditures are capitalized only when it increases the future economic benefit from the specific assets to which it relates.

Category	Useful life
Software	3 years

7. ***Income taxes***

Income taxes are provided for the tax effects of transactions reported in the separate parent company financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying separate parent company financial statements.

8. ***Investments***

Investments are carried at fair value and any upward and downward adjustments are adjusted through statement of profit and loss. Acquisition related expenditure if any, is expensed in the year of incurring the same.

9. ***Unbilled receivables***

Unbilled receivables represent value of services performed in accordance with the contract terms but not billed.

10. ***Leases***

Accounting Standard Update ("ASU") 2016-02, Leases

The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

11. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the separate parent company financial statements.

12. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE E- CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Bank balances	**10,187,000**	5,258,537	**837,269,530**	432,199,156
Total	**10,187,000**	5,258,537	**837,269,530**	432,199,156

NOTE F- PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Prepaid software license fee	**111,272**	30,451	**9,145,446**	2,502,768
Prepaid insurance	**212,491**	153,286	**17,464,635**	12,598,576
Advance to supplier	**7,252**	875	**596,042**	71,916
Total	**331,015**	184,612	**27,206,123**	15,173,260

NOTE G- INVESTMENT IN SUBSIDIARIES

Investments comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Investment in MNATC, Inc.	**64,527,729**	64,027,729	**5,303,534,047**	5,262,439,047
Investment in MVSS, Inc.	**88,735,770**	86,865,770	**7,293,192,936**	7,139,497,636
Total	**153,263,499**	150,893,499	**12,596,726,983**	12,401,936,683

NOTE H- INVESTMENT

Financial asset	**Fair value as at March 31, 2023 USD**	**Fair value as at March 31, 2022 USD**	**Fair value as at March 31, 2023 INR**	**Fair value as at March 31, 2022 INR**	**Fair value hierarchy**
Investment	1,050,000	1,080,000	86,299,500	88,765,200	Level 3

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Opening balance	**1,080,000**	750,000	**88,765,200**	61,642,500
Fair value through earnings	**(30,000)**	330,000	**(2,465,700)**	27,122,700
Closing balance	**1,050,000**	1,080,000	**86,299,500**	88,765,200

Valuation technique(s) used and key input(s): Discounted cash flow method.

Key inputs-financial projections - These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.

Significant unobservable input(s): Financial projections and discount rates to discount future cash flows.

Relationship of unobservable inputs to fair value: Any change in the discount factor, financial projections, etc. would entail corresponding change in valuation of equity component.

NOTE I- PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Land	**1,350,000**	1,350,000	**110,956,500**	110,956,500
Building	**7,005,050**	7,005,050	**575,745,060**	575,745,060
Furniture	**62,276**	62,276	**5,118,464**	5,118,464
Computer equipment	**25,056**	–	**2,059,353**	–
Leasehold improvements	**184,946**	184,946	**15,200,712**	15,200,712
	8,627,328	8,602,272	**709,080,089**	707,020,736
Less: Accumulated depreciation	**(1,030,157)**	(799,314)	**(84,668,604)**	(65,695,618)
Property and equipment, net	**7,597,171**	7,802,958	**624,411,485**	641,325,118

Depreciation expense for the year is USD 230,843 (INR 18,972,986) (March 31, 2022: USD 222,140 (INR: (18,257,687)).

NOTE J- INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2023	2022	2023	2022
Software	**25,000**	25,000	**2,054,750**	2,054,750
Less: Accumulated amortization	**(8,333)**	–	**(684,889)**	–
Intangible assets, net	**16,667**	25,000	**1,369,861**	2,054,750

In March 2022, the Company purchased software from its affiliate company – Mahindra Tractor Assembly, Inc., amounting to USD 25,000 (INR 2,054,750). Amortization expense is USD 8,333 (INR 684,889) for year ended March 31, 2023, and USD NIL (INR NIL) for the year ended March 31, 2022.

The estimate of annual amortization expense for the following years for the intangible assets is as follows:

March 31,	USD	INR
2024	8,333	684,889
2025	8,334	684,972
Total	**16,667**	**1,369,861**

NOTE K- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2023	2022	2023	2022
Accrued vacation	**114,129**	144,463	**9,380,263**	11,873,414
Accrued merit-pay	**351,271**	212,192	**28,870,963**	17,440,060
Accrued payroll	**98,897**	117,500	**8,128,344**	9,657,325
Accrued federal and state income taxes	**110,114**	110,114	**9,050,270**	9,050,270
Accrued accounts payable	**310,894**	381,292	**25,552,378**	31,338,389
Accrual for restructuring	**–**	2,267,972	**–**	186,404,619
Withholding payroll taxes	**10,782**	7,627	**886,173**	626,863
Others	**107,045**	89,099	**8,798,031**	7,323,048
Total	**1,103,132**	3,330,259	**90,666,422**	273,713,988

NOTE L- LEASES

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2023 and March 31, 2022.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2023	2022	2023	2022
Assets				
Operating lease right-of-use assets	**934,525**	980,735	**76,808,610**	80,606,610
Total lease assets	**934,525**	980,735	**76,808,610**	80,606,610
Liabilities				
Current				
Operating lease liabilities	**159,202**	147,648	**13,084,812**	12,135,189
Long term				
Operating lease liabilities	**876,270**	953,362	**72,020,631**	78,356,823
Total lease liabilities	**1,035,472**	1,101,010	**85,105,443**	90,492,012

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	2023	2022	2023	2022
Operating lease expense*	**292,722**	310,608	**24,058,821**	25,528,872
Total lease expense	**292,722**	310,608	**24,058,821**	25,528,872

*Operating lease expense are included in selling, general and administrative expenses in the statements of profit and loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2023, for operating leases having an initial or remaining non-cancellable lease term in excess of one year are as follows.

Year ended March 31	Amount (USD)	Amount (INR)
2024	202,523	16,645,365
2025	204,691	16,823,553
2026	202,473	16,641,256
2027	207,113	17,022,617
2028	207,656	17,067,247
2029	148,987	12,245,242
Total minimum lease payments	**1,173,443**	**96,445,280**
Less: Interest	(137,971)	(11,339,837)
Present value of lease payments	**1,035,472**	**85,105,443**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2023.

Weighted-average remaining lease term (years)	
Operating leases	5.68
Weighted-average discount rate	
Operating leases	4.94%

The following table presents supplemental information for operating leases for the year ended March 31, 2023, and March 31, 2022.

	USD		INR	
	Year ended March 31		Year ended March 31	
Supplemental information	2023	2022	2023	2022
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows used in operating leases	**197,781**	214,081	**16,255,620**	17,595,317
	197,781	214,081	**16,255,620**	17,595,317

NOTE M- INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States and the State of Michigan. The income tax expense is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Current and deferred tax expense	**–**	–	**–**	–
Income tax expense	**–**	–	**–**	–

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Deferred tax asset (liability)				
Net operating loss – Federal	**4,048,163**	4,473,879	**332,718,517**	367,708,115
Net operating loss – State (Michigan)	**247,258**	288,343	**20,322,135**	23,698,911
Accrued vacation	**25,705**	33,788	**2,112,694**	2,777,036
Accrued merit pay	**79,117**	49,629	**6,502,626**	4,079,008
Revaluation of investment	**(67,569)**	–	**(5,553,496)**	–
163 (j) interest limitation adjustment	**179,396**	215,010	**14,744,557**	17,671,672
Lease assets	**22,736**	28,131	**1,868,672**	2,312,087
Prepaid expenses	**(72,921)**	(57,509)	**(5,993,377)**	(4,726,665)
Fixed assets	**(23,407)**	(32,508)	**(1,923,821)**	(2,671,833)
Total	**4,438,478**	4,998,763	**364,798,507**	410,848,331
Less: valuation allowance	**(4,438,478)**	(4,998,763)	**(364,798,507)**	(410,848,331)
Total deferred tax assets	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 4,438,478 (INR 364,798,507) is recognized as at March 31, 2023 (March 31, 2022 USD 4,998,763 (INR 410,848,331)).

The Company has federal net operating losses (“NOLs”) carryforwards of USD 19,276,967 (INR 1,584,373,918) and USD 21,304,183 INR (1,750,990,801) as at March 31, 2023, and March 31, 2022, which if unutilized, will be carried forward indefinitely.

The Company has state NOLs carryforwards of USD 5,216,412 (INR 428,736,902) and USD 6,083,177 (INR 499,976,318) as at March 31, 2023 and March 31, 2022, which if unutilized will begin to expire from the year 2028.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2019, 2020 and 2021 remain subject to examination by the taxing authorities.

NOTE N- RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Overseas Investment Company Mauritius Limited	Parent company
3	Mahindra Vehicles Manufactures Limited - US Company	Affiliate company
4	Mahindra North American Technical Center, Inc.	Wholly owned subsidiary
5	Mahindra Vehicle Sales and Services, Inc.	Wholly owned subsidiary
6	Mahindra Tractors Assembly Inc	Affiliate company
7	Mahindra Integrated Business Solutions - US Branch	Affiliate company
8	Mahindra Integrated Business Solutions Pvt Ltd	Affiliate company
9	Mahindra, USA, Inc (“MAgNA”)	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
	2023	2022	2023	2022
<u>**Transactions during the year**</u>				
Mahindra Overseas Investment Company Mauritius Limited				
Issuance of common stock	**8,900,000**	15,000,000	**731,491,000**	1,232,850,000
Mahindra & Mahindra Limited				
Management service fee	**782,822**	784,566	**64,340,140**	64,483,480
Expense incurred on behalf of MANA	**1,351**	–	**111,039**	–
Mahindra Integrated Business Solutions Pvt Ltd				
Expense incurred on behalf of MANA	**23,867**	–	**1,961,629**	
Mahindra Integrated Business Solutions – US Branch				
Management service fee	**3,758,209**	4,217,915	**308,887,198**	346,670,434
Expenses incurred on behalf of MANA	**37,210**	282,119	**3,058,290**	23,187,361
Expense incurred on behalf of MIBS	**39,533**	–	**3,249,217**	–
Mahindra North American Technical Centre, Inc.				
Management service fee allocation*	**2,948,333**	2,636,072	**242,323,489**	216,658,758
Investment	**500,000**	6,350,000	**41,095,000**	521,906,500
Expense incurred on behalf of MANA	**69,672**	529,126	**5,726,342**	43,488,866
Expense incurred on behalf of MNATC	**4,803**	–	**394,759**	–

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
	2023	2022	2023	2022
Mahindra Vehicle Sales and Services, Inc.				
Management service fee allocation*	**–**	677,847	**–**	55,712,245
Investment	**1,870,000**	4,350,000	**153,695,300**	357,526,500
Expenses incurred on behalf of the Company	**2,617**	364,429	**215,091**	29,952,420
				–
Mahindra Tractors Assembly Inc.				
Purchase of software	**–**	25,000		2,054,750
Expenses incurred on behalf of MTAI	**–**	516,991		42,491,490
				–
Mahindra USA Inc.				–
Management service fee allocation*	**215,109**	206,099	**17,679,809**	16,939,277
Expenses reimbursements to the Company	**1,379**	3,340	**113,340**	274,515
<u>Balances at the end of the year</u>				
Accounts receivable, related parties				
Mahindra & Mahindra, Limited	**180,860**	223,601	**14,864,883**	18,377,766
Due from related parties				
Mahindra North American Technical Center, Inc.	**2,945,576**	491,370	**242,096,891**	40,385,700
Mahindra Vehicle Sales and Services, Inc.	**–**	208,496	**–**	17,136,286
Mahindra USA Inc.	**49,316**	46,659	**4,053,283**	3,834,903
Mahindra Integrated Business Solutions	**168,283**	742,619	**13,831,180**	61,035,857
	3,344,035	1,712,745	**274,846,237**	140,770,512
Intercompany payable, others				
Mahindra Tractor Assembly Inc.	**–**	25,000	**–**	2,054,750
Mahindra Integrated Business Solutions Pvt Ltd	**2,000**	2,000	**164,380**	164,380
	2,000	27,000	**164,380**	2,219,130

* The Company allocates cost to its wholly owned subsidiaries and affiliate company.

NOTE O- COMMITMENTS AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, the Company signed a Vendor Subscription Agreement(“VSA”) with Icon International Inc.(“ICON”), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR: 185,997,778) each year. In addition, the Company signed an indemnity bond amounting to USD 1,600,000 (INR: 131,504,000) with Atlantic Specialty Insurance Company which bound Mahindra Automotive North America, Inc., and its subsidiaries to purchase media advertising through ICON. If the Company fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON’s placement services include broadcast, digital, and print media advertising which will be billed to the Company at a competitive market rate. During the term of the agreement the Company agreed to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, the Company was prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the Company’s operations were paused and it could not carry out marketing activities, the management decided to opt out of long-term contracts and commitments entered by the Company. During the year ended March 31, 2021, the Company believed that it would be able to terminate the VSA by paying the penalty and thus created an accrual of USD 625,000 (INR: 51,368,750) was created in the books of MVSS, erstwhile sales and distribution arm of ROXOR as at March 31, 2021.

However, during the year ended March 31, 2022, the Company renegotiated the VSA with ICON and extended the agreement till March 31, 2025. Based on the revised budget spend of the Company for next financial years it believes that it may not be able to meet the minimum amount of advertising spend at the end of the contract term. Thus, MVSS continues to carry the accrual amounting to USD 1,062,319 (INR 87,311,999) and USD 690,814 (INR 56,778,003) as at March 31, 2023 and March 31, 2022 as its best estimate for penalty liability mentioned in the VSA.

Litigation

The Company was engaged in litigation over violation of “trade dress” of FCA’s Jeep branded vehicles with FCA US, LLC both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company’s ROXOR off-road utility vehicle violated the “trade dress” claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model. The ITC’s decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022. Therefore, the ITC’s decisions for allowing the sale of post-2020 ROXOR remains valid. There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matters is ongoing. The Company believes it has strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably.

In the concurrent Eastern District of Michigan case, FCA requested the Court to enjoin the post-2020 ROXOR based on the “safe distance rule”. The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the "safe-distance rule" when assessing the current ROXOR design to determine if it sufficiently departs from the 2018, 2019 design and 2020 erstwhile design. That Court of Appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of Q2 of 2023. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE P- STOCKHOLDER'S EQUITY

Common stock

The authorized share capital of the Company as of March 31, 2023 and March 31, 2022 was 8,000,000 shares and 8,000,000 shares, respectively, of $ 25 each. As at March 31, 2023 and March 31, 2022 total shares issued and outstanding was 7,773,737 and 7,417,737 shares, respectively.

The Company issued shares 356,000 shares and 600,000 shares for USD 25 each for years ended March 31, 2023, and March 31, 2022, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE Q- RISKS AND UNCERTAINITIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE R- REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue disaggregated by product line:

	USD		INR	
	Year ended March 31, 2023	**Year ended March 31, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Service	**7,698,689**	8,522,500	**632,755,249**	700,464,275
Total revenue by product line	**7,698,689**	8,522,500	**632,755,249**	700,464,275

Revenue disaggregated by timing of recognition:

	USD		INR	
	Year ended March 31, 2023	**Year ended March 31, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Products and services transferred at a point in time	**–**	–	**–**	–
Products transferred over time	**7,698,689**	8,522,500	**632,755,249**	700,464,275
Total revenue by timing of recognition	**7,698,689**	8,522,500	**632,755,249**	700,464,275

Revenue disaggregated by geography based on Company's locations:

	USD		INR	
	Year ended March 31, 2023	**Year ended March 31, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
United States	**6,915,867**	7,737,934	**568,415,109**	635,980,795
India	**782,822**	784,566	**64,340,140**	64,483,480
Total revenue by geography	**7,698,689**	8,522,500	**632,755,249**	700,464,275

<u>*Contract assets*</u>

The Company's contracts with customers with dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets as at March 31, 2023 and March 31, 2022:

	USD		INR	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Accounts receivable, related parties	**3,344,035**	1,712,745	**274,846,237**	140,770,512

NOTE S- EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 45,821 (INR 3,766,028) and USD 32,050 (INR 2,634,190) for the years ended March 31, 2023 and March 31, 2022, respectively.

NOTE T- GOVERNMENT INCENTIVE AND CREDITS

Employee retention credit

During the year ended March 31, 2022, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the year ended March 31, 2023, and March 31, 2022, amounts to USD NIL (INR NIL) and USD 464,217 (INR 38,153,995), respectively.

The Company has repaid all the credits that is believed to be owed to the IRS amounting to USD 106,283 (INR 8,735,400) and USD 928,532 (INR 76,316,045) during the years ended March 31, 2023, and year ended March 31, 2022, respectively. The Company has recorded an accrual to pay back any remaining credits and penalties that may be owed amounting to USD NIL (INR NIL) as of March 31, 2023, and USD 106,283 (INR 8,735,400) as of March 31, 2022.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of social security taxes. The payroll tax deferral period began on March 27, 2020, and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer's share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited December 31, 2022. The Company in the previous year has repaid all the payroll tax deferral amounting to USD 113,684 (INR 9,343,688). The Company has deferred the employment taxes amounting to USD NIL (INR NIL) and USD NIL (INR NIL) as on March 31, 2023, and March 31, 2022, respectively.

NOTE U- ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statement of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2023 and March 31, 2022 is USD 9,259 (INR 760,997) and USD 46,084 (INR 3,787,644), respectively.

NOTE V- SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after March 31, 2023, up to the date of the separate parent company financial statements were issued. Based on this evaluation, the Company is not aware of any events or transactions that should require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Vehicle Sales and Services, Inc.

Opinion

We have audited the accompanying financial statements of Mahindra Vehicle Sales and Services, Inc. ('the Company') which comprise the balance sheets as of March 31, 2023, and March 31, 2022, and the related statements of loss, stockholder's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations has generated negative cashflows from operations. The Company also has an accumulated stockholders' deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Other matter

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon the exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.
Atlanta, Georgia
April 28, 2023

BALANCE SHEETS

	USD As at March 31, 2023	USD As at March 31, 2022	INR As at March 31, 2023	INR As at March 31, 2022
ASSETS				
Current assets				
Cash and cash equivalents	**133,971**	264,431	**11,011,076**	21,733,584
Accounts receivable, net of allowances	**11,102**	10,473	**912,473**	860,776
Accounts receivable, related party	**–**	2,481	**–**	203,913
Prepaid expenses	**110**	4,247	**9,041**	349,061
Total Current Assets	**145,183**	281,632	**11,932,590**	23,147,334
Property and equipment, net	**4,533**	5,383	**372,567**	442,429
Operating lease right-of-use assets, net	**4,354**	18,193	**357,855**	1,495,283
Total assets	**154,070**	305,208	**12,663,012**	25,085,046
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	**5,592**	157,164	**459,606**	12,917,309
Operating lease liability	**3,517**	13,677	**289,062**	1,124,113
Accrued expenses and other current liabilities	**3,553,353**	2,877,871	**292,050,085**	236,532,218
Intercompany payables	**6,555**	349,735	**538,755**	28,744,720
Total current liabilities	**3,569,017**	3,398,447	**293,337,508**	279,318,360
Operating lease liability – non-current	**–**	3,517		289,062
Total liabilities	**3,569,017**	3,401,964	**293,337,508**	279,607,422
Stockholder's deficit				
Common stock, $ 25 par value 5,000,000 shares authorized, 3,549,431 shares issued and outstanding (March 31, 2022: Common stock, $ 25 par value 5,000,000 shares authorized, 3,474,631 shares issued and outstanding)	**88,735,770**	86,865,770	**7,293,192,936**	7,139,497,636
Accumulated deficit	**(92,150,717)**	(89,962,526)	**(7,573,867,432)**	(7,394,020,012)
Total stockholder's deficit	**(3,414,947)**	(3,096,756)	**(280,674,496)**	(254,522,376)
Total liabilities and stockholder's deficit	**154,070**	305,208	**12,663,012**	25,085,046

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	USD Year ended March 31,		INR Year ended March 31,	
	2023	**2022**	**2023**	**2022**
Operating revenues	**105,118**	766,363	**8,639,648**	62,987,375
Cost of revenue	**97,935**	754,858	**8,049,278**	62,041,779
Gross profit	**7,183**	11,505	**590,370**	945,596
Selling, general and administrative expenses	**2,194,268**	3,921,202	**180,346,887**	322,283,592
Depreciation and amortization	**850**	11,468	**69,862**	942,555
Total costs and expenses	**2,195,118**	3,932,670	**180,416,749**	323,226,147
Operating loss	**(2,187,935)**	(3,921,165)	**(179,826,379)**	(322,280,551)
Interest expense	**256**	1,915	**21,041**	157,394
Loss on sale of fixed assets	**–**	11,143	**–**	915,843
Other income	**–**	(359,309)	**–**	(29,531,606)
Loss before income taxes	**(2,188,191)**	(3,574,914)	**(179,847,420)**	(293,822,182)
Income tax expense	**–**	–	**–**	–
Net loss	**(2,188,191)**	(3,574,914)	**(179,847,420)**	(293,822,182)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S DEFICIT

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**	**Accumulated deficit**	**Total stockholder's deficit**
Balance as of April 1, 2021	3,000,000	75,000,000	3,300,631	82,515,770	(86,387,612)	(3,871,842)
Common stock authorized and issued during the year	2,000,000	50,000,000	174,000	4,350,000	–	4,350,000
Net loss for the year	–	–	–	–	(3,574,914)	(3,574,914)
Balance as of March 31, 2022	**5,000,000**	**125,000,000**	**3,474,631**	**86,865,770**	**(89,962,526)**	**(3,096,756)**
Balance as of April 1, 2022	5,000,000	125,000,000	3,474,631	86,865,770	(89,962,526)	(3,096,756)
Common stock issued during the year	–	–	74,800	1,870,000	–	1,870,000
Net loss for the year	–	–	–	–	(2,188,191)	(2,188,191)
Balance as of March 31, 2023	**5,000,000**	**125,000,000**	**3,549,431**	**88,735,770**	**(92,150,717)**	**(3,414,947)**

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**	**Accumulated deficit**	**Total stockholder's deficit**
Balance as of April 1, 2021	3,000,000	6,164,250,000	3,300,631	6,781,971,136	(7,100,197,830)	(318,226,694)
Common stock issued during the year	2,000,000	4,109,500,000	174,000	357,526,500	–	357,526,500
Net loss for the year	–	–	–	–	(293,822,182)	(293,822,182)
Balance as of March 31, 2022	**5,000,000**	**10,273,750,000**	**3,474,631**	**7,139,497,636**	**(7,394,020,012)**	**(254,522,376)**
Balance as of April 1, 2022	**5,000,000**	**10,273,750,000**	**3,474,631**	**7,139,497,636**	**(7,394,020,012)**	**(254,522,376)**
Common stock issued during the year	–	–	74,800	153,695,300	–	153,695,300
Net loss for the year	–	–	–	–	(179,847,420)	(179,847,420)
Balance as of March 31, 2023	**5,000,000**	**10,273,750,000**	**3,549,431**	**7,293,192,936**	**(7,573,867,432)**	**(280,674,496)**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2023
Cash flow from operating activities				
Net loss	**(2,188,191)**	(3,574,914)	**(179,847,420)**	(293,822,182)
Adjustments to reconcile net loss to net cash used in operating activities				
Loss on the disposal of fixed assets	**–**	11,143	**–**	915,843
Depreciation and amortization	**850**	11,468	**69,862**	942,555
Changes in assets and liabilities				
Accounts receivable, net of allowances	**(629)**	153,396	**(51,698)**	12,607,617
Accounts receivable, related party	**2,481**	(2,481)	**203,913**	(203,913)
Prepaid expenses	**4,137**	65,047	**340,020**	5,346,213
Other assets	**–**	103,557	**–**	8,511,350
Accounts payable	**(151,572)**	(25,266)	**(12,457,703)**	(2,076,613)
Intercompany payables	**(343,180)**	(82,657)	**(28,205,964)**	(6,793,579)
Operating lease right-of-use assets	**13,839**	87,524	**1,137,427**	7,193,598
Operating lease liability	**(13,677)**	(86,804)	**(1,124,112)**	(7,134,419)
Accrued expenses and other current liabilities	**675,482**	(1,311,002)	**55,517,867**	(107,751,256)
Net cash used in operating activities	**(2,000,460)**	(4,650,989)	**(164,417,808)**	(382,264,786)
Cash flow from investing activities				
Proceeds from sale of fixed assets	**–**	84,935	**–**	6,980,808
Net cash provided by investing activities	**–**	84,935	**–**	6,980,808
Cash flows from financing activities				
Issuance of common stock	**1,870,000**	4,350,000	**153,695,300**	357,526,500
Net cash provided by financing activities	**1,870,000**	4,350,000	**153,695,300**	357,526,500
Net decrease in cash and cash equivalents	**(130,460)**	(216,054)	**(10,722,508)**	(17,757,478)
Cash and cash equivalents at the beginning	**264,431**	480,485	**21,733,584**	39,491,062
Cash and cash equivalents at the end	**133,971**	264,431	**11,011,076**	21,733,584
Supplemental cash flow information				
Interest paid	**256**	1,915	**21,041**	157,394

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Vehicle Sales and Services, Inc. (hereinafter referred to as the “Company”) was incorporated in the state of Delaware on April 19, 2017 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. (“MANA”). The Company’s original purpose was to delivers parts and vehicles primarily to the North American automotive market for off-road use.

During the year ended March 31, 2022, the Company sells and distributes parts and vehicles to distributors and dealers (collectively “dealerships”), the majority of which are independently owned. As at March 31, 2022, the Company has contractual relationships in North America with approximately 363 dealerships. Throughout the year ended March 31, 2023, many such dealers voluntarily terminated their dealership relationship with the Company. The only vehicle sold by the Company to dealerships is ROXOR, an off-road side-by-side vehicle manufactured by Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing (“MANAM”). During the ~~current~~ year ended March 31, 2022, the parent company MANA, redesigned the ROXOR and launched it in the month of November 2021. However, the management decided to sell the redesigned ROXOR through its affiliate Mahindra USA LLC (“MAgNA”). During the current year, the Company conducted the transactions of catering of warranty services for the previously sold ROXOR. It also made the sales of accessory and service parts of ROXOR under warranty.

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA’s claims relating to unregistered “trade dress” of FCA’s Jeep branded vehicles both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company’s ROXOR off-road utility vehicle violated the “trade dress” of FCA’s Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease and desist order was effective from August 11, 2020.

The cease-and desist order related to the prohibition of marketing, sale, importation, and manufacturing of the model year 2018, 2019 and erstwhile 2020 ROXOR off-road vehicle by the Group in the United States of America (“US”). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 11, 2020. However, the Company could sell ROXORs in Canada since the limited exclusion order prohibited the Company from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Company furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order as the Company could not carry out marketing activities, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge (“ALJ”) found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the “notice to appeal” to the court for review of the final determination of the ITC’s exclusion of re-designed ROXOR from the cease-and-desist order. FCA’s appeal did not prevail per a decision from the Federal Circuit Court of Appeals on March 09, 2022. Therefore, the ITC’s decisions for allowing the sale of redesigned ROXOR remains valid.

In the concurrent Eastern District of Michigan case, FCA requested the Court to enjoin the post-2020 ROXOR based on the “safe distance rule”. The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals. On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the “safe-distance rule” when assessing the current ROXOR design to determine if it sufficiently departs from the original 2018, 2019 and erstwhile 2020 design. That court of appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of Q2 of 2023.

During the year ended March 31, 2022, MANAM launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021 in the United States and Canada. Before the cease-and-desist order, the Company used to sell and distribute parts and vehicles to the distributors and dealers (collectively “dealerships”) to its customers. However, effective September 01, 2021, MANAM entered into the Distribution Agreement (“the agreement”) with Mahindra USA Inc. (“MAgNA”) to distribute the ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the “Products”) under the brand name Mahindra and/or ROXOR through MAgNA’s dealership network.

During the current year, the Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement of ROXOR previously sold.

NOTE B - GOING CONCERN

There were no sales of redesigned ROXOR in the current year by the Company. In the month of November 2021, the parent company, Mahindra Automotive North America, Inc. (“MANA”), launched the redesigned ROXOR, and management decided to sell ROXOR through its affiliate Mahindra USA LLC (“MAgNA”). However, the Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement with its dealerships pertaining to the ROXORs previously sold. The Company has an accumulated deficit of USD 3,414,947 (INR (280,674,496)) as at March 31, 2023. Although, these events and condition cast significant doubt on the Company’s ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue to be in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 1,870,000 (INR 153,695,300) during the current year in the form of capital contribution.

Even though the parent company has started selling redesigned ROXOR through its affiliate MAgNA, the Company will still remain in existence because of the dealership obligations and the warranty services to be honored. Based on the above factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*
   a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America (“US GAAP”) to reflect the financial position, results of operation and cash flows of the Company.
   b. The financial statements are for the fiscal years ended March 31, 2023, and March 31, 2022.
   c. Financial information in this report is in U.S. dollars (“USD”) and in Indian rupees (“INR”). For the fiscal year ended March 31, 2023, and March 31, 2022, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 82.19 INR per dollar on March 31, 2023. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.
   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or statement of stockholder’s deficit.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, warranties, volume incentives, rebates, and co-operative advertising programs, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Operating leases*

   Accounting Standard Update (“ASU”) 2016-02, Leases

   The Company adopted Accounting Standards Codification 842 and all the related amendments (“new lease standard”) using the modified retrospective method.

NOTES TO FINANCIAL STATEMENTS

The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangement.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

4. *Revenue recognition*

Sale of manufactured goods

The Company recognizes revenues from sale of manufactured ROXOR off-road side by side vehicles and their related accessories.

Revenue is recognized when control of the vehicles, parts or accessories have been transferred and the Company's performance obligation to the customers have been satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transfer of goods. The timing of when the Company transfers the goods to the customer may differ from the timing of the customer's payment.

When the Company gives the customers the right to return eligible goods, the Company estimates the expected returns based on an analysis of historical experiences.

For the year ended March 31, 2021, the Company sponsored certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products were sold to the dealerships to the extent that it was probable. The cost of incentives, if any, estimated at the inception of a contract was the expected amount that would ultimately be paid. Sales promotion incentive programs included volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives were recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changed following the sale to the customer, the change is recognized as an adjustment to revenue in the period of the change.

During the year ended March 31, 2022, Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing ("MANAM") launched and started selling the redesigned ROXOR from November 2021 in the United States of America and Canada. Before the cease-and-desist order, MANAM used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through the Company to its customers. However, effective September 01, 2021, MANAM entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute the redesigned ROXOR as well as its parts and accessories and services relating thereto (collectively with ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network. Effective September 01, 2021, and onwards, the Company continues to honor the services of warranty and selling the accessory & service parts under the warranty agreement of the ROXORs previously sold.

The Company has determined that the customers from the sale of vehicles and service parts are generally dealers and distributors. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts are made available to the customer, or when the vehicles or service parts are released to the carrier responsible for transporting them to the customer. This is also the point at which invoices are issued, with payment terms for vehicles and for service parts vary with the dealers. For component part sales, revenue recognition is consistent with that of service parts.

The Company sponsors certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products are sold to the dealerships to the extent that it is probable. The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid. Sales promotion incentive programs include volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives are recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change.

Shipping and handling services

The Company also performs shipping and handling activities for its customers which is treated as a separate performance obligation as these activities are performed after the customer obtains control of the goods. The Company acts as an agent for shipping and handling services and recognizes revenue on net basis.

5. *Other income*

The Company records the following in the other income; (a) interest income and (b) liabilities written back. During the year ended March 31, 2023 and March 31, 2022, the Company has recorded USD NIL (INR NIL) and USD 359,309 (INR 29,531,606) respectively as other income on account of liabilities written back.

6. *Product warranty*

The Company provides a limited warranty for ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD 1,092,043 (INR: 89,755,014) at March 31, 2023 (March 31, 2022: USD 1,093,502 (INR: 89,874,929)).

7. *Product liability*

The Company is subject to product liability claims in the normal course of business. Adequate insurance coverage is carried for catastrophic product liability claims. The Company self-insures product liability claims up to the purchased catastrophic insurance coverage. The estimated costs resulting from uninsured losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably determinable.

8. *Cash and cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR: 20,547,501). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

9. *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

NOTES TO FINANCIAL STATEMENTS

The estimated useful life used to determine depreciation is:

Computers	3 years
Vehicles	5 - 10 years

Expenditures for maintenance and repairs are charged to expense. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

10. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates

11. *Government incentives*

The Company receives incentives from the Michigan Economic Development Corporation in the form of business development grants. These grants are recognized at their fair values in the statement of loss where there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

12. *Accounts receivable & allowance for doubtful debts*

Accounts receivable represent amounts due related to sale of goods and services. Accounts receivable are reduced by an estimate of the amount that will ultimately be uncollectible. Management determines the allowance for doubtful accounts by a review of the outstanding amounts on a monthly basis. The allowance is determined by identifying troubled accounts, by using historical experience applied to an aging of accounts. Allowance for doubtful accounts is included in selling, general and administrative expenses in the statement of loss. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

13. *Income taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

14. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

15. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE D - CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Bank balances	**133,971**	264,431	**11,011,076**	21,733,584
Total	**133,971**	264,431	**11,011,076**	21,733,584

NOTE E - ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

Accounts receivable, net of allowances comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Accounts receivable	**20,179**	18,281	**1,658,516**	1,502,530
Dealer financing receivable	**108**	1,278	**8,850**	105,040
Allowance for doubtful debts	**(9,185)**	(9,086)	**(754,893)**	(746,753)
Total	**11,102**	10,473	**912,473**	860,776

Interest expense on dealer financing receivable for the year ended March 31, 2023, was USD 256 (INR: 21,041) and the year ended March 31, 2022 was USD 1,915 (INR:157,394).

NOTE F - PREPAID EXPENSES

Prepaid expenses comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Prepaid software license fee	**110**	4,247	**9,041**	349,061
Total	**110**	4,247	**9,041**	349,061

NOTE G - PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Computers	**16,361**	16,362	**1,344,793**	1,344,793
Vehicles	**8,500**	8,500	**698,615**	698,615
	24,862	24,862	**2,043,408**	2,043,408
Less: Accumulated depreciation	**(20,329)**	(19,479)	**(1,670,841)**	(1,600,979)
Property and equipment, net	**4,533**	5,383	**372,567**	442,429

NOTES TO FINANCIAL STATEMENTS

Depreciation expense for the year is USD 850 (INR: 69,862) (March 31, 2022: USD 11,468 (INR: 942,555).

NOTE H - INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

Particulars	USD As at March 31, 2023	USD As at March 31, 2022	INR As at March 31, 2023	INR As at March 31, 2022
Software	**1,170,574**	1,170,574	**96,209,477**	96,209,477
Less: Accumulated amortization	**(1,170,574)**	(1,170,574)	**(96,209,477)**	(96,209,477)
Intangible assets, net	**–**	–	**–**	–

Amortization expense for the year is USD NIL (March 31, 2022: USD NIL).

NOTE I - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise the following:

Particulars	USD As at March 31, 2023	USD As at March 31, 2022	INR As at March 31, 2023	INR As at March 31, 2022
Accrued warranty	**1,092,043**	1,093,502	**89,755,014**	89,874,929
Accrued accounts payable	**1,486,750**	711,553	**122,195,983**	58,482,541
Rebate and incentive liability	**–**	197,500	**–**	16,232,525
Accrued state taxes	**5,439**	3,035	**447,031**	249,447
Dealership closure liability	**723,536**	602,500	**59,467,424**	49,519,475
Withholding payroll taxes	**–**	29,231	**–**	2,402,496
Others	**245,585**	240,550	**20,184,633**	19,770,805
Total	**3,553,353**	2,877,871	**292,050,085**	236,532,218

NOTE J - LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2023 and March 31, 2022.

Particulars	USD As at March 31, 2023	USD As at March 31, 2022	INR As at March 31, 2023	INR As at March 31, 2022
Assets				
Operating lease right-of-use assets	**4,354**	18,193	**357,855**	1,495,283
Total lease assets	**4,354**	18,193	**357,855**	1,495,283
Liabilities				
Current				
Operating lease liabilities	**3,517**	13,677	**289,062**	1,124,113
Long term				
Operating lease liabilities	**–**	3,517	**–**	289,062
Total lease liabilities	**3,517**	17,194	**289,062**	1,413,175

The table below presents the classification of lease related expenses as reported in the statements of income.

Particulars	USD Year ended March 31, 2023	USD Year ended March 31, 2022	INR Year ended March 31, 2023	INR Year ended March 31, 2022
Operating lease expense*	**123,558**	215,790	**10,155,232**	17,735,780
Total lease expense	**123,558**	215,790	**10,155,232**	17,735,780

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense includes short-term leases, variable lease costs and leases which do not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2023, for operating leases having an initial or remaining non-cancellable lease term in excess of one year are as follows.

Year ended March 31	Amount (USD)	Amount (INR)
2024	3,540	290,953
Total minimum lease payments	**3,540**	**290,953**
Less: interest imputed	(23)	(1,891)
Present value of lease payments	**3,517**	**289,062**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2023.

Weighted-average remaining lease term (years)	
Operating leases	0.33
Weighted-average discount rate	
Operating leases	4.51%

The following table presents supplemental information for operating leases for the year ended March 31, 2023 and March 31, 2022.

Particulars	USD Year ended March 31, 2023	USD Year ended March 31, 2022	INR Year ended March 31, 2023	INR Year ended March 31, 2022
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	14,160	82,648	1,163,810	6,792,839

NOTE K - REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

Particulars	USD For the year ended March 31, 2023	USD For the year ended March 31, 2022	INR For the year ended March 31, 2023	INR For the year ended March 31, 2022
Parts and accessories sales	**105,118**	766,363	**8,639,648**	62,987,375
Total revenue by product line	**105,118**	766,363	**8,639,648**	62,987,375

NOTES TO FINANCIAL STATEMENTS

The following table presents revenue disaggregated by timing of recognition:

	USD		INR	
	For the year ended March 31,		For the yearended March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Products and services transferred at a point in time	**105,118**	766,363	**8,639,648**	62,987,375
Total revenue by timing of revenue recognition	**105,118**	766,363	**8,639,648**	62,987,375

The following table presents revenue disaggregated by geography based on Company's locations:

	USD		INR	
	For the year ended March 31,		For the yearended March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
United States of America	**24,331**	609,834	**1,999,765**	50,122,256
Canada	**80,787**	156,529	**6,639,883**	12,865,119
Total revenue by geography	**105,118**	766,363	**8,639,648**	62,987,375

Contract balance

The Company's contracts with customers are comprised of dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2023 and March 31, 2022:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2023**	**2022**	**2023**	**2022**
Accounts receivable	**11,102**	10,473	**912,473**	860,776

NOTE L - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States of America and the State of Michigan. The Company is a member of the federal consolidated tax group of its parent company, MANA.

The provision for income tax expense (benefit) for the year ended March 31, 2023 and March 31, 2022 is USD NIL and USD NIL, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	As at March 31,		As at March 31,	
	2023	**2022**	**2023**	**2022**
Deferred tax asset (liability)				
Net operating loss - Federal	**18,223,270**	17,732,162	**1,497,770,561**	1,457,406,395
Net operating loss - MI	**1,084,714**	1,078,180	**89,152,644**	88,615,614
Interest expense limitation	**707,625**	734,765	**58,159,699**	60,390,335
Accrued warranty	**245,962**	255,758	**20,215,617**	21,020,750
Bad debts	**2,069**	2,125	**170,051**	174,654
Contributions	**8,013**	8,321	**658,588**	683,903
Lease assets	**(189)**	(234)	**(15,534)**	(19,232)
Previous year incentive accrual	**162,963**	182,260	**13,393,929**	14,979,949
Flooring interest accrual	**–**	468	**–**	38,465
Prepaid expenses	**(25)**	(993)	**(2,055)**	(81,615)
Property and equipment	**(1,021)**	(432)	**(83,916)**	(35,506)
Valuation allowance	**(20,433,381)**	(19,992,380)	**(1,679,419,584)**	(1,643,173,712)
Total	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 20,433,381 (INR 1,679,419,584) is recognized as at March 31, 2023 (March 31, 2022 USD 19,992,380 (INR 1,643,173,712)).

The Company has federal net operation loss ("NOLs") carry forwards of USD 86,777,477 (INR: 7,132,240,835) as at March 31, 2023 (March 31, 2022: USD 84,438,867 (INR: 6,940,030,479). Out of the total NOLs of USD 86,777,477 (INR: 71,322,408,922), if unutilized, NOLs of USD 6,721,616 (INR: 552,449,619) will begin to expire from the year 2037, whereas the remaining NOLs will be carried forward indefinitely.

The Company has state net operating losses carry forwards of USD 22,884,257 (INR: 1,880,857,083) as at March 31, 2023 (March 31, 2022: USD 22,746,408 (INR: 1,869,527,274), which if unutilized will begin to expire from the year 2027.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2019, 2020 and 2021 remain subject to examination by the taxing authorities.

NOTE M - RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. ("MANA")	Parent company
3	Mahindra Integrated Business Solutions Pvt Ltd - US Branch ("MIBS")	Affiliate company
4	Mahindra North American Technical Center, Inc. ("MNATC")	Affiliate company
5	Mahindra Finance USA LLC	Affiliate company
6	Mahindra USA Inc. ("MAgNA")	Affiliate company

NOTES TO FINANCIAL STATEMENTS

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Transactions during the year				
Mahindra Automotive North America, Inc.				
Capital contribution received (loan converted to equity)	**1,870,000**	4,350,000	**153,695,300**	357,526,500
Corporate cost allocation	**–**	677,847		55,712,245
Expense incurred on behalf MANA	**2,617**	364,429	**215,091**	29,952,420
Mahindra Integrated Business Solutions Pvt Ltd - US Branch (erstwhile – Mahindra Vehicles Manufacturers Limited)				
Expense incurred on behalf MIBS	**20,796**	45,534	**1,709,223**	3,742,439
Mahindra North American Technical Center, Inc.				
Accessories and service parts purchases	**66,605**	505,533	**5,474,265**	41,551,401
Expense incurred on behalf MVSS	**115,084**	174,897	**9,458,754**	14,374,784
Expenses incurred on the behalf of MNATC	**–**	19,760	**–**	1,624,074
Mahindra Finance USA LLC				
Dealer financing interest expense	**–**	1,077	**–**	88,519
Mahindra USA Inc.				
Disposal of asset	**–**	42,511	**–**	3,493,979
Expense reimbursements by the Company	**–**	224,707	**–**	18,468,668
Mahindra and Mahindra Ltd.				
Expenses incurred on the behalf of MVSS	**1,080**	1,347	**88,765**	110,710
Balances at the end of the year				
Intercompany payables, net				
Mahindra North American Technical Center, Inc.	**6,555**	141,239	**538,755**	11,608,433
Mahindra Automotive North America, Inc.	**–**	208,496	**–**	17,136,287
	6,555	349,735	**538,755**	28,744,720
Intercompany receivable, net				
Mahindra Integrated Business Solutions Pvt Ltd - US Branch	**–**	2,481	**–**	203,913
	–	2,481	**–**	203,913

NOTE N - COMMITMENT AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, the Company signed a Vendor Subscription Agreement ("VSA") with Icon International Inc.("ICON"), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR: 185,997,778) each year. In addition, the Company signed an indemnity bond amounting to USD 1,600,000 (INR: 131,504,000) with Atlantic Specialty Insurance Company which bound Mahindra Automotive North America, Inc., and its subsidiaries to purchase media advertising through ICON. If the Company fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON's placement services include broadcast, digital, and print media advertising which will be billed to the Company at a competitive market rate. During the term of the agreement the Company agreed to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, the Company was prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the Company's operations were paused and it could not carry out marketing activities, the management decided to opt out of long-term contracts and commitments entered by the Company. During the year ended March 31, 2021, the Company believed that it would be able to terminate the VSA by paying the penalty and thus created an accrual of USD 625,000 (INR: 51,368,750) as at March 31, 2021.

However, during the year ended March 31, 2022, the Company renegotiated the VSA with ICON and extended the agreement till March 31, 2025. Based on the revised budget spend of the Company for next financial years it believes that it may not be able to meet the minimum amount of advertising spend at the end of the contract term. Thus, the Company continues to carry the accrual amounting to USD 1,062,319 (INR 87,311,999) and USD 690,814 (INR 56,778,003) as at March 31, 2023 and March 31, 2022 as its best estimate for penalty liability mentioned in the VSA.

Litigation

The Company was engaged in litigation over violation of "trade dress" of FCA's Jeep branded vehicles with FCA US, LLC both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model. The ITC's decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022. Therefore, the ITC's decisions for allowing the sale of post-2020 ROXOR remains valid. There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matter is ongoing. The Company believes it has strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably. Also, a final determination is yet to be made relating to a legal issue FCA has raised with the Sixth Circuit Court of appeals. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

Also, in the concurrent Eastern District of Michigan case, FCA requested the Court to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals. On September 20, 2022, the Sixth Circuit Court of Appeals issued an opinion indicating the original trial court judge in the Eastern District of Michigan committed an error in failing to properly consider application of the "safe-distance rule" when assessing the current ROXOR design to determine if it sufficiently departs from the original 2018, 2019 and erstwhile 2020 design. That court of appeals remanded the matter and issue to be re-considered. The parties submitted their arguments (and replies) in writing. A hearing on the issue is set before the judge for June 1, 2023. It is expected that an opinion on this matter will be issued by the end of Q2 of 2023. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE O - RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes and the Company's ability to execute on its business plan. Also, there was a significant decline in revenue in the current year as there were no sale of ROXOR through the Company which limits the operations of the Company.

NOTES TO FINANCIAL STATEMENTS

NOTE P - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statements of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2023 and March 31, 2022 is USD 2,003,620 (INR: 164,677,528) and USD 1,208,502 (INR: 99,326,779), respectively.

NOTE Q - COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2023, and March 31, 2022, was 5,000,000 shares of $ 25 each. As at March 31, 2023 and March 31, 2022 total shares issued and outstanding was 3,549,431 and 3,474,631 shares, respectively.

The Company issued 74,800 shares and 174,000 shares for USD 25 each during the years ended March 31, 2023, and March 31, 2022, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE R - EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans covering substantially all employees. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD NIL (INR NIL) and USD 11,959 (INR: 982,910) for the year ended March 31, 2023, and year ended March 31, 2022, respectively.

NOTE S - GOVERNMENT INCENTIVE AND CREDITS

Employee retention credit

During the previous year, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the year ended March 31, 2023, amounts to USD NIL (INR NIL) and USD 237,578 (INR 19,526,536) for the year ended March 31, 2022. The Company has currently repaid all the credits that is believed to be owed to the IRS amounting to USD 1,232 (INR 101,258) and USD 588,328 (INR 48,354,678) during the year ended March 31, 2023, and year ended March 31, 2022, respectively. The Company has recorded an accrual to pay back any remaining credits and penalties that may be owed amounting to USD NIL (INR NIL) as of March 31, 2023, and USD 1,232 (INR 101,258) as of March 31, 2022.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of Social Security taxes. The payroll tax deferral period commenced on March 27, 2020, and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer's share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited December 31, 2022. The Company in the previous year has repaid all the payroll tax deferral amounting to USD 112,587 (INR 9,253,525). The Company has deferred the employment taxes amounting to USD NIL (INR NIL) as on March 31, 2023, and USD NIL (INR NIL) as on March 31,2022, respectively.

NOTE T - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023 through the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Automobili Pininfarina GmbH, Munich

Audit Opinions

We have audited the annual financial statements of Automobili Pininfarina GmbH, Munich, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Automobili Pininfarina GmbH, Munich, for the financial year from 1 April 2022 to 31 March 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to section 289f paragraph 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Director for the Annual Financial Statements and the Management Report

The executive director is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive director is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive director is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive director is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive director is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional secpticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive director and the reasonableness of estimates made by the executive director and related disclosures.
- Conclude on the appropriateness of the executive director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive director in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive director as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Munich, 12 May 2023

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier Wirtschaftsprüfer [German Public Auditor]	Andrea Stoiber-Harant Wirtschaftsprüfer [German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2023

ASSETS

			31/03/2023	31/03/2022
		EUR	EUR	EUR
A.	**FIXED ASSETS**			
I.	**Intangible fixed assets**			
1.	Purchased concessions, industrial property rights and similar rights and assets, and licenses in such assets		**145,266.12**	240,355.00
II.	**Tangible fixed assets**			
1.	Other equipment, operating and office equipment	**4,383,806.76**		2,718,125.04
2.	Prepayments and assets under construction	**1,263,135.17**		4,756,015.86
			5,646,941.93	7,474,140.90
III.	**Investments**			
	Shares in affiliates		**37,140.18**	**37,140.18**
B.	**CURRENT ASSETS**			
I.	**Inventories**			
1.	Raw materials and supplies	**2,366,207.50**		1,807,911.14
2.	Work in progress	**5,936,580.54**		963,949.00
3.	Finished products	**1,249,285.37**		0.00
4.	Advance payments made on inventories	**627,377.62**		582,296.92
			10,179,451.03	3,354,157.06
II.	**Receivables and other assets**			
1.	Trade receivables	**7,489.39**		0.00
2.	Other assets	**1,876,485.51**	**1,883,974.90**	1,934,405.09
III.	**Cash-in-hand, bank balances, and checks**		**3,344,548.86**	3,420,359.90
C.	**PREPAID EXPENSES**		**251,776.17**	292,425.20
D.	**NET LOSS NOT COVERED BY EQUITY**		**8,057,286.36**	14,957,533.15
			29,546,385.55	31,710,516.48

EQUITY AND LIABILITIES

			31/03/2023	31/03/2022
A.	**EQUITY**			
I.	**Subscribed capital**	**190,000,000.00**		150,000,000.00
II.	**Capital reserve**	**20,525,000.00**		20,525,000.00
III.	**Accumulated losses brought forward**	**(185,482,533.15)**		(123,763,560.21)
IV.	**Net loss for the financial year**	**(33,099,753.21)**		(61,718,972.94)
V.	**Net loss not covered by equity**	**8,057,286.36**		14,957,533.15
			0.00	0.00
B.	**CONTRIBUTIONS MADE FOR THE DECIDED INCREASE IN EQUITY**		**8,400,000.00**	16,900,000.00
C.	**PROVISIONS**			
1.	Tax provisions	**0.00**		140,949.00
2.	Other provisions	**5,884,130.03**		4,226,054.31
			5,884,130.03	4,367,003.31
D.	**LIABILITIES**			
1.	Advance payments received on orders	**1,200,000.00**		0.00
2.	Trade payables	**11,615,367.12**		7,991,123.18
3.	Other liabilities	**2,446,888.40**		2,451,664.99
	of which tax	**266,138.35**		227,233.12
	of which relating to social security	**214,093.20**		206,100.53
			15,262,255.52	10,442,788.17
E.	**DEFERRED INCOME**		**0.00**	725.00
			29,546,385.55	31,710,516.48

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01 APRIL 2022 TO 31 MARCH 2023

			Financial Year	Previous Year
		EUR	**EUR**	EUR
1.	Gross profit		**4,287,048.07**	4,339,241.25
2.	Personnel expenses:			
	a) Wages and salaries	**(13,678,558.49)**		(11,816,818.83)
	b) Social security, post-employment and other employee benefit costs	**(2,227,583.50)**	**(15,906,141.99)**	(2,017,850.70)
3.	Amortization of intangible assets depreciation and write-downs of tangible fixed assets		**(7,599,149.80)**	(42,635,224.04)
4.	Other operating expenses		**(13,577,274.98)**	(9,242,016.30)
5.	Other interest and similar income		**1,854.54**	17.26
6.	Interest and similar expenses		**(10,928.17)**	0.00
7.	Income taxes		**(217,402.00)**	(344,812.10)
8.	**Earnings after tax**		**(33,021,994.33)**	(61,717,463.46)
9.	Other taxes		**(77,758.88)**	(1,509.48)
10.	**Net loss**		**(33,099,753.21)**	(61,718,972.94)

CASH FLOW STATEMENT FROM 1 APRIL 2022 TO 31 MARCH 2023

	Financial Year EUR	Previous Year EUR
Net loss for the period	**(33,099,753)**	(61,718,973)
+ Depreciation, amortisation and write-downs of fixed assets	**7,599,150**	42,635,224
+/- Increase/Decrease in provisions	**1,517,127**	1,884,891
- Other non-cash income/ Exp	**0**	(33,820)
+/- Interest income	**(1,855)**	(17)
+/- Increase/Decrease of Inventory	**(6,825,294)**	(2,771,860)
+/- Increase/Decrease in other assets	**91,079**	(923,965)
+/- Increase/Decrease in trade payables other liabilities	**6,893,147**	(101,871)
Cash flows from operating activities	**(23,826,399)**	(21,030,392)
- Purchase of intangible fixed assets	**(7,739,877)**	(13,741,298)
+ Sale of tangible fixed assets		
- Purchase of tangible fixed assets	**(11,390)**	(1,788,549)
- Purchase of long-term financial assets	**0**	(12,428)
Cash flows from investing activities	**(7,751,267)**	(15,542,275)
+ Cash receipts from issue of capital and founding	**31,500,000**	36,599,938
+/- Interest received/paid	**1,855**	17
Cash flows from financing activities	**31,501,855**	36,599,955
Net change in cash fund (total cash flows)	**(75,811)**	27,289
+/- Cash funds at beginning of period	**3,420,360**	3,393,071
+/- Changes due to currency translation		
Cash funds at end of period	**3,344,549**	3,420,360

NOTES TO THE FINANCIAL STATEMENTS

General details relating to the financial statements

The company was formed based on the articles of association dated 05 February 2018.

The financial statements have been prepared in accordance with the provisions of the German Commercial Code [*Handelsgesetzbuch - HGB*] applicable to business corporations and the Limited Liability Companies Act [*GmbH-Gesetz - GmbHG*].

According to the size classes defined in Sec. 267 Commercial Code [*Handelsgesetzbuch - HGB*] the company falls into the category of a medium-sized corporation.

As in the prior year, the statement of profit and loss for the financial year 2022/2023 is prepared according to the nature of expense method pursuant to Section 275 (2) HGB.

The exemption options for medium-sized corporations pursuant to Sections 286 and 288 (2) HGB were exercised in part.

At the end of the financial year, there was a deficit of EUR 8,057,286.36 not covered by equity, which was offset by the contributions of EUR 8,400,000.00 made to implement the resolved capital increase.

Details relating to the identification of the company according to the Court of Registration

Business name acc. to Court of Registration:	Automobili Pininfarina GmbH
Registered office acc. to Court of Registration:	Munich
Register entry:	Commercial Register
Registrar of Companies:	Munich Local Court
Register number:	HRB 239596

Details relating to accounting policies

Accounting and valuation principles

Purchased intangible fixed assets are recognised at acquisition cost and, if they have a limited life, are amortized subject to straight-line depreciation.

Internally generated assets are valued at manufacturing cost according to Sec. 255 (2a) HGB, i.e. included as assets in the balance sheet with the expenses incurred as of development. After completion and from the beginning of sales, they are amortised over the expected useful life using the straight-line method. The expected useful life is determined based on the sales period of the developed vehicles. The Company did not make use of the option regarding the capitalisation of costs according to Sec. 255 (2) sentence 3 HGB.

The Company does not engage in basic research. Hence, a separation of research and development is not required. Occasionally, feasibility studies are conducted before the development of a vehicle which are not capitalised. After completion of the feasibility study, development costs recorded if the following criteria are fulfilled:

- It is very probable that the planned intangible asset is created
- The development costs can be attributed reliably to the specific intangible asset
- No prohibition within the sense of Sec. 248 (2) sentence 2 HGB

The Company starts capitalising the development costs as soon as these criteria are met.

Property plant and equipment were recognised at acquisition costs subject to straight-line depreciation. Straight-line regular depreciation was applied pro rata temporis in accordance with the expected useful life.

Low-value assets with acquisition costs of up to EUR 800 are expensed as incurred in the year of their acquisition, assuming that it is disposed of in the year of acquisition.

Financial assets were valued at acquisition cost.

If the value of fixed assets as determined based on the principles mentioned above is expected to exceed the fair value as of reporting date permanently, this is taken into account by an impairment.

Inventories were recognised at manufacturing costs in conformity with the lower of cost or market principle.

Receivables and other assets are valued at nominal value and reflect all identifiable risks.

Prepayments and accrued income include expenditures before the reporting date representing costs for a certain time after this date.

The option for recognising an asset for deferred tax assets according to Sec. 274 (1) sentence 2 HGB was not exercised.

Other provisions were created for all identifiable risks and contingent liabilities and are recognised at the settlement amount required, according to prudent commercial judgement.

Assets and liabilities denominated in foreign currencies are translated at the closing rate on the reporting date in accordance with Sec. 256a HGB.

Liabilities were reported at the settlement amount.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the balance sheet

Development of assets for individual fixed assets items.

The depreciation applicable to the individual items for the financial year can be derived from the development of assets.

Research and development

The development expenditure incurred in the financial year was capitalised. It concerns the internally generated intangible assets described in the following. In the financial year, no research costs incurred.

Internally generated intangible assets

Expenses for internally generated intangible assets were capitalised at their manufacturing costs in the amount of EUR 5,653,706.66. The manufacturing costs amount to a total of EUR 120,784,497.25 (prior year: EUR 115,130,790.59).

Due to a permanent impairment within the sense of Sec. 253 (3) sentence 5 HGB as of reporting date, in addition to regular depreciation (EUR 363,218.22), an extraordinary amortization of internally generated intangible assets in the amount of EUR 5,290,488.44 were recognised.

Other liabilities - Customer advances

Payments by customers are recognised predominantly as other liabilities. The contributions do not constitute advances within the sense of German Commercial Law as they do not relate to a binding order. Advances made amount to a total of EUR 1,770,000.00 of which EUR 570,000.00 is reported under other liabilities (prior year: EUR 939,574.00). Other liabilities include liabilities to affiliated companies in the amount of EUR 1,354,192.23 (prior year: EUR 1,005,578.49) and are attributable to deliveries and services.

Share capital

The Company's share capital registered in the Commercial Register and fully paid up as of 31/03/2022 amounts to EUR 190,000,000.00. EUR 20,000,000.00 of an additional capital increase in the amount of EUR 8,400,000.00 in the past financial year were already paid in but not yet registered into the commercial register.

Authorized capital

The nominal amount of authorized capital (resolution of the shareholders' meeting of September 13, 2021; Authorized Capital 2022/I) was EUR 25,000,000.00 and an additional EUR 5,000,000.00 (resolution of the shareholders' meeting of August 30, 2022; Authorized Capital 2022/II). As of March 31, 2023, Authorized Capital 2022/I has been used up to EUR 5,000,000.00, while Authorized Capital 2022/II has not yet been used as of March 31, 2023. As of March 31, 2023, EUR 8,400,000 had already been paid in but not entered in the commercial register, and EUR 1,600,000 had been resolved but not yet paid in.

Notes on provisions

Other provisions amount to a total of EUR 5,884,130.03 (prior year: EUR 4,226,054.31). They mainly include provisions for outstanding invoices and provisions for personnel.

Remaining maturities

Payable due within one year amount to EUR 15,262,255.52 (prior year: EUR 10,442,788.17). Trade receivables and other assets have a remaining maturity of up to one year (EUR 1,883,974.90, prior year: EUR 1,934,405.09).

Notes to the income statement

Notes on income and expenses in exceptional amounts or of exceptional incidence

Expenses in exceptional amounts or of exceptional incidence significant within the meaning of Sec. 285 No. 31 HGB include in detail:

- Event expenses in the amount of EUR 2,668,838.71 (prior year: EUR 1,560,546.24)
- External services in the amount of EUR 4,907,383.37 (prior year: EUR 2,315,682.61)
- Impairment of internally generated intangible assets in the amount of EUR 5,290,488.44 (prior year: EUR 40,530,790.59)

Income from currency translation is recorded in the statement of profit and loss under "Gross profit" in the amount of EUR 145,299.52 (prior year: EUR 53,018.13,). Expenses from currency translation are recorded separately under "Other operating expenses" in the amount of EUR 357,631.08 (prior year: EUR 63,743.43) shown separately. In addition, the item "Other operating expenses" includes expenses relating to other periods in the amount of EUR 99,232.90 (previous year: EUR 0), while "Gross profit" includes income relating to other periods in the amount of EUR 2,672.00 (previous year: EUR 0).

Other disclosures

Average number of staff employed in the financial year

The average number of staff employed by the company during the financial year was 117 (prior year: 105).

	2023	2022
DESIGN & ENIGNEERING	**58**	77
OTHER DEPARTMENTS	**59**	28
Total	**117**	105

Other financial obligations

Other financial obligations within the meaning of Section 285 no. 3a HGB result from leasing contracts in the amount of EUR 180,776.67 and rent payments from long-term contracts in the amount of EUR 225,652.00.

Names of the managing directors

During the reporting year, the management of the company was in the hands the following persons:

Director: Svantesson, Per Erland, CEO *19.05.1960 (until 03.02.2023)

Director: Dellacha, Paolo, CEO, *01.01.1975 (from 03.02.2023)

In accordance with Sec. 286 (4) HGB, the Company did not disclose the information pursuant to section 285 No. 9 characters a) and b) HGB.

Information on shareholding in other companies of at least 20 percent of the shares

In accordance with Sec. 285 No. 11 HGB, the following companies are included:

Company name, place of business	Share	Profit or loss	Equity
		EUR	EUR
Automobili Pininfarina Inc. Delaware	100 %	481.50	28,361.68

Group affiliation

Automobili Pininfarina GmbH (based in: Munich) prepares consolidated financial statements for the smallest group of companies. Mahindra & Mahindra Limited (based: Mumbai) prepares consolidated financial statements for the largest group of companies. The consolidated financial statements are available on the homepage of the parent company (https://www.mahindra.com/investor-relations/reports).

Suggestion of the appropriation of profits

In accordance with the shareholders, the Company proposes the following appropriation of profits:

The net loss for the financial year amounts to EUR 33,099,753.21. It is carried forward to the next year.

Signature of management

Munich, 12 May 2023 Paolo Dellacha

STATEMENT OF MOVEMENT OF FIXED ASSETS FOR FINANCIAL YEAR 2022/23

	Acquisition/ Production costs as at 01/04/2022	Additions	Transfers	**Acquisition/ Production costs as at 31/03/2023**	Depreciations/ Amortizations as at 01/04/2022	Additions	**Depreciations/ Amortizations as at 31/03/2023**	**Book Value as at 31/03/2023**	Book Value as at 01/04/2022
I. Intangible Assets									
1. Self-created industrial property rights and similar rights and values	115,130,791	5,665,471	(11,764)	**120,784,497**	115,130,791	5,653,707	**120,784,497**	0	0
2. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	556,697	0	0	**556,697**	316,342	95,089	**411,431**	**145,266**	240,355
3. Prepayments on intangible assets	79,000	0	0	**79,000**	79,000	0	**79,000**	**0**	0
Subtotal	115,766,487	5,665,471	(11,764)	**121,420,194**	115,526,132	5,748,796	**121,274,928**	**145,266**	240,355
II. Tangibles Assets									
1. Other equipment, operating and office equipment	4,326,474	7,371	3,508,665	**7,842,510**	1,608,349	1,850,354	**3,458,703**	**4,383,807**	2,718,125
2. Prepayments and assets under construction	5,521,095	4,020	(3,496,901)	**2,028,215**	765,079	0	**765,079**	**1,263,135**	4,756,016
Subtotal	9,847,570	11,391	11,764	**9,870,725**	2,373,429	1,850,354	**4,223,783**	**5,646,942**	7,474,141
III. Long-term financial assets									
Shares in affiliated companies	37,140	0	0	**37,140**	0	0	**0**	**37,140**	37,140
Subtotal	37,140	0	0	**37,140**	0	0	**0**	**37,140**	37,140
Total	125,651,197	5,676,862	0	**131,328,059**	117,899,561	7,599,150	**125,498,711**	**5,829,348**	7,751,636

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Automobili Pininfarina Americas Inc.

Opinion

We have audited the accompanying financial statements of Automobili Pininfarina Americas Inc. (the "Company"), which comprise of the balance sheets as of March 31, 2023 and March 31, 2022, and the related statements of profit (loss), stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of March 31, 2023 and March 31, 2022, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia

April 26, 2023

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

	As of March 31, 2023	As of March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	**9,470,157**	6,474,237
Receivable from related party *(Refer Note G)*	**1,444,381**	1,119,960
Prepaid and other current assets	**137,130**	–
Total assets	**11,051,668**	7,594,197
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Advance from customers	**11,029,975**	7,579,910
Other current liabilities	**12,625**	5,725
Total liabilities	**11,042,600**	7,585,635
Stockholder's equity		
Common stock		
Authorized, 2,000 common shares, issued and outstanding common stock - 1,600 common shares, at $ 25 par value	**40,000**	40,000
Accumulated deficit	**(30,932)**	(31,438)
Total stockholder's equity	**9,068**	8,562
Total liabilities and stockholder's equity	**11,051,668**	7,594,197

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF PROFIT (LOSS)

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
Revenues, net	**25,759**	–
Cost and expenses		
Selling, general and administrative expenses	**24,533**	**10,683**
Total cost and expenses	**24,533**	10,683
Profit (loss) before tax	**1,226**	(10,683)
Current tax expense	**720**	645
Net profit (loss)	**506**	(11,328)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
Cash flow from operating activities		
Net profit (loss)	**506**	(11,328)
Changes in operating assets and liabilities		
Receivable from related party	**(324,421)**	(520,000)
Prepaid expense and other current assets	**(137,130)**	**–**
Other current liabilities	**3,456,965**	6,979,855
Net cash provided by operating activities	**2,995,920**	6,448,527
Cash flow from financing activities		
Issuance of common stock	**–**	**14,000**
Net cash provided by financing activities	**–**	**14,000**
Net increase in cash and cash equivalents	**2,995,920**	6,462,527
Cash and cash equivalents at the beginning of the year	**6,474,237**	11,710
Cash and cash equivalents at the end of the year	**9,470,157**	6,474,237
Supplemental cash flow information		
Income taxes paid	**500**	800

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF STOCKHOLDER'S EQUITY

(All amounts are stated in United States Dollars except number of shares)

Particulars	Common stock					
	Authorized		Issued & outstanding		Accumulated deficit	Total stockholder's equity
	Shares	Value	Shares	Value		
Balance as of April 01, 2021	2,000	50,000	1,040	26,000	(20,110)	5,890
Issuance of common stock	–	–	560	14,000	–	14,000
Net loss	–	–	–	–	(11,328)	(11,328)
Balance as of March 31, 2022	**2,000**	**50,000**	**1,600**	**40,000**	**(31,438)**	**8,562**
Balance as of April 01, 2022	**2,000**	**50,000**	**1,600**	**40,000**	**(31,438)**	**8,562**
Net profit	–	–	–	–	506	506
Balance as of March 31, 2023	**2,000**	**50,000**	**1,600**	**40,000**	**(30,932)**	**9,068**

Notes to Financial Statements

NOTE A – NATURE OF OPERATIONS

Automobili Pininfarina Americas Inc. (hereinafter referred to as "APA" or "the Company") was converted to a Delaware corporation on January 23, 2019 through the conversion of a Delaware Limited Liability Company, under the name of Harkey Acquisition, LLC. The Company is a wholly owned subsidiary of Automobili Pininfarina GmbH (hereinafter referred to as "the Parent Company").

The Parent Company acquired 100% membership interest of Harkey Acquisition, LLC (hereinafter referred to as "the LLC") on January 15, 2019 from Oakland Standard Co., LLC ("the Seller"). No capital contribution was made by the Seller in the LLC. Post acquisition, a plan of conversion to a Corporation was adopted and the LLC was converted and renamed as "Automobili Pininfarina Americas Inc.".

The Company is in the start-up phase. The Parent Company plans to manufacture and distribute, directly or indirectly, to retail customers, a luxury vehicle known as the Battista.

Automobili Pininfarina Americas Inc. provides business support services to the Parent Company.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

   b) The financial statements are for the years ended March 31, 2023 and March 31, 2022. All amounts are stated in United States Dollars, unless specified otherwise.

2. *Use of estimates*

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for recognition of deferred tax assets and accruals at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimates are recognized prospectively in the current and future periods.

3. *Cash and cash equivalents*

   Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank for each account per depositor.

4. *Leases*

   Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements may provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

5. *Income taxes*

   In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized. . All deferred tax assets and liabilities, along with any related valuation allowance, are classified as noncurrent on the balance sheet.

6. *Revenue recognition*

   The Company provides business support services to the Parent Company. The Company determines the standalone prices using the expected cost-plus a margin approach. Cost includes specific direct costs like professional charges and other charges like bank charges. Margin is computed using data related to historical margins and prevalent market conditions. Revenues from business support services are recognized over a period of time as the services are performed.

7. *Fair value measurements and financial instruments*

   Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Notes to Financial Statements

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents and other current liabilities. The estimated fair value of cash and cash equivalents and other current liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments is held for trading purposes.

8. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C – ADVANCES FROM CUSTOMERS

The Company has entered into contracts with multiple customers, wherein the Company will sell a luxury vehicle Batistta ("the vehicle") to the customers. The vehicle will be manufactured by the Parent Company and sold to the customers. Pursuant to the aforesaid arrangement the customer will pay advances on milestone basis to the Company which will then be transferred to the Parent Company. As of March 31, 2023, the aggregate advances received from the customers amounted to $ 11,029,975 (March 31, 2022: $ 7,579,910).

NOTE D – OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As of	
	March 31, 2023	March 31, 2022
Professional fees	**10,000**	4,150
Accured taxes	**300**	1,025
Bank service fees	**1,000**	550
Accrued expenses	**1,325**	–
Total	**12,625**	5,725

NOTE E – INCOME TAXES

For the year ended March 31, 2023, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended	
	March 31, 2023	March 31, 2022
Current taxes		
Federal tax benefit	–	(155)
State tax	**720**	800
Provision for income taxes	**720**	645

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As of	
	March 31, 2023	March 31, 2022
Non-current deferred tax assets		
Net operating losses	580	563
Startup costs	**5,776**	5,975
Total deferred tax assets	**6,356**	6,538
Net deferred taxes	**6,356**	**6,538**
Less: deferred tax asset valuation allowance	**(6,356)**	(6,538)
Total	**–**	–

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the current year and previous year losses, the management believes that it is more likely that not that the deferred tax assets may not be realized during forseeable future and accordingly, a valuation allowance of $ 6,356 and $ 6,538 has been recorded as of March 31, 2023 and March 31, 2022, resepctively.

No deferred tax assets were recognized as of March 31, 2023 and March 31, 2022.

The Company has federal net operating losses of $ 2,760 and $ 2,679 as of March 31, 2023 and March 31, 2022, respectively.

Notes to Financial Statements

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2023 and March 31, 2022.

The tax years of 2019 and 2021 remain subject to examination by the taxing authorities.

NOTE F – RELATED PARTY TRANSACTION

Related party with whom transactions have taken place during the year:

- Automobili Pininfarina GmbH- the Parent Company

Particulars	**March 31, 2023**	March 31, 2022
Transaction for the year		
Purchase of the vehicle	**7,957,565**	–
Purchase of the extended warranty	**115,722**	–
Amounts transferred to the Parent Company during the year	**8,397,708**	**520,000**
Balance		
Receivable from related party	1,444,381	1,119,960

NOTE G – COMMON STOCK

Common stock authorized, issued and outstanding

The authorized share capital of the Company consists of 2,000 common shares of par value $ 25 each as of March 31, 2023 and March 31, 2022.

During the year ended March 31, 2022 the Company issued 560 common shares of par value $ 25 each.

Common stock issued as of March 31, 2023 and March 31, 2022 was 1,600 shares of $ 25 each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE H – REVENUE, NET

The following table presents revenue disaggregated by source of revenue and classification:

Particulars	**For the year ended March 31, 2023**	**March 31, 2022**
Business support services		
Agency revenue	**25,759**	–
	25,759	–

NOTE I – FAIR VALUE MEASUREMENT

Financial assets and liabilities held by the Company are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE J – RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes and the Company's ability to execute on its business plans.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

To

The Members of

GROMAX AGRI EQUIPMENT LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Gromax Agri Equipment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

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

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 36 to the Financial Statements;

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

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

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

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

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

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

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMK7125

Place: Mumbai
Date: April 20, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

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

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

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

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

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

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

   (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis Bank Limited on the basis of security of inventory and trade receivables during the year. The statements of inventory and trade receivables filed by the Company with Axis Bank Limited on a monthly basis are materially in agreement with the unaudited books of account as certified by the management.

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

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

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

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31, 2023, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which amount relates	Forum where pending
The Income Tax Act, 1961	Income Tax	190.95	Assessment year 2014-2015	Income Tax Appellate Tribunal

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

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

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

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

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

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

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

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMK7125

Place: Mumbai
Date: April 20, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Gromax Agri Equipment Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMK7125

Place: Mumbai
Date: April 20, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	3	**1,928.15**	1,912.17
	(b) Capital Work-in-Progress	3	**50.34**	–
	(c) Other Intangible Assets	4	**1.89**	5.13
	(d) Financial Assets			
	(i) Investments	5	**–**	–
	(ii) Loans	7	**–**	–
	(iii) Other Financial Asset	8	**115.88**	115.24
	(e) Non-Current Tax Assets (Net)	9	**139.61**	131.00
	(f) Other Non-current Assets	10	**46.65**	52.53
	SUB-TOTAL		**2,282.52**	2,216.07
	CURRENT ASSETS			
	(a) Inventories	11	**3,186.67**	1,988.49
	(b) Financial Assets			
	(i) Trade Receivables	6	**2,159.95**	2,428.94
	(ii) Cash and Cash Equivalents	12a	**0.12**	0.11
	(iii) Other Bank Balances	12b	**2,112.96**	2,838.09
	(iv) Loans	7	**–**	–
	(v) Other Financial Assets	8	**11.35**	1.27
	(c) Current Tax Assets (Net)	9	**1.44**	9.03
	(d) Other Current Assets	10	**2,688.49**	1,864.51
	SUB-TOTAL		**10,160.98**	9,130.45
	TOTAL ASSETS		**12,443.50**	11,346.52
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	13	**5,430.20**	5,430.20
	(b) Other Equity	14	**(658.46)**	(432.13)
	SUB-TOTAL		**4,771.74**	4,998.07
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	20	**–**	–
	(ii) Lease Liability	15	**1.92**	0.17
	(iii) Other Financial Liabilities	17	**391.71**	313.84
	(b) Provisions	18	**170.89**	184.10
	(c) Non-Current Tax Liabilities (Net)	9	**–**	–
	SUB-TOTAL		**564.52**	498.11
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	20	**113.32**	135.30
	(ii) Trade Payables	16		
	– Total outstanding dues of micro and small enterprises		**19.45**	48.89
	– Total outstanding dues of creditors other than micro and small enterprises		**4,448.00**	3,026.42
	(iii) Lease Liability	15	**3.73**	4.70
	(iv) Other Financial Liabilities	17	**2,336.71**	2,459.55
	(b) Provisions	18	**144.66**	141.05
	(c) Current Tax Liabilities	9	**–**	–
	(d) Other Current Liabilities	19	**41.37**	34.43
	SUB-TOTAL		**7,107.24**	5,850.34
	TOTAL LIABILITIES		**12,443.50**	11,346.52
Summary of Significant Accounting Policies		1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Harish Chavan
DIN: 06890989
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Avdhesh Rathi
Membership No: 38625
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 20th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
I	**Revenue from operations**	21	**19,584.17**	19,051.97
II	**Other Income**	22	**213.51**	105.15
III	**Total Revenue (I + II)**		**19,797.68**	19,157.12
IV	**EXPENSES**			
	(a) Cost of materials consumed	23(a)	**15,560.45**	14,242.60
	(b) Purchases of Stock-in-trade		**706.10**	398.49
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23(b)	**(939.71)**	(263.12)
	(d) Employee benefits expense	24	**1,727.42**	1,755.01
	(e) Finance costs	25	**63.57**	69.91
	(f) Depreciation and amortisation expense	3 and 4	**257.30**	252.64
	(g) Other expenses	26	**2,651.11**	2,715.04
	Total Expenses (IV)		**20,026.24**	19,170.57
	Profit/(loss) before exceptional item and tax (III - IV)		**(228.56)**	(13.45)
	Exceptional Item	38	**–**	2,732.65
V	**Profit/(loss) before tax**		**(228.56)**	2,719.20
VI	**Tax Expense**			
	(a) Current tax	9	**1.44**	9.03
	(b) Deferred tax	9	**–**	–
	Less: MAT Credit entitlement		**–**	–
	Total tax expense		**1.44**	9.03
VII	**Profit/(loss) after tax (V - VI)**		**(230.00)**	2,710.17
VIII	**Other comprehensive income**			
	a. Will not be reclassified subsequently to profit or loss			
	Actuarial Gain/(Loss) of as per Actuarial valuation		**3.66**	(14.82)
	b. Will be reclassified subsequently to profit or loss when specific conditions are met		**–**	–
IX	**Total comprehensive income for the period (VII + VIII)**		**(226.34)**	2,695.35
X	**Earnings/(loss) per equity share**			
	(a) Basic	28	**(0.42)**	4.99
	(b) Diluted	28	**(0.42)**	4.99
	Summary of Significant Accounting Policies	1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Harish Chavan
DIN: 06890989
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Avdhesh Rathi
Membership No: 38625
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 20th April 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
I	**Cash flows from operating activities**		
	Profit/(loss) before tax for the year and OCI	**(224.90)**	(28.27)
	Finance costs	**62.52**	68.51
	(Gain)/loss on disposal of property, plant and equipment	**(23.98)**	(5.50)
	Depreciation and amortisation expense	**257.30**	252.64
	Provision for doubtful debts and advances	**254.95**	468.87
	Write back of credit balances	**(24.44)**	(22.19)
	GL balances written back	**–**	(16.06)
	Stale cheques written back	**(14.58)**	(10.79)
		286.87	707.21
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**(814.77)**	(310.11)
	(Increase)/decrease in inventories	**(1,198.18)**	43.91
	(Decrease)/increase in liabilities	**1,341.04**	(166.86)
	Cash generated from/(used in) operations	**(385.04)**	274.15
	Income taxes refunded/(paid)	**(2.44)**	(59.93)
	Net cash from/(used in) operating activities	**(387.48)**	214.22
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment	**(331.74)**	(180.82)
	Proceeds from disposal of property, plant and equipment	**35.34**	2,746.91
	Net cash used in investing activities	**(296.40)**	2,566.09
III	**Cash flows from financing activities**		
	Repayment of borrowings	**(21.99)**	(31.62)
	Repayment of Lease Liability	**0.78**	(5.47)
	Interest paid	**(20.03)**	(26.01)
	Net cash (used in)/from financing activities	**(41.24)**	(63.11)
IV	**Net decrease in cash and cash equivalents**	**(725.13)**	2,717.21
	Cash and cash equivalents at the beginning of the year	**2,838.20**	121.00
	Effects of exchange rate changes on the balance of cash held in foreign currencies	**–**	–
V	**Cash and cash equivalents at the end of the year**	**2,113.08**	2,838.20

Note:
The Cash and Cash Equivalents consist of cash on hand, cheques on hand and bank balances.

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Harish Chavan
DIN: 06890989
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Avdhesh Rathi
Membership No: 38625
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 20th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Note Nos. 1 and 2 : Summary of Significant Accounting Policies

1. Corporate Information

Gujarat Tractor Corporation Limited (GTCL) a Public Limited Company domiciled in India and incorporated on 31st March, 1978 under the provisions of the Companies Act, 1956 (CIN : U34100GJ1978PLC003127) and a Government of Gujarat Undertaking. As a part of Disinvestment by Government of Gujarat, the Mahindra & Mahindra Limited. acquired 60% stake in Equity Shares of the Company in 1999-2000. The name of the Company changed to Mahindra Gujarat Tractor Limited (MGTL/the Company) in the year 2000. The name of company further changed to Gromax Agri Equipment Limited with effect from 24th August, 2017.

Currently Mahindra Group holds 60% and Government of Gujarat holds 40% Equity in the Company. The Company is mainly engaged in the Manufacture and Sale of Tractors under the brand name “Shaktimaan”, “Hindustan”, “Farm Plus”, “Trakstar” and spares of the same. The Company carries out its business activities in India and Nepal. The Factory and Registered Office of the Company is located at Vishwamitri, Vadodara, Gujarat and Sales and Distribution Offices and Yards in major States of India.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared taking into consideration all material aspects with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 (the “Act”) [Companies (Indian Accounting Standards) Rules, 2015,as amended] and the other relevant provisions of the Act.

2.2 Basis of preparation and presentation

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

Historical cost is generally based on the value paid for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The financial statements have been prepared on historical convention except Defined benefit plans.

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

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

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

The principal accounting policies are set out below:

2.3 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. The Revenue is excluding taxes and after deducting various Dealer Incentives and Discounts.

2.3.1. Sale of goods

1) Timing of recognition- Sales are recognized when control parameters as laid down in IND AS 115 are satisfied. Control means customer has accepted the product, legal title has been transferred, transfer of significant risk and rewards, right to receive the payment and transfer of physical possession. Sales are recognised at a point in time based on the revenue recognition standard.

2) Measurement of revenue:-

A) Revenue is measured based on the consideration specified in a contract with a customer (net of variable consideration) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product.

B) Any change resulting in increase or decrease in estimated revenue or cost are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

C) Transaction price is the amount of consideration expected to be entitled to in exchange for transferring of goods and services excluding the amount collected from third party.

D) Revenue from sales is based on the price specified in the sales contracts (net of the variable consideration) and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

2.3.2 Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.3.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

2.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.5.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered/ reduces service cost by attributing contributions to the employees’ periods of service in accordance with Ind AS 19.70.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

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

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under lease are depreciated over the lease term of the ROU (Right of use).

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

2.7.1 Useful lives of tangible assets

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013

Particulars	Life (Years)
Building -Non Factory	60
Building - Factory	30
Plant & Machineries, Jig& Fixtures and Pattern & Moulds	15
Furniture & Fixtures, Electrical Installation	10
Motor Vehicles- Cars & Tractors	8
Computer-Servers and Network	6
Office Equipment	5
Computer-End-use devices (Desktop, Laptop, Printer etc.)	3
Assets Value < Rs.5000	1

2.8 Intangible assets

2.8.1 Intangible assets acquired separately

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

2.8.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

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

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

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

2.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Particulars	Life (Years)
Development Expenditure	5
Software	3

2.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of raw material and traded goods comprises of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of Inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

2.11 Provisions

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

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

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

Provisions are not recognised for future operating losses.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.11.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

2.11.3 Contingent liabilities acquired in a business combination

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a entity becomes a party to the contractual provisions of the instruments.

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

2.12.1 Cash and cash equivalents:-

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14 Financial Liabilities

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

2.14.1 Classification of financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost.

2.14.2 Initial recognition of financial liabilities

Financial liabilities are carried at amortised cost using the effective interest method.

2.14.3 Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification (Refer Note 29)

2.15 Leases

2.15.1 Initial Recognition:

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

2.15.2 Company as a lessee:

Leases, other than short term lease and low value assets, of property, plant and equipment are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.16 EPS

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.19 Current v/s Non-Current classification:-

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

a) Expected to be realized or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realized within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2.1 to 2.18, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements included in relevant notes together with information about the basis of calculation of each different line item in the financial statements.

Areas involving judgements and estimations:

1) Provision for warranty and service coupon
2) Provision for ECL
3) Provision for Employee Benefits

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

All amounts are in Rupees Lakhs unless otherwise stated

A. Equity share capital

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the current reporting period	**5,430.20**	5,430.20
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at the beginning of the current reporting period	**–**	–
Changes in equity share capital during the current year	**–**	–
Balance at the end of the current reporting period	**5,430.20**	5,430.20

Shares held by promoters as on 31st March 2023

Sr	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Mahindra Holdings Limited	**26,607,970**	**49.00%**	**No**
2	Mahindra & Mahindra Limited	**5,973,218**	**11.00%**	**No**
3	Government of Gujarat	**21,720,791**	**40.00%**	**No**

B. Other Equity

Particulars	Reserves and Surplus			
	Capital Reserve	Other Comprehensive Income	Retained Earnings	Total
As at 1st April, 2021	**217.13**	**10.96**	**(3,355.56)**	**(3,127.47)**
Changes in accounting policy or prior period errors	–	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	–	**–**
Profit/(Loss) for the year	–	–	2,710.17	**2,710.17**
Comprehensive Income/(Loss) for the current year	–	(14.82)	–	**(14.82)**
Total Income/(Loss) for the year	–	(14.82)	2,710.17	**2,695.35**
Dividends	–	–	–	**–**
Transfer to retained earnings	–	–	–	**–**
Any other changes	–	–	–	**–**
As at 31st March, 2022	**217.13**	**(3.86)**	**(645.39)**	**(432.12)**
Changes in accounting policy or prior period errors	–	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	–	**–**
Profit/(Loss) for the year	–	–	(230.00)	**(230.00)**
Comprehensive Income/(Loss) for the current year	–	3.66	–	**3.66**
Total Income/(Loss) for the year	–	3.66	(230.00)	**(226.33)**
Dividends	–	–	–	**–**
Transfer to retained earnings	–	–	–	**–**
Any other changes	–	–	–	**–**
As at 31st March, 2023	**217.13**	**(0.20)**	**(875.39)**	**(658.46)**

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Harish Chavan
DIN: 06890989
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Avdhesh Rathi
Membership No: 38625
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 20th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 3 - Property, Plant and Equipment

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Property, plant and equipment owned	**1,922.19**	1,907.31
b. Right of use assets	**5.97**	4.86
	1,928.15	**1,912.17**

a. Property, plant and equipment owned

Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 April 2022	1.03	563.31	2,235.43	78.49	81.37	302.32	3,261.94
Additions	–	28.62	191.53	3.88	–	50.70	274.73
Disposals	–	–	(49.04)	(7.33)	(0.32)	(4.98)	(61.67)
Balance as at 31st March 2023	**1.03**	**591.93**	**2,377.92**	**75.04**	**81.04**	**348.04**	**3,475.00**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	–	164.09	986.39	62.31	47.35	94.49	1,354.63
Depreciation expense for the year	–	29.45	172.30	4.53	5.89	36.33	248.50
Eliminated on disposal of assets	–	–	(38.35)	(6.93)	(0.31)	(4.73)	(50.31)
Balance as at 31st March 2023	**–**	**193.54**	**1,120.34**	**59.91**	**52.94**	**126.09**	**1,552.81**
III. Net carrying amount (I-II)	**1.03**	**398.39**	**1,257.58**	**15.13**	**28.11**	**221.95**	**1,922.19**

Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 April 2021	1.03	544.74	2,246.50	76.18	81.47	226.34	**3,176.27**
Additions	–	19.02	95.41	5.11	–	75.98	**195.53**
Disposals	(0.01)	(0.46)	(106.48)	(2.81)	(0.10)		**(109.85)**
Balance as at 31st March, 2022	**1.03**	**563.31**	**2,235.43**	**78.49**	**81.37**	**302.32**	**3,261.94**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	–	136.57	911.12	56.32	40.11	67.66	**1,211.78**
Depreciation expense for the year		27.95	173.15	8.66	7.34	26.83	**243.93**
Eliminated on disposal of assets		(0.43)	(97.89)	(2.67)	(0.10)	–	**(101.09)**
Balance as at 31st March, 2022	**–**	**164.09**	**986.39**	**62.31**	**47.35**	**94.49**	**1,354.63**
III. Net carrying amount (I-II)	**1.03**	**399.22**	**1,249.05**	**16.18**	**34.02**	**207.83**	**1,907.31**

b. Right of use assets

Description of Assets	Buildings– Leasehold	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	**12.77**	12.77
Additions	**6.67**	6.67
Deletions	**–**	–
Balance as at 31 March 2023	**19.44**	19.44
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	**7.91**	7.91
Additions	**5.56**	5.56
Deletions	**–**	–
Balance as at 31 March 2023	**13.47**	13.47
III. Net carrying amount (I-II)	**5.97**	5.97

Description of Assets	Buildings– Leasehold	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	**12.77**	12.77
Additions	**–**	–
Deletions	**–**	–
Balance as at 31 March 2022	**12.77**	12.77
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	**2.44**	2.44
Additions	**5.47**	5.47
Deletions	**–**	–
Balance as at 31 March 2022	**7.91**	7.92
III. Net carrying amount (I-II)	**4.86**	4.86

CWIP Ageing Schedule as at 31 March 2023

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	50.34	–	–	–	50.34
Projects temporarily suspended	–	–	–	–	–

CWIP Ageing Schedule as at 31 March 2022

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

Notes:

Property, plant and equipment comprise of owned and leased assets that do not meet the definition of Investment property.

Impairment losses not recognised in the year:

During the year ended on 31 March 2023, there were no impairment indicators. Hence, impairment loss has not been recognised.

Depreciation Method and Useful Life

The depreciation methods used and the useful lives or the depreciation rates used are mentioned in Note on Significant Accounting Policies.

Tangible Asset given to Co-operative Society on Hire Purchase

Certain fixed assets were transferred to various Industrial Co-operative Societies on hire purchase basis, had been reduced from the Gross Block of Fixed Assets of the Company in the year of actual transactions in past, but they still remain the property of this Company till the last instalment is paid.

Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

Note No. 4 - Other Intangible Assets

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1st April, 2022	57.57	57.57
	Additions from acquisitions	–	–
	Eliminated from Books of Accounts (Refer Note)	(3.61)	(3.61)
	Balance as at 31st March, 2023	**53.95**	**53.95**
II.	**Accumulated depreciation and impairment**		
	Balance as at 1st April, 2022	52.44	52.44
	Amortisation expense for the year	3.23	3.23
	Eliminated from Books of Accounts (Refer Note)	(3.60)	(3.60)
	Balance as at 31st March, 2023	**52.07**	**52.07**
III.	**Net carrying amount (I-II)**	**1.89**	**1.89**

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1st April, 2021	57.57	57.57
	Additions from acquisitions	–	–
	Eliminated from Books of Accounts (Refer Note)	–	–
	Balance as at 31st March, 2022	57.57	57.57
II.	**Accumulated depreciation and impairment**		
	Balance as at 1st April, 2021	49.21	49.21
	Amortisation expense for the year	3.23	3.23
	Eliminated from Books of Accounts (Refer Note)	–	–
	Balance as at 31st March, 2022	52.44	52.44
III.	**Net carrying amount (I-II)**	5.13	5.13

Note No. 5 - Investments (Non-Current)

Particular	As at 31st March, 2023 QTY	As at 31st March, 2023 Amount Rs.	As at 31st March, 2022 QTY	As at 31st March, 2022 Amount Rs.
Investments Carried at:				
Designated as Fair Value Through Profit and Loss				
I. Unquoted Investments (all fully paid)				
Other Non-Current Investments	**–**	**4.45**	–	4.45
Total Unquoted Investments	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS	**–**	**4.45**	–	4.45
Total Impairment value for investment carried at FVTPL	**–**	**(4.45)**	–	(4.45)
TOTAL INVESTMENTS CARRYING VALUE	**–**	**–**	–	–

Note:

Details of Investments in the Shares of Industrial Co-Operative Societies within Gromax Premises

Sr.	Name of Industrial Co-Operative Societies	% of Holding of Company	No. of shares held by Company	As at 31st March, 2023	As at 31st March, 2022
1	Pragati Industrial Co-operative Society Limited	41.61%	228	1.14	1.14
2	Sarvoday Industrial Co-operative Society Limited	40.00%	140	0.70	0.70
3	Parishram Industrial Co-operative Society Limited	37.93%	154	0.77	0.77
4	Adarsh Industrial Co-operative Society Limited	36.84%	140	0.70	0.70
5	Akshay Industrial Co-operative Society Limited	40.04%	227	1.14	1.14
	TOTAL			**4.45**	4.45

Note No. 6 - Trade receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables		
1) Secured, considered good	**526.82**	780.01
2) Unsecured, considered good	**1,633.13**	1,648.93
3) Which have significant increase in Credit Risk	**–**	–
4) Credit impaired	**1,068.02**	1,067.69
Less: Allowance for expected credit loss	**(1,068.02)**	(1,067.69)
TOTAL	**2,159.95**	2,428.94

Trade Receivables as on 31st March 2023 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	1,471.01	531.68	94.80	39.24	18.33	2,155.06
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	48.31	389.66	341.85	102.28	882.11
(iii)	Undisputed Trade Receivables — credit impaired	–	(48.31)	(389.66)	(341.85)	(102.28)	(882.11)
(iv)	Disputed Trade Receivables — considered good	–	1.00	1.00	0.40	2.49	4.89
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	0.56	55.65	129.71	185.91
(vi)	Disputed Trade Receivables — credit impaired	–	–	(0.56)	(55.65)	(129.71)	(185.91)
	Trade Receivables as on 31st March 2023 >	**1,471.01**	**532.68**	**95.80**	**39.64**	**20.82**	**2,159.95**

Trade Receivables as on 31st March 2022 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	1,755.04	566.57	86.61	7.81	3.68	2,419.70
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	18.03	477.72	137.29	24.76	657.81
(iii)	Undisputed Trade Receivables — credit impaired	–	(18.03)	(477.72)	(137.29)	(24.76)	(657.81)
(iv)	Disputed Trade Receivables — considered good	–	–	4.99	2.61	1.64	9.24
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	74.26	199.43	136.19	409.88
(vi)	Disputed Trade Receivables — credit impaired	–	–	(74.26)	(199.43)	(136.19)	(409.88)
	Trade Receivables as on 31st March 2022 >	**1,755.04**	**566.57**	**91.60**	**10.43**	**5.32**	**2,428.94**

Note:

The Company has Bank Guarantees as security as on 31 March 2023: INR 284.62 Lakhs, (31 March 2022: INR. 822.72 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Other than these, the Company also has Security Deposits of various dealers as necessary amount, classified under Note No. 17.

Note No. 7 - Loans

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non - Current
Other Advances	**–**	**–**	–	–
Advances to Employees	**–**	**–**	–	–
GRAND TOTAL	**–**	**–**	–	–

Note No. 8 - Other Financial Asset

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non - Current
Interest accrued on Deposits	**–**	**0.56**	–	0.74
Security Deposits	**1.27**	**110.32**	1.27	109.32
Other Receivables	**10.08**	**5.00**	–	5.18
GRAND TOTAL	**11.35**	**115.88**	1.27	115.24

Note No. 9 - Current Tax and Deferred Tax (Non Current & Current)

(a) Income Tax recognised in profit or loss

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Payment of Income Tax	**305.78**	294.21
Provisions for Income Tax	**(164.74)**	(154.17)
Total	**141.04**	140.04

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Tax:		
In respect of current year	**1.44**	9.03
In respect of prior years	**–**	–
Total income tax expense on continuing operations	**1.44**	9.03

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit before tax from continuing operations and OCI	**(224.90)**	(28.28)
Income tax expense calculated at 25.168%	**(56.60)**	(7.12)
Effect of expenses that is non-deductible in determining taxable profit	**9.71**	10.72
Effect of Expenses on which deferred tax asset is not created	**9.38**	7.94
Effect of current year losses for which no deferred tax asset is recognised	**41.46**	–
Others	**(2.52)**	(2.52)
Income tax expense recognised In profit or loss from continuing operations	**1.44**	9.03

The tax rate used for 31 March 2023 and 31 March 2022 reconciliations above is the corporate tax rate of 25.168% payable by the Company on taxable profit under Indian Income Tax Laws.

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Asset (DTA)		
Gratuity and Leave Encashment	**43.91**	34.86
Provision for Doubtful Debts and Advances	**225.18**	167.26
Unabsorbed Depreciation	**–**	–
	269.09	202.12
Deferred Tax Liability (DTL)		
Depreciation	**(170.24)**	(186.53)
Bonus	**(0.06)**	(0.02)
	(170.29)	(186.55)
Total DTA/(DTL)	**98.79**	15.57

Note No. 10 - Other assets

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non - Current
1 Capital advances				
(i) For Capital work in progress	**4.50**	**–**	1.73	–
2 Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**2,611.16**	**–**	1,835.04	–
(ii) Prepaid Expenses	**23.92**	**–**	13.13	–
(iii) Vendor Advances	**47.64**	**46.66**	9.33	52.53
(iv) Advances to Employees	**1.27**	**–**	5.28	–
Total	**2,688.49**	**46.66**	1,864.51	52.53

Note:
Details of Balances with Government Authorities (other than Income Tax) by Category

	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Balances with VAT/GST Authorities	**2,611.16**	1,835.04
	Total	**2,611.16**	1,835.04

Note No. 11 - Inventories

	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Raw materials	**1,111.12**	851.95
2	Work-in-progress	**39.87**	14.83
3	Finished and semi-finished goods	**1,982.43**	1,082.49
4	Loose Tools	**29.56**	30.25
5	Stock-in-trade	**23.69**	8.96
	Total Inventories (at lower of cost and net realisable value)	**3,186.67**	1,988.49

Note:

No Inventory (Raw Material & Finished Goods) in transit as on 31 March 2023.

The carrying amount of inventories pledged as security for Cash Credit Facility from Bank is Rs. 3,186.67 as on 31 March 2023 (31 March 2022: Rs. 1,988.49).

Mode of valuation of inventories is at lower of cost and net realisable value.

Note No. 12a - Cash and cash equivalents

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Cash and cash equivalents		
1	Balances with banks	**0.06**	0.06
2	Cash on hand	**0.05**	0.05
	Total Cash and cash equivalents	**0.12**	0.11

Note No. 12b - Other Bank Balances

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Other Bank Balances		
1	Balances with Banks:		
(i)	On Margin Accounts	**20.43**	19.53
(ii)	Fixed Deposits with maturity greater than 3 months	**2,092.53**	2,818.55
	Total Other Bank balances	**2,112.96**	2,838.09

Note:

Margin Money Deposits are against the Company's Cash Credit Limit, Letter of Credit and Bank Guarantee issued.

Cash and cash equivalents include cash in hand and balance in banks.

Note No. 13 - Equity Share Capital

Particulars	As at 31st March, 2023 No. of shares	As at 31st March, 2023 Amount	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Amount
Authorised:				
Equity Shares of Rs. 10 each	**5,50,00,000**	**5,500.00**	5,50,00,000	5,500.00
Issued, Subscribed and Fully Paid:				
Equity Shares of Rs. 10 each	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20
Total	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20

Note:

(i) Issued and Subscribed Capital includes -

a. 15,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1979-1980 as fully paid up, without receiving payment in cash, being the consideration for transfer of the undertaking of Hindustan Tractors Limited to the Company.

b. 9,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 consequent upon conversion of loan of Rs. 90,00,000 into Equity Share Capital.

c. 11,979 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 as fully paid up, being the reimbursement of preliminary expenses incurred by them on the formation of the Company.

d. 20,90,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1985-1986 consequent upon conversion of loan of Rs. 2,09,00,000 into Equity Share Capital.

e. 1,08,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1992-1993 consequent upon conversion of loan of Rs. 10,80,00,000 into Equity Share Capital.

f. Out of 1,53,01,979 Equity Shares, as stated above held by the Government of Gujarat, 91,81,188 Equity Shares were divested by sale to Mahindra Group. The holding by Mahindra Group is as follows. 16,83,218 Equity Shares are held by Mahindra & Mahindra Limited, the holding Company, including 7 Equity Shares jointly with its nominees and 74,97,970 Equity shares are held by Mahindra Holdings Limited.

g. During the financial year Financial Year 2016-2017, the Company has raised fund through right issue of equity shares 3,90,00,000 of Rs. 10 each to existing equity shareholders in their shareholding ratio.

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

Particulars	**Opening Balance**	**Fresh Issue**	**Closing Balance**
(a) Equity Shares of Rs. 10 each			
Year ended 31 March 2023			
No. of Shares	**5,43,01,979**	**–**	**5,43,01,979**
Amount	**5,430.20**	**–**	**5,430.20**
Year ended 31 March 2022			
No. of Shares	5,43,01,979	–	5,43,01,979
Amount	5,430.20	–	5,430.20

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	**No. of Shares**
As at 31st March, 2023	
Mahindra Holdings Limited, the Holding Company	**2,66,07,970**
Mahindra & Mahindra Limited, the Ultimate Holding Company	**59,73,218**
As at 31st March, 2022	
Mahindra Holdings Limited, the Holding Company	2,66,07,970
Mahindra & Mahindra Limited, the Ultimate Holding Company	59,73,218

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

Class of shares/ Name of shareholder	**As at 31st March, 2023**		As at 31st March, 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity Shares of Rs. 10 each				
Mahindra Holdings Limited, the Holding Company	**2,66,07,970**	**49%**	2,66,07,970	49%
Mahindra & Mahindra Limited, the Ultimate Holding Company	**59,73,218**	**11%**	59,73,218	11%
Government of Gujarat	**2,17,20,791**	**40%**	2,17,20,791	40%

Note No. 14 - Other Equity

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Capital Reserve	217.13	217.13
Retained Earning	(875.39)	(645.39)
Other Comprehensive Income	(0.20)	(3.86)
Total	**(658.46)**	(432.13)

Movement in Reserves

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
(I) Capital Reserve		
Balance as at the beginning of the year	**217.13**	217.13
Add/Less: Additions/ Utilised during the year	**–**	–
Balance as at the end of the year	**217.13**	217.13
(II) Retained Earnings		
Balance as at the beginning of the year	**(645.39)**	(3,355.56)
Add :		
Profit/(Loss) for the period	**(230.00)**	2,710.17
Other Comprehensive Income/(Loss)	**–**	–
Balance as at the end of the year	**(875.39)**	(645.39)
(III) Other Comprehensive Income		
Balance as at the beginning of the year	**(3.86)**	10.96
Add :		
Other Comprehensive Income/(Loss)	**3.66**	(14.82)
Balance as at the end of the year	**(0.20)**	(3.86)

Note No. 15 - Lease Liabilities

Particulars	**As at 31st March, 2023**		As at 31st March, 2022	
	Current	**Non Current**	Current	Non Current
a. Lease Liability - Buildings	**3.73**	**1.91**	4.70	0.17
b. Lease Liability - Vehicles	**–**	**–**	–	–
Total Lease Liabilities	**3.73**	**1.91**	4.70	0.17

Note No. 16 - Trade Payables

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Trade payable - Micro and small enterprises	**19.45**	48.89
Trade payable - Other than micro and small enterprises	**4,448.00**	3,026.42
Total trade payables	**4,467.45**	3,075.31

Trade Payable Ageing schedule as on 31st March 2023

Outstanding for following periods from due date of payment#

	Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	MSME	19.45	–	–	–	19.45
(ii)	Others	4,444.71	3.29	–	–	4,448.00
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Trade Payable as on 31st March 2023 >	**4,464.16**	**3.29**	**–**	**–**	**4,467.45**

Trade Payable Ageing schedule as on 31st March 2022

	Particulars	Outstanding for following periods from due date of payment# Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	48.89	–	–	–	48.89
(ii)	Others	3,025.34	0.85	0.23	–	3,026.42
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Trade Payable as on 31st March 2022 >	**3,074.24**	**0.85**	**0.23**	**–**	**3,075.31**

Note:

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures required to be made as per the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

	Particulars	As at 31st March, 2023	As at 31st March, 2022
I.	Dues remaining unpaid		
	- Principal	**–**	–
	- Interest	**–**	–
II.	Interest paid in terms of Section 16 of the Act	**–**	–
III.	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.06**	0.11
IV.	Amount of interest accrued and remaining unpaid	**0.06**	0.11
V.	Amount of interest due and payable on previous year's outstanding amount	–	–

Note No. 17 - Other Financial Liabilities

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Other Financial Liabilities Measured at Amortised Cost		
A	**Non Current**		
1	Trade and Security Deposits	**383.30**	311.55
2	Interest Payable	**8.41**	2.29
	Total Other Non Current Financial Liabilities	**391.71**	313.84
B	**Current**		
1	Unpaid dividends (Preference dividend, considered as interest)	**971.45**	928.95
2	Trade and Security Deposits	**150.97**	185.52
3	Unpaid matured preference shares	**500.00**	500.00
4	Other liabilities		
	a) Payables for purchase of fixed assets	**60.54**	3.09
	b) Contract Liabilities	**422.33**	524.26
	c) Expenses accruals	**226.86**	298.34
	d) Others	**4.57**	19.40
	Total Other Current Financial Liabilities	**2,336.71**	**2,459.55**

Note:

5,000,000 8.5% Cumulative Redeemable Preference Shares of Rs. 10 each issued solely to Government of Gujarat (GOG) as fully paid up on 23rd May, 2000 consequent upon conversion of loan of Rs. 50,000,000.

These shares were redeemable at par at the end of fours years from the date of allotment i.e. 22nd May, 2004 and the terms of the issue of the shares can be varied with the express consent of the Company and the holders of the shares at any time during the period the shares are outstanding.

The Preference Shares issued have right to receive dividend from year to year as decided by terms of Issue i.e. 8.5% per annum from the date of allotment.

The Preference share holders will not be entitled to any of the rights and privileges available to the members of the company including right to receive notice of or to attend and vote at general meeting or to receive annual reports of the company. If, however any resolution affecting the rights attached to the share is placed before the member of the Company , such resolution will first be placed before the Preference shareholders for their consideration.

Considering book losses, the Board of Directors had not declared dividend on preference share since allotment. Thus no provision was made for 8.5% dividend, amounting to Rs. 631.46 lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the year ended 31st March, 2015 and additional tax thereon as per the accounting treatment under IGAAP.

Under IND AS, accrued Dividend on Preference Shares is defined as Other Current Financial Liabilities under Unpaid Dividends and are currently excluding taxes.

Note No. 18 - Provisions

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
1. Provision for employee benefits				
a) Employee Benefits	**41.30**	**170.89**	41.91	184.10
2. Other Provisions				
a) Provision for Warranty	**60.07**	**–**	55.96	–
b) Provision for Service Coupon	**43.29**	**–**	43.18	–
Total Provisions	**144.66**	**170.89**	141.05	184.10

Note:

Movement of Warranty Provision

Provision for Warranties	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
Financial Year 2022-2023	**55.96**	**101.33**	**97.22**	**–**	**60.07**
Financial Year 2021-2022	52.97	37.37	34.38	–	55.96

Provision for warranty has been recognised for expected warranty claims on products sold during the last two financial years. It is expected that the majority of this expenditure will be incurred in the next financial year.

Movement of Service Coupon Provision

Provision for Service Coupon	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
Financial Year 2022-2023	**43.18**	**34.32**	**34.21**	**–**	**43.29**
Financial Year 2021-2022	32.86	30.95	20.63	–	43.18

Note No. 19 - Other Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
1. Other Current Liabilities		
a) Statutory dues	**41.37**	34.43
Total Other Liabilities	**41.37**	34.43

Note No. 20 - Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non Current Borrowings		
1. Unsecured Borrowings		
a. Loans repayable on demand		
– From Banks	**–**	–
Total Non Current Borrowings	**–**	–
B. Current Borrowings		
1. Secured Borrowings		
a. Loans repayable on demand		
– From Banks	**113.32**	135.30
Total Current Borrowings	**113.32**	135.30

Note:
Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

Further quarterly returns or statements of current assets filed by Gromax Agri Equipment Limited with banks or financial institutions are in agreement with the books of accounts and there are no descripancies.

Note No. 21 – Revenue from Operations

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Revenue from sale of products	**19,418.31**	18,875.87
2	Other operating revenue	**165.86**	176.11
Total Revenue from Operations		**19,584.17**	19,051.97

Note:
Breakup of Revenue into contracts entered in previous year and in current year as per IND AS 115

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Revenue from PO/ contract/agreement entered into in previous year	–	–
2	Revenue from New PO/ contract/ agreement entered into in current year	19,584.17	19,051.97
Total		**19,584.17**	19,051.97

Note No. 22 - Other Income

Particulars		Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
(a)	Interest Income		
	1. Bank Deposits	**133.63**	41.66
	2. Income Tax	**8.00**	–
	3. Others	**8.89**	8.95
(b)	Profit on sale of capital assets (net of loss on assets sold)	**23.98**	5.50
(c)	Write back of credit balances	**24.44**	22.19
(d)	GL balances written back	**–**	16.06
(e)	Stale cheques written back	**14.58**	10.79
Total Other Income		**213.51**	105.15

Note No. 23(a) - Cost of materials consumed

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Opening stock	**851.95**	1,158.86
Add: Purchases	**15,819.63**	13,935.69
	16,671.58	15,094.55
Less: Closing stock	**1,111.12**	851.95
Cost of materials consumed	**15,560.45**	14,242.60

Note No. 23(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Inventories at the end of the year:		
Finished goods	**1,982.43**	1,082.49
Work-in-progress	**39.87**	14.83
Stock-in-trade	**23.69**	8.96
	2,045.99	1,106.28
Inventories at the beginning of the year:		
Finished goods	**1,082.49**	800.44
Work-in-progress	**14.83**	35.56
Stock-in-trade	**8.96**	7.16
	1,106.28	843.17
Net (increase)/decrease	**(939.71)**	(263.12)

Note No. 24 - Employee Benefits Expense

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Salaries, wages and bonus	**1,547.52**	1,587.27
2	Contribution to provident and other funds	**95.74**	94.97
3	Staff welfare expenses	**84.16**	72.77
Total Employee Benefits Expense		**1,727.42**	1,755.01

Note:

Analysis of Contribution to provident and other funds by Category

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Contribution to Provident Fund	**79.72**	80.88
2	Contribution to Group Insurance	**16.02**	14.08
Total		**95.74**	94.97

Analysis of Staff welfare expenses by Category

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Contribution to Employees State Insurance	**5.33**	6.50
2	Contribution to Labour Welfare Fund	**0.01**	0.02
3	Gratuity Provisions	**29.62**	43.64
4	Other Welfare Expenses	**45.53**	37.42
5	Defined Benefit Obligation Recognised as Other Comprehensive Income	**3.66**	(14.82)
Total		**84.16**	72.77

Note No. 25 - Finance Costs

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Interest expense	**20.02**	26.01
2	Dividend on redeemable preference shares	**42.50**	42.50
3	Other borrowing costs	**1.05**	1.40
Total finance costs		**63.57**	69.91

Note:

Analysis of Interest Expenses by Category

Particulars		Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
(a)	On Secured Borrowings - Loan from Banks	**10.04**	23.48
(b)	On Others (Including Interest unwinding on Lease Liability)	**9.97**	2.54
Total		**20.02**	26.01

Analysis of Other Borrowing Costs by Category

Particulars		Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
(a)	Bank Charges	**1.05**	1.40
Total		**1.05**	1.40

Note No. 26 - Other Expenses

	Particulars		Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Stores consumed		**30.56**	25.97
2	Tools consumed		**1.91**	4.17
3	Power and fuel		**62.53**	75.54
4	Rent including lease rentals		**8.84**	9.80
5	Rates and taxes		**36.72**	69.87
6	Insurance		**28.07**	27.01
7	Repairs and maintenance			
	–	Buildings	**14.29**	19.65
	–	Machinery	**18.06**	26.36
	–	Others	**2.93**	8.75
8	Postage, Telephone and Communication		**14.38**	16.31
9	Legal and Professional Charges		**502.38**	415.75
10	Freight outward		**575.47**	628.28
11	Sales promotion expense		**139.14**	171.92
12	Travelling and Conveyance Expenses		**398.29**	349.92
13	Subcontracting, Hire and Service Charges		**283.73**	233.55
14	Provision for doubtful trade and other receivables, loans and advances		**254.95**	468.87
15	Auditors' remuneration		**4.85**	4.95
16	Miscellaneous expenses		**172.67**	121.03
17	Provision for warranty		**101.33**	37.36
18	Bad Debts Written off		**219.98**	449.77
	Less: Provision for Doubtful Debts written back		**(219.98)**	(449.77)
19	Bad Advances Written off		**34.63**	16.89
	Less: Provision for Doubtful Advances written back		**(34.63)**	(16.89)
Total Other Expenses			**2,651.11**	**2,715.04**

Note:

Details of Payment to Statutory Auditor for Various purpose

	Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
1	Provision for Statutory Audit Fees	**3.50**	3.25
2	Tax Audit Fees	**1.35**	1.20
3	Other Services (Certification)	**–**	0.50
Total		**4.85**	4.95

Note No. 27 - Disclosures under Ind AS 105

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Cash flows from Continued operations		
Net Cash inflows/outflows from operating activities	**(387.48)**	214.22
Net cash inflows/outflows from investing activities	**(296.40)**	2,566.09
Net cash inflows/outflows from financing activities	**(41.24)**	(63.11)
Net Cash inflows	**(725.13)**	2,717.21

Note No. 28 - Earnings/(loss) per Share

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Basic Earnings/(loss) per share		
From continuing operations	**(0.42)**	4.99
Total basic earnings/(loss) per share	**(0.42)**	4.99

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Diluted Earnings/(loss) per share		
From continuing operations	**(0.42)**	4.99
Total diluted earnings/(loss) per share	**(0.42)**	4.99

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Profit/(loss) for the year attributable to owners of the Company	**(230.00)**	2,710.17
Profit/(loss) used in the calculation of basic earnings/(loss) per share	**(230.00)**	2,710.17
Weighted average number of equity shares	**543.02**	543.02
Nominal value of Shares	**10.00**	10.00
Earnings/(loss) per share from continuing operations - Basic	**(0.42)**	4.99

Diluted earnings/(loss) per share

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Profit/(loss) for the year used in the calculation of basic earnings per share	**(230.00)**	2,710.17
Profit/(loss) used in the calculation of diluted earnings per share	**(230.00)**	2,710.17

The weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**543.02**	543.02
Add:		
ESOPs	**–**	–
Convertible bonds	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**543.02**	543.02

Note:

The Company reports basic and diluted earnings/(loss) per share in accordance with Ind AS 33 on Earnings per share. Basic earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

Note No. 29 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt (A)	**1,584.76**	1,564.25
Equity (B)	**4,771.74**	4,998.07
Debt Ratio (A/B)	**0.33**	0.31

Categories of financial assets and financial liabilities

As at 31st March 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**–**	**–**	**–**	**–**
Loans	**–**	**–**	**–**	**–**
Current Assets				
Trade Receivables	**2,159.95**	**–**	**–**	**2,159.95**
Other Bank Balances	**2,113.08**	**–**	**–**	**2,113.08**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**11.35**	**–**	**–**	**11.35**
Non-current Liabilities				
Borrowings	**–**	**–**	**–**	**–**
Other Financial Liabilities	**391.71**	**–**	**–**	**391.71**
Current Liabilities				
Borrowings	**113.32**	**–**	**–**	**113.32**
Trade Payables	**4,467.45**	**–**	**–**	**4,467.45**
Other Financial Liabilities	**2,336.71**	**–**	**–**	**2,336.71**

As at 31st March, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	–	–	–
Loans	–	–	–	–
Current Assets				
Trade Receivables	2,428.94	–	–	2,428.94
Other Bank Balances	2,838.20	–	–	2,838.20
Loans	–	–	–	–
Other Financial Assets	1.27	–	–	1.27
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	313.84	–	–	313.84

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Liabilities				
Borrowings	135.30	–	–	135.30
Trade Payables	3,075.31	–	–	3,075.31
Other Financial Liabilities	2,459.55	–	–	2,459.55

Financial Risk Management Framework

The Company's activities expose it to credit risk. In order to manage the aforementioned risk, the Company operates a risk management policy and a program that performs close monitoring of and responding to risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (As on 31 March 2023: INR 284.62 Lakhs, 31 March 2022: INR 822.72 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. In case of Exports to Nepal credit guarantee insurance cover is purchased.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on as at 31 March 2023, an amount of INR 14.70 Lakhs (31 March 2022: INR 6.00 Lakhs) has been recognised as contingent.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit and bank guarantees of Dealer which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The financial instruments of the company mainly consist of trade receivables carried at amortised cost after providing for expected credit loss based on historical credit loss experience and adjusted for forward looking information.

In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

	As at 31st March 2023		
Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**–**	**0.61**	**0.33**
Gross carrying amount (Unsecured)	**1,471.01**	**1,756.96**	**3,227.97**
Loss allowance provision	–	**1,068.02**	**1,068.02**

	As at 31st March 2022		
Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	–	0.67	0.29
Gross carrying amount (Unsecured)	2,154.32	1,580.42	3,734.74
Loss allowance provision	–	1,066.02	1,066.02

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Balance as at beginning of the year	**1,067.69**	1,066.02
As per ECL in Opening Provisions	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**220.31**	451.44
Amounts written off during the year as uncollectible	**(219.98)**	(449.77)
Balance at end of the year	**1,068.02**	1,067.69

The loss allowance provision has changed during the period due to amounts written off as uncollectible.

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
As at 31st March, 2023				
Non-interest bearing	**5,446.03**	–	–	–
Fixed interest rate instruments	**1,471.45**	–	–	–
Total	**6,917.48**	–	–	–
As at 31st March, 2022				
Non-interest bearing	4,241.23	–	–	–
Fixed interest rate instruments	1,428.95	–	–	–
Total	5,670.17	–	–	–

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Secured Cash Credit facility		
- Expiring within one year	**2,000.00**	2,000.00
Secured Letter of Credit facility		
- Expiring within one year	**–**	**–**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured Bank Guarantee facility		
- Expiring within one year	–	–
Working Capital Facilities with Bank	**2,000.00**	2,000.00
Commercial Card Facility		
Continuing Agreement till Termination	–	–
Credit Card Facility	–	–

(iv) Maturities of financial assets

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

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31st March, 2023				
Non-interest bearing	**4,284.38**	–	–	–
Total	**4,284.38**	–	–	–
As at 31st March, 2022				
Non-interest bearing	5,268.41	–	–	–
Total	5,268.41	–	–	–

(v) Unhedged Foreign Currency Exposure

Pursuant to the RBI guidelines on "Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure" issued vide circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014, clarifications issued by RBI subsequently vide circular DBOD. No.BP.BC.116/21.06.200/2013-14 dated June 3, 2014 and RBI circular RBI/15-16/431 permitting writing of options dated June 23, 2016 The Company, as on March 31, 2023, does not have any Unhedged Foreign Currency Exposure (UFCE), as defined in the above mentioned RBI circulars.

Note No. 30 - Fair Value Measurement

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

Particulars	As at 31st March, 2023 Carrying Amount	As at 31st March, 2023 Fair Value	As at 31st March, 2022 Carrying Amount	As at 31st March, 2022 Fair Value
Financial assets				
Financial assets carried at Amortised Cost:				
1) Trade and other receivables	**2,159.95**	**2,159.95**	2,428.94	2,428.94
2) Loans	–	–	–	–
3) Deposits and similar assets	**2,746.49**	**2,746.49**	1,918.31	1,918.31
Financial liabilities				
Financial liabilities held at amortised cost:				
1) Bank loans	**113.32**	**113.32**	135.30	135.30
2) Loans from Related Party	–	–	–	–

Note No. 31 - Segment information

Revenue from Major Geographic Location

Particulars	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Revenue from India		
Revenue from External Customers	**19,234.36**	17,485.13
Revenue from Related Parties	**252.56**	784.81
	19,486.92	18,269.94
Outside India		
Nepal	**34.37**	714.59
Total revenue as per profit or loss	**19,521.29**	18,984.52

Revenue from major products and services

The following is an analysis of the company's revenue from continuing operations from its major products and services:

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Manufactured Goods	**18,781.61**	18,605.33
Traded Goods	**802.56**	446.64
Total	**19,584.17**	19,051.97

Extent of the reliance on its major customers:

There is no Dealer whose revenue is more then 10% as against the total turnover of the company for the Financial Year 2022-2023.

Note No. 32 - Employee benefits

(A) Defined Contribution Plans:

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Providend Fund	**79.06**	80.17
(b) National Pension Fund	**0.66**	0.71
(c) Employees' State Insurance (ESI)	**5.33**	6.50
(d) Gujarat Labour Welfare Fund	**0.01**	0.02
	85.06	87.40

(B) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

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

Asset volatility

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

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

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

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

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

	Valuation as at	
Particulars	**31-Mar-23**	31-Mar-22
Expected Rate of Return on Assets	**N.A.**	N.A.
Discount rate	**7.36%**	6.88%
Expected rate of salary increase	**6.00%**	6.00%
Employee Turnover	**10.00%**	10.00%
Mortality Rate During Employment	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Retirement Age	**60 Years**	60 Years
Average Longevity	**20**	20

Defined benefit plans – as per actuarial valuation on 31st March, 2023

	Unfunded Plan Gratuity	
Particulars	**2023**	2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**23.38**	19.64
Net interest expense	**9.90**	9.18
Components of defined benefit costs recognised in profit or loss	**33.28**	28.82
Remeasurement on the net defined benefit liability:		
Actuarial gains and loss arising from changes in Demographic Assumptions	**–**	2.26
Actuarial gains and loss arising from changes in financial assumptions	**(3.37)**	10.78
Actuarial gains and loss arising from experience adjustments	**(0.29)**	1.78
Components of defined benefit costs recognised in other comprehensive income	**(3.66)**	14.82
Total	**29.62**	**43.64**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2023		
1. Present value of defined benefit obligation as at 31st March 2023	**142.21**	146.84
2. Fair value of plan assets as at 31st March 2023	**–**	–
3. Surplus/(Deficit)	**142.21**	146.84
4. Current portion of the above	**30.68**	29.40
5. Non current portion of the above	**111.52**	117.44

	Unfunded Plan Gratuity	
Particulars	**2023**	2022
II. Change in the obligation during the year ended 31st March 2023		
1. Present value of defined benefit obligation at the beginning of the year	**146.84**	130.97
2. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**23.38**	19.64
– Interest Expense (Income)	**9.90**	9.18
3. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**-**	2.26
ii. Financial Assumptions	**(3.37)**	10.78
iii. Experience Adjustments	**(0.29)**	1.78
4. Benefit payments	**(34.25)**	(27.78)
5. Present value of defined benefit obligation at the end of the year	**142.21**	146.84
III. Actuarial assumptions		
1. Discount rate	**7.36%**	6.88%

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

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1.00%**	**-4.54%**	**5.09%**
	2022	1.00%	-4.77%	5.34%
Salary growth rate	**2023**	**1.00%**	**5.34%**	**-4.87%**
	2022	1.00%	5.51%	-5.04%
Withdrawal Rate	**2023**	**1.00%**	**0.14%**	**-0.18%**
	2022	1.00%	0.01%	-0.03%

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

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

Maturity profile of defined benefit obligation:

Particulars	**2023**	2022
Within 1 year	**31.79**	30.40
1 - 2 year	**27.73**	30.73
2 - 3 year	**21.08**	21.42
3 - 4 year	**12.97**	19.23
4 - 5 year	**15.68**	12.19
5 - 10 years	**40.16**	46.06

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 7.34 years (2022: 7.42 years)

Experience Adjustments :

	Gratuity				
	Period Ended				
Particulars	**2023**	2022	2021	2020	2019
1. Defined Benefit Obligation	**142.21**	146.84	130.97	153.31	162.82
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**142.21**	146.84	130.97	153.31	162.82
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(3.66)**	14.82	3.20	(1.61)	(24.44)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

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

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 33 - Related Party Transactions

Analysis of Related Parties:

Sr.	Name of Company	Relationship	Parent
1	Mahindra & Mahindra Limited (M & M)	Ultimate Holding Company	–
2	Mahindra Holdings Limited	Holding Company	M & M
3	Mahindra Logistics Limited	Fellow Subsidiary Company	M & M
4	Mahindra CIE Automotive Limited	Associates Company of Parent Company	M & M
5	Mahindra Integrated Business Solutions Limited	Fellow Subsidiary Company	M & M
6	Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company	M & M
7	Fifth Gear Ventures Limited	Fellow Subsidiary Company	M & M
8	Government of Gujarat	Significant Influence over the Company	–

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties (Without GST)	**For the year ended**	**Parent Company**	**Entities having significant influence over Company**	**Other related parties**
Sale of goods	**31-Mar-23**	**252.56**	**–**	
	31-Mar-22	784.81	–	–
Purchase of Tractors	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	–	–	–
Receiving of services	**31-Mar-23**	**416.15**	**–**	**–**
	31-Mar-22	347.42	–	–
Royalty	**31-Mar-23**	**14.34**	**–**	**–**
	31-Mar-22	13.84	–	–
Purchase of Other Components	**31-Mar-23**	**5,668.39**	**–**	**842.97**
	31-Mar-22	4,421.42	–	751.62
Purchase of Assets	**31-Mar-23**	**59.98**	**–**	**–**
	31-Mar-22	48.21	–	–
Expenses Reimbursed - Receipt	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	0.09	–	–
Expenses Reimbursed - Payment	**31-Mar-23**	**65.57**	**–**	**458.91**
	31-Mar-22	39.19	–	514.38

Nature of transactions with Related Parties (GST amount)	**For the year ended**	**Parent Company**	**Entities having significant influence over Company**	**Other related parties**
Sale of goods	**31-Mar-23**	**45.46**	**–**	**–**
	31-Mar-22	130.08	–	–
Purchase of Tractors	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	–	–	–
Receiving of services	**31-Mar-23**	**74.91**	**–**	**–**
	31-Mar-22	58.45	–	–
Royalty	**31-Mar-23**	**2.59**	**–**	**–**
	31-Mar-22	1.78	–	–
Purchase of Other Components	**31-Mar-23**	**1,091.95**	**–**	**123.57**
	31-Mar-22	837.15	–	98.26
Purchase of Assets	**31-Mar-23**	**15.35**	**–**	**–**
	31-Mar-22	13.08	–	–
Expenses Reimbursed (Receipt)	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	–	–	–
Expenses Reimbursed (Payment)	**31-Mar-23**	**11.81**	**–**	**8.98**
	31-Mar-22	7.04	–	8.94

Nature of transactions with Related Parties	**Balance as on**	**Parent Company**	**Entities having significant influence over Company**	**Other related parties**
Trade payables	**31-Mar-23**	**3,209.10**	**–**	**113.65**
	31-Mar-22	1,579.41	–	76.26
Loans and advances taken	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	–	–	–

Note:

Related Party Transactions are made on arm's length basis.

Note No. 34 - IND AS 115

1 Movement of Contract Assets

Sr. No.	Particulars	As at 31st March, 2023
	Opening Balance	–
i)	Additions during the year	–
ii)	*Reclassification Adjustments:*	–
	- Reclass of opening balances of contract assets to trade receivables	–
	- Reclass of contract assets (out of additions during the year) to trade receivables	–
iii)	Cumulative catch up adjustment recognised during the year	–
iv)	Adjustments due to contract modification	–
v)	Impairment losses of contract asset	–
vi)	Addition on account of merger/acquisition of subsidiary	–
vii)	Deletion on account of demerger/sale of subsidiary	–
viii)	Currency Translation Adjustments	–
	Closing Balance	–

2 Movement of Contract Liabilities

Sr. No.	Particulars	As at 31st March, 2023
i)	Opening Balance	**524.26**
ii)	Addition during the year	**422.33**
iii)	*Reclassification Adjustments:* -	
	– Reclass of opening balances of contract liabilities to revenue	**(524.26)**
	– Reclass of contract liabilities (out of additions during the year) to revenue	–
iv)	Cumulative catch up adjustment recognised during the year	–
v)	Adjustments due to contract modification	–
vi)	Addition on account of merger/acquisition of subsidiary	–
vii)	Deletion on account of demerger/sale of subsidiary	–
viii)	Currency Translation adjustments	–
	Closing Balance	**422.33**

Note No. 35 - Leases

At inception of contract, the Company assesses whether the Contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Area Office: “Put the life” On the basis of the tenure of the lease agreement

The Company presents right-of-use assets that do not meet the definition of investment property in ‘Property, plant and equipment’.

ii) **Lease Liabilities:** At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities in ‘Financial Liabilities’ in the Balance Sheet.

iii) Short term leases and leases of low value of assets: The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

A) The Company has lease contracts for area office in its operations. Details of amount recognised in profit and loss:

Amounts recognised in profit and loss	**As at 31st March, 2023**	As at 31st March, 2022
Depreciation expense on right-of-use assets	**5.57**	5.47
Interest expense on lease liabilities	**0.44**	0.75
Expense relating to short-term leases	**8.84**	9.80
Total	**14.86**	16.01

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

Maturity Analysis	**As at 31st March, 2023**	As at 31st March, 2022
Not later than one year	**3.73**	4.70
Later than one year but not later than five years	**1.91**	0.17
Total	**5.65**	4.87

C) The total cash outflow for leases amount to Rs. 5,89,333/- during the year.

D) Below are the carrying amount of lease liabilities and the movement during the year:

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Opening Lease Liability	**4.87**	10.34
Additions	**6.67**	–
Accretion of interest	–	–
Payments	**(5.89)**	(5.47)
Cancelation of Lease during the year	–	–
Closing Lease Liability	**5.65**	4.87

E) Below is the breakup of Current and Non current lease liabilities:

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Current lease liabilities	**3.73**	4.70
Non current lease liabilities	**1.91**	0.17
Total	**5.65**	4.87

Note No. 36 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

	Particulars	**As at 31st March, 2023**	As at 31st March, 2022
	Contingent liabilities		
1	Bank guarantees	**14.70**	6.00
2	Bills discounted but not matured	–	–
3	Claims against the company not acknowledged as debt	**80.75**	53.20

	Particulars	As at 31st March, 2023	As at 31st March, 2022
4	Outstanding Demand of Income Tax Against Company		
(i)	Assessment Year 2014-2015 Note: Appeal filed with Income Tax Appellate Tribunal on 18th Jan 2023 as appeal filed to CIT Appeals has been dismissed on 21st Nov 2022 for further assessment being aggrieved with the disallowance of right bad debts claimed in the year.	**190.95**	161.82
(ii)	TDS mismatch	**10.17**	10.17

5 The Company is anticipating to enter into an agreement/MoU for Settlement with various non Hire Purchase Industrial Co-Operative Societies and Ancillaries within Company's Premises, therefore may require to pay Compensation to Co-Operative Societies or its members. Amount of such Compensation is not yet quantified.

6 The Company has entered into an agreement/MoU with Private Sector Banks and NBFCs for retail funding for providing loan to customer who buy company's Tractors. The said MOU also contains a clause on loss sharing in case of default in repayment by customer or loss incurred in case of repossession of asset and its resale. Anticipated loss from these agreements/MoUs are not quantified as of now. The Company is obtaining undertaking from its dealers to ensure no default in terms of these agreements.

Commitments

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Commitments		
1	Estimated amount of contracts remaining to be executed for capital expenditure	**100.08**	37.21

Note No. 37 - Ratios

Sr	Particulars	As at 31st March, 2023	As at 31st March, 2022	Remarks for Variance
1	Current Ratio	**1.43 : 1**	1.56 : 1	
2	Debt-Equity Ratio	**0.33 : 1**	0.31 : 1	
3	Debt Service Coverage Ratio	**1.45 : 1**	4.42 : 1	Loss for FY 2022-23 resulted in Lower Debt service coverage
4	Return on Equity Ratio	**-4.17%**	-0.69%	Loss for FY 2022-23 resulted in Lower Return on Equity
5	Inventory turnover ratio	**7.65 Times**	9.53 Times	Higher Finished Goods inventory by 204 tractors resulted in Lower Inventory Turnover
6	Trade Receivables turnover ratio	**8.63 Times**	7.52 Times	
7	Trade payables turnover ratio	**5.25 Times**	5.67 Times	
8	Net capital turnover ratio	**6.48 Times**	5.84 Times	
9	Net profit ratio	**-1.14%**	-0.19%	Loss for FY 2022-23 resulted in Lower Net profit ratio
10	Return on Capital employed	**-2.54%**	0.63%	Loss for FY 2022-23 resulted in Lower Return on Capital employed
11	Return on investment	**-4.71%**	-0.57%	Loss for FY 2022-23 resulted in Lower Return on Investment

Note No. 38 - Exceptional Item

Sr	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	During Financial Year 2021-22, the Company has received compensation for compulsory acquisition of land under bullet train project from NHSRCL (National High-Speed Rail Corporation Limited) under The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.	**–**	2,732.65

Note No. 39 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

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

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 40 - Previous Year Figures

Previous year’s figures have been regrouped/reclassified where necessary.

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Harish Chavan
DIN: 06890989
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Avdhesh Rathi
Membership No: 38625
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 20th April 2023

INDEPENDENT AUDITORS' REPORT

To the members of Trringo.com Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Trringo.com Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Total Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Boards Report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management for the Ind AS Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory requirements

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

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

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

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

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

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

   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

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

   (i) the Company does not have any pending litigations which would impact its financial position.

   (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

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

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

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

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

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

   (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Aniruddha Joshi
Partner
Membership No. 040852
Mumbai, April 28, 2023
UDIN: 23040852BGURAY7506

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(B) According to the information and explanations given to us, certain fixed assets have been physically verified by management, which in our opinion is reasonable having regard to the size of the Company and nature of its asset. The frequency of physical verification is reasonable and no discrepancies were noticed on such verification.

(C) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the company does not have Property, Plant and Equipment hence reporting under Clause 3(i)(d) of the Order is not applicable to the company.

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

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

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

III. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)9f) of the Order is not applicable to the Company.

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

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services tax, and other material statutory dues.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, and other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

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

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

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

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

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

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

XIV. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly reporting under clause 3(xiv)of the order is not applicable to the company.

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

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

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

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

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 19.45 lacs in the current financial year, there were no cash losses in last year.

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

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

XX. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

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

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAY7506

Mumbai, April 28, 2023

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Trringo.com Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

Opinion

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

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

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAY7506

Mumbai, April 28, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rupees in Lakhs

Particulars			Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**				
	1	**NON-CURRENT ASSETS**			
		(a) Property, Plant and Equipment	3	–	0.00
		(b) Income tax Assets (Net)	4	**0.52**	0.68
		SUB-TOTAL		**0.52**	0.68
	2	**CURRENT ASSETS**			
		(a) Financial Assets			
		(i) Trade Receivables	6	**0.00**	7.17
		(ii) Cash and Cash Equivalents	7	**33.76**	49.24
		(iii) Other Financial Assets	8	**6.92**	7.66
		(b) Other Current Assets	5	**175.01**	173.76
		SUB-TOTAL		**215.68**	237.83
		TOTAL ASSETS		**216.20**	238.51
II	**EQUITY AND LIABILITIES**				
	1	**EQUITY**			
		(a) Equity Share Capital	9	**2,746.00**	2,746.00
		(b) Other Equity	SOCE - B	**(2,554.40)**	(2,534.95)
		SUB-TOTAL		**191.60**	211.05
		LIABILITIES			
	2	**NON-CURRENT LIABILITIES**			
		(a) Other Non-current Liabilities	12	–	–
		SUB-TOTAL		–	–
	3	**CURRENT LIABILITIES**			
		(a) Financial Liabilities			
		(i) Trade Payables	10		
		- Total outstanding dues of micro and small enterprise		–	–
		- Total outstanding dues of creditors other than micro and small enterprise (including acceptances)		**5.55**	7.63
		(ii) Other Financial Liabilities	11	**18.74**	19.54
		(b) Other Current Liabilities	12	**0.31**	0.29
		SUB-TOTAL		**24.60**	27.46
		TOTAL		**216.20**	238.51

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 28th April, 2023

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 28th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

Rupees in Lakhs

	Particulars	Note No.	Period ended 31st March, 2023	Period ended 31st March, 2022
	Continuing Operations			
I	Revenue from operations	13	–	50.68
II	Other Income	14	0.76	33.90
III	**Total Revenue (I + II)**		0.76	84.58
IV	**EXPENSES**			
	(a) Employee benefit expense	15	2.04	2.27
	(b) Depreciation and amortisation expense	16	–	53.43
	(c) Other expenses	17	18.17	60.26
	Total Expenses (IV)		20.21	115.96
V	**Profit/(loss) before tax (III - IV)**		(19.45)	(31.38)
VI	**Tax Expense**			
	(1) Current tax		–	–
	(2) Deferred tax		–	–
	Total tax expense		–	–
VII	**Profit/(loss) after tax for the period (V - VI)**		(19.45)	(31.38)
VIII	**Other comprehensive income/(Loss):**		–	–
IX	**Total comprehensive income for the period**		(19.45)	(31.38)
X	**Earnings per equity share:**	18		
	(1) Basic		(0.07)	(0.11)
	(2) Diluted		(0.07)	(0.11)

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 28th April, 2023

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 28th April, 2023

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2023

Rupees in Lakhs

Particulars		Note No.	**Period ended 31st March, 2023**	Period ended 31st March, 2022
A	**Cash flows from operating activities**			
	Profit before tax for the year	**PL**	**(19.45)**	(31.38)
	Adjustments for:			
	Investment income recognised in profit or loss		**(0.76)**	(1.50)
	Depreciation, amortisation and Impairment expenses	**3**	–	53.43
			(20.21)	20.55
	Movements in working capital:			
	Increase in trade and other receivables		**7.17**	(2.09)
	(Increase)/decrease in other assets		**(0.50)**	1.53
	Decrease in trade and other payables		**(2.86)**	(41.06)
	Income taxes paid (net of refunds)		**0.16**	4.77
	Net cash generated by operating activities		**(16.24)**	(16.30)
B	**Cash flows from investing activities**			
	Payments for property, plant and equipment		–	–
	Proceeds from tangible assets		–	0.01
	Net cash (used in)/generated by investing activities		–	0.01
C	**Cash flows from financing activities**			
	Interest Received		**0.76**	1.50
	Net cash used in financing activities		**0.76**	1.50
	Net increase in cash and cash equivalents		**(15.48)**	(14.79)
	Cash and cash equivalents at the beginning of the year		**49.24**	64.03
	Cash and cash equivalents at the end of the year		**33.76**	49.24

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 28th April, 2023

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 28th April, 2023

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current reporting period

Particulars	**Balance at the beginning of the current reporting period**	**Changes in Equity Share Capital due to prior period errors**	**Restated balance at the beginning of the current reporting period**	**Changes in equity share capital during the current year**	**Balance at the end of the current reporting period**
No. of Shares	**27,460,000**	**–**	**27,460,000**	**–**	**27,460,000**
Rupees in Lakhs	**2,746**	**–**	**2,746**	**–**	**2,746**

(2) Previous reporting period

Particulars	**Balance at the beginning of the current reporting period**	**Changes in Equity Share Capital due to prior period errors**	**Restated balance at the beginning of the current reporting period**	**Changes in equity share capital during the current year**	**Balance at the end of the current reporting period**
No. of Shares	27,460,000	–	27,460,000	–	27,460,000
Rupees in Lakhs	2,746.00	–	2,746.00	–	2,746.00

B. Other Equity

(1) Current reporting period

Rupees in Lakhs

Particulars	**Reserves & Surplus**	**Other Comprehensive Income**	
Particulars	**Retained Earnings**	**Remeasurements of the defined benefit liabilities/(assets)**	**Total**
Balance at the beginning of the current reporting period	(2,534.95)	–	(2,534.95)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,534.95)	–	(2,534.95)
Total Comprehensive Income for the current year	(19.45)	–	(19.45)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,554.40)	–	(2,554.40)

STATEMENT OF CHANGES IN EQUITY (CONTD.)

(2) Previous reporting period

Rupees in Lakhs

Particulars	Reserves & Surplus	Other Comprehensive Income	
	Retained Earnings	Remeasurements of the defined benefit liabilities/(assets)	Total
Particulars			
Balance at the beginning of the current reporting period	(2,506.32)	2.75	(2,503.57)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,506.32)	2.75	(2,503.57)
Total Comprehensive Income for the current year	(31.38)	–	(31.38)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,537.70)	2.75	(2,534.95)

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 28th April, 2023

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 28th April, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. Corporate Information

Trringo.com Limited is a 100 % subsidiary of Mahindra and Mahindra Limited and incorporated on 23rd May, 2016 under the provisions of the Companies Act, 2013 (CIN: U01409MH2016PLC281449). The Company is in the business of organized farm equipment rentals through a franchisee based model.

2. Significant accounting policies

(A) Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(B) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, presented in Indian rupees and rounded off to nearest lacs.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(C) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

(D) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(E) Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software 3 to 6 years

(F) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(G) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(H) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(I) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services

Revenue from the rental services is recognised when the service is delivered and completed, all the following conditions are satisfied:

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the services rendered;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

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

(J) Government Grants

The Company directly or indirectly is entitled to incentives from government authorities in respect of custom hiring and service centers. The Company accounts for its entitlement as income on accrual basis.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. When the grants relates to an asset, it is recognized as income in equal amounts over the useful life of the related asset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(K) Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(L) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(M) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

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

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year:

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

(N) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

(O) Provisions

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 3 - Property, Plant and Equipment

Rupees in Lakhs

Description of Assets	Plant & Machinery	Vehicles	Computers & Edp Equipments	Office Equipment	Furniture & Fixtures	Total
I. Gross Carrying Amount						
Balance as at 1st April 2022	132.10	–	–	0.60	2.16	134.86
Additions during the year	–					–
Disposals during the year	–					–
Balance as at 31st March 2023	**132.10**	**–**	**–**	**0.60**	**2.16**	**134.86**
Balance as at 1st April 2021	132.33	–	–	0.60	2.16	135.09
Additions during the year	–					–
Disposals during the year	0.23					0.23
Balance as at 31st March 2022	132.10	–	–	0.60	2.16	134.86
II. Accumulated depreciation						
Balance as at 1st April 2022	132.10	–	–	0.60	2.16	134.86
Depreciation expense for the year					–	–
Eliminated on disposal of assets	–				–	–
Balance as at 31st March 2023	**132.10**	**–**	**–**	**0.60**	**2.16**	**134.86**
Balance as at 1st April 2021	80.31	–	–	0.60	0.78	81.69
Depreciation expense for the year	52.01			–	1.38	53.39
Eliminated on disposal of assets	0.22				–	0.22
Balance as at 31st March 2022	132.10	–	–	0.60	2.16	134.86
III. Net carrying amount (I-II)						
Balance as at 31st March 2023	**0.00**	**–**	**–**	**–**	**–**	**–**
Balance as at 31st March 2022	0.00	–	–	–	–	(0.00)

Note No. 4 - Current Tax and Deferred Tax

Rs in Lakhs

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Income tax Assets (Net)	0.52	0.68
TOTAL	**0.52**	**0.68**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 5 Other assets (Non financials)

Rs in Lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities	**174.75**	**–**	173.24	–
(ii) Other advances				
Advance to suppliers	**0.10**	**–**	–	–
Prepaid Expenses	**0.15**	**–**	0.51	–
Other current Assets	**0.01**	**–**	0.01	–
TOTAL OTHER ASSETS	**175.01**	**–**	173.76	–

Note No. 6 - Trade receivables

Rs in Lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(a) Trade Receivable considered good - Unsecured	**0.00**	**–**	7.17	–
(b) Trade Receivable which have significant increase in Credit Risk	**94.19**	**–**	89.25	–
(c) Trade Receivables credit impaired	**–**	**–**	–	–
Less: Allowance for expected credit loss	**94.19**	**–**	89.25	–
TOTAL TRADE RECEIVABLES	**0.00**	**–**	7.17	–

Note No. 7 - Cash and Cash Equivalent

Rs in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balances with banks	**10.76**	10.54
(b) Fixed Deposits with maturity less than 3 months	**23.00**	38.24
(c) Cash on hand	**–**	0.46
TOTAL CASH AND CASH EQUIVALENT	**33.76**	49.24

Note No. 8 - Other financial assets

Rs in Lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
Security Deposits	**6.92**	**–**	7.66	–
TOTAL OTHER FINANCIAL ASSETS	**6.92**	**–**	7.66	**–**

Note No. 9 - Equity Share Capital

Particulars	As at 31st March, 2023 No of Shares	As at 31st March, 2023 Rupees in Lakhs	As at 31st March, 2022 No of Shares	As at 31st March, 2022 Rupees in Lakhs
Authorised:				
Equity shares of Rs 10 each with voting rights	**28,000,000**	**2,800.00**	28,000,000	2,800.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Total	**27,460,000**	**2,746.00**	27,460,000	2,746.00

Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of Ordinary (Equity) Shares and amount outstanding:

Particulars	2023 No. of Shares	2023 Rupees Lakhs	2022 No. of Shares	2022 Rupees Lakhs
Balance as at the beginning of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Add: Issue of Shares during the year	**–**	**–**	–	–
Balance as at the end of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00

(ii) Details of Ordinary (Equity) Shares held shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 % Shareholding	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % Shareholding
Equity shares with voting rights				
Mahindra and Mahindra Limited	**27,460,000**	**100%**	27,460,000	100%

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters at the end of the year

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mahindra and Mahindra Limited	27,460,000	100%	NIL

Note No. 10 - Trade Payables

Rs in Lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**5.55**	**–**	7.63	–
TOTAL TRADE PAYABLES	**5.55**	**–**	7.63	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 11 - Other financial liabilities

Rs in Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-Current	Current	Non-Current
a) Other Financial liabilities				
Capital Creditors	**8.29**	**–**	8.29	
Others	**10.45**	**–**	11.25	–
TOTAL OTHER FINANCIAL LIABILITIES	**18.74**	**–**	19.54	–

Note No. 12 - Other Liabilities (Non financial)

Rs in Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-Current	Current	Non-Current
a. Statutory dues	**0.31**	**–**	0.29	–
b. Other	**–**	**–**	–	–
TOTAL OTHER LIABILITIES	**0.31**	**–**	0.29	–

Note No. 13 - Revenue from Operations

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
Revenue from rendering of services	**–**	50.68
TOTAL REVENUE FROM OPERATIONS	**–**	50.68

Note No. 14 - Other Income

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
Interest Income from Fixed Deposits	**0.76**	1.16
Deferred Government Grants Income	**–**	32.27
Interest Income on Income Tax Refund	**–**	0.34
Miscellaneous Income	**–**	0.13
TOTAL OTHER INCOME	**0.76**	33.90

Note No. 15 - Employee Benefit Expense

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
(a) Salaries and wages, including bonus	**2.03**	2.03
(b) Contribution to provident and other funds	**0.01**	0.01
(c) Staff welfare expenses	**0.00**	0.23
TOTAL EMPLOYEE BENEFIT EXPENSE	**2.04**	**2.27**

Note No. 16 - Depreciation and amortisation expense

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
(a) Depreciation	**0.00**	53.43
(b) Amortisation expense	**–**	–
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**–**	53.43

Note No. 17 - Other Expenses

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
(a) Rent expenses	**4.71**	5.82
(b) Rates and taxes	**0.03**	0.08
(c) Repairs and maintenance - Others	**0.00**	6.95
(d) Stores consumed	**0.01**	20.18
(e) Hire and Service Charges	**0.15**	6.93
(f) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**1.00**	1.50
(ii) For Taxation matters	**0.50**	0.50
(iii) For Tax Audit	**–**	–
(g) Legal and other professional costs	**5.62**	4.28
(h) Provision for doubtful debts	**4.94**	10.84
(i) Other expenses	**1.21**	3.18
TOTAL OTHER EXPENSES	**18.17**	60.26

Note No.17a - Other Expenses - Others

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
(a) Gen & Misc Exp	**0.00**	1.93
(b) Insurance	**0.74**	1.09
(c) Freight outward	**0.43**	–
(d) Bank Charges	**0.02**	0.04
(e) Domestic Power	**0.02**	0.06
TOTAL OTHER EXPENSES	**1.21**	3.18

Note No. 18 - Earnings per Share

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023 Rs per Share	For the Period ended 31st March, 2022 Rs per Share
Basic Earnings per share		
From continuing operations	**(0.07)**	(0.11)
Diluted Earnings per share		
From continuing operations	**(0.07)**	(0.11)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs in Lakhs

Particulars	For the Period ended 31st March, 2023	For the Period ended 31st March, 2022
Profit / (loss) for the year attributable to owners of the Company (Rs in Lakhs)	**(19.45)**	(31.38)
Profits used in the calculation of basic earnings per share	**(19.45)**	(31.38)
Weighted average number of equity shares	**27,460,000**	27,460,000
Earnings per share - Basic & Diluted	**(0.07)**	(0.11)

Note No. 19 - Financial Instruments

Capital management

The company's capital management objectives are:

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

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

The capital structure is monitored on the basis of debt to equity and maturity profile of overall debt portfolio of the Company.

Rs in Lakhs

	31st March, 2023	31st March, 2022
Equity	**2,746.00**	2,746.00
Debt	–	–
Total Capital	**2,746.00**	2,746.00

Categories of financial assets and financial liabilities

Rs in Lakhs

As at 31st March, 2023

	Amortised Costs	FVTPL	FVOCI	Total
As at 31st March, 2023				
Current Assets				
Cash and Cash equivalents	**33.76**	–	–	**33.76**
Trade Receivables	**0.00**	–	–	**0.00**
Loans	–	–	–	–
Other Financial Assets	**6.92**	–	–	**6.92**
Current Liabilities				
Trade Payables	**5.55**	–	–	**5.55**
Other Financial Liabilities	**18.74**	–	–	**18.74**
As at 31st March, 2022				
Current Assets				
Cash and Cash equivalents	**49.24**	–	–	**49.24**
Trade Receivables	**7.17**	–	–	**7.17**
Loans	–	–	–	–
Other Financial Assets	**7.66**	–	–	**7.66**
Current Liabilities				
Trade Payables	**7.63**	–	–	**7.63**
Other Financial Liabilities	**19.54**	–	–	**19.54**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Companys trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) *Liquidity risk management*

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

(ii) *Maturities of financial liabilities*

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

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2023			
Current Liabilities			
Trade Payables	**5.55**		
Other Financial Liabilities	**18.74**		
Total	**24.29**	**–**	–
31 March, 2022			
Current Liabilities			
Trade Payables	**7.63**		
Other Financial Liabilities	**19.54**		
Total	**27.17**	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(iii) *Maturities of financial assets*

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

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2023			
Current Assets			
Trade Receivables	**0.00**		
Loans	**–**		
Other Financial Assets	**6.92**	**–**	–
Total	**6.92**	**–**	–

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2022			
Current Assets			
Trade Receivables	**7.17**		
Loans	**–**		
Other Financial Assets	**7.66**		
Total	**14.83**	**–**	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Note No. 20 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rs in Lakhs

Fair value hierarchy as at 31 March, 2023

Financial assets	Carrying Value	Fair value*	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost						
– trade and other receivables	**0.00**	**0.00**	**–**	**0.00**	**–**	**0.00**
– Cash & Cash equivalent, deposits and similar assets	**33.76**	**33.76**	**–**	**33.76**	**–**	**33.76**
– Other Financial Assets	**6.92**	**6.92**	**–**	**6.92**	**–**	**6.92**
Total	**40.68**	**40.68**	**–**	**40.68**	**–**	**40.68**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**5.55**	**5.55**	**–**	**5.55**	**–**	**5.55**
– other liabilities	**18.74**	**18.74**	**–**	**18.74**	**–**	**18.74**
Total	**24.29**	**24.29**	**–**	**24.29**	**–**	**24.29**

Rs in Lakhs

Fair value hierarchy as at 31 March, 2022

Financial assets	Carrying Value	Fair value*	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost						
– trade and other receivables	7.17	7.17	–	7.17	–	7.17
– Cash & Cash equivalent, deposits and similar assets	49.24	49.24	–	49.24	–	49.24
– others Financial Assets	7.66	7.66	–	7.66	–	7.66
Total	64.07	64.07	–	64.07	–	64.07
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	7.63	7.63	–	7.63	–	7.63
– other liabilities	19.54	19.54	–	19.54	–	19.54
Total	27.17	27.17	–	27.17	–	27.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 21 - Related Party Transactions

Name of the Parent Company Mahindra & Mahindra Limited

Name of KMP of the Company Mr. Gadadhar Jalad Roy (Whole Time Director)

Mr. Nikhil Pai (Chief Financial Officer)

Mr. Gaurav Juvatkar #

last day 17th Jan, 2023

Details of transaction between the Company and its related parties are disclosed below:

Rs in Lakhs

Particulars	For the year ended	Parent Company
Nature of transactions with Related Parties		
Sale of Assets	31-Mar-23	–
	31-Mar-22	0.01
Purchase of property and other assets	31-Mar-23	–
	31-Mar-22	–
Receiving of services	31-Mar-23	4.46
	31-Mar-22	6.68

Rs in Lakhs

Nature of Balances with Related Parties	Balance as on	Parent Company
Trade payables	31-Mar-23	5.55
	31-Mar-22	8.01

Note No. 22 - Ratios

Ratio	Formula	As at 31 March, 2023	As at 31 March, 2022	Change	Remarks
Current Ratio	Current Assets/ Current Liability	8.77	8.66	1.20	There is write back of deferred government grants in the current year
Debt Equity ratio	Total Debt/ Shareholder Equity	–	–	–	NA as there is no debt
Debt Service coverage ratio	Earning Available to Debt service/ Debt Service	–	–	–	NA as there is no debt
Return on Equity	NPAT/ Average Shareholder Equity	(0.01)	(0.01)	–	
Inventory Turnover ratio	COGS/ Average invnetory	–	–	–	NA as company is into service industry
Trade receivable Turnover ratios	Net Sales/ Avg Debtors	–	7.06	(100.00)	
Trade Payable ratios	Purchase/ Average Creditors	2.76	4.50	(38.71)	In current year payment made to creditors
Net capital turnover ratio	Sales/ Working capital	–	0.24	(100.00)	
Net profit ratio	Net profit / Net sales	–	(0.62)	(100.00)	
Return on capital employed	EBIT/ Capital Employed	(0.10)	(0.15)	(31.73)	In current yearthere is write back of govt. grant liability
Return on Investment		0.03	0.02	0.40	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 23 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2023 are as under:

Disclosures required under Section22 of the Micro Small and Medium Enterprises Development Act 2006

Rs in Lakhs

Particulars	**31st March, 2023**	31st March, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	–	–
– Interest due on above	–	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 24 - Segment Reporting

The Company operates in one segment namely renting of organised farm equipments, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 25

The company's ongoing projects have got completed and management is evaluating new projects for execution in the company in upcoming years and believes the going concern assumption in preparation of these financial statements is appropriate.

Note No. 26 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 28th April, 2023

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 28th April, 2023

INDEPENDENT AUDITOR'S REPORT

To the Stockholder and the Board of Directors,

Mahindra USA, Inc.

Qualified Opinion

We have audited the accompanying separate parent company financial statements of Mahindra USA, Inc. (the "Company"), a Texas Corporation, which comprise the balance sheets as of March 31, 2023, and March 31, 2022, and the related statements of comprehensive income (loss), stockholder's equity, and cash flows for the years then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate parent company financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note B.1 to the separate parent company financial statements, the Company reports its investment in its wholly owned subsidiary at cost. Accounting principles generally accepted in the United States of America require all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of the subsidiary had been consolidated with those of Mahindra USA, Inc., total assets and total liabilities and stockholder's equity would have increased by $211,166 as at March 31, 2023 (March 31, 2022: $193,810) and net income or loss would have increased by $Nil for the year ended March 31, 2023 (March 31, 2022: $Nil).

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Separate Parent Company Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Separate Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the separate parent company financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Separate Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 01, 2023

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

ASSETS	Note	As at March 31, 2023	As at March 31, 2022
Current assets			
Cash and cash equivalents	C	**14,616,696**	37,302,508
Accounts receivable, net	D	**798,686**	10,688,942
Inventories, net	E	**147,021,262**	130,950,397
Accounts and other receivable from related parties	O	**990,741**	344,939
Receivable from employees		**7,596**	8,290
Other current assets		**508,919**	442,488
Total current assets		**163,943,900**	179,737,564
Property, plant and equipment, net	F	**5,920,817**	7,301,770
Deferred tax asset	M	**33,531,095**	34,226,738
Operating lease - right of use asset		**18,720,090**	20,718,848
Total assets		**222,115,902**	241,984,920
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable	H	**31,931,335**	39,735,590
Accounts and other payable to related parties	O	**54,856,623**	75,048,248
Notes payable, current portion	G	**-**	5,000,000
Other current liabilities	I	**78,629,182**	72,225,137
Operating lease - current lease liability		**2,956,426**	2,660,544
Total current liabilities		**168,373,566**	194,669,519
Non-current liabilities			
Operating lease – non-current lease liability		**16,906,840**	18,717,804
Other liabilities		**8,350,961**	5,045,364
Total liabilities		**193,631,367**	218,432,687
Commitments & contingencies *(Refer note U)*			
Stockholder's equity			
Common stock [Class A - $ 0.25 par value and Class B - $0.16 par value, aggregate authorized 1,153,750,000 shares, aggregate issued and outstanding 1,128,500,000 shares]	S	**221,600,000**	221,600,000
Accumulated deficit		**(193,115,465)**	(198,047,767)
Total stockholder's equity		**28,484,535**	23,552,233
Total liabilities and stockholder's equity		**222,115,902**	241,984,920

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating revenues		
Sale of tractors, vehicles and parts and other operating revenues	**517,995,275**	519,600,785
Less: sales incentives	**(73,596,579)**	(59,668,695)
Total net revenue	**444,398,696**	459,932,090
Less: cost of sales (excluding depreciation)	**(374,912,688)**	(372,732,733)
Gross profit	**69,486,008**	87,199,357
Cost and expenses		
Selling, general and administrative expenses	**(63,155,988)**	(81,870,968)
Operating income	**6,330,020**	5,328,389
Finance cost	**(53,989)**	(527,585)
Other income	**1,231,805**	216,710
Loss on disposal of assets	**-**	(16,422)
Net income before impairment and income tax expense	**7,507,836**	5,001,092
Impairment for investment in subsidiary	**-**	(350,000)
Net income (loss) before income tax expense	**7,507,836**	4,651,092
Income tax expense		
Current tax expense	**(1,879,890)**	(965,883)
Deferred tax expense	**(695,644)**	(3,139,200)
Net income after income tax	**4,932,302**	546,009
Other comprehensive income, net of income taxes		
Cash flow hedge reserve, net of tax	**-**	404,256
Total net comprehensive income	**4,932,302**	950,265

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF STOCKHOLDER'S EQUITY
For the years April 01, 2022 to March 31, 2023 and April 01, 2021 to March 31, 2022
(All amounts are stated in United States Dollars, except number of shares)

Particulars	Common stock – Class A (All shares and US$ in 000's)				Common stock – Class B (All shares and US$ in 000's)				Other comprehensive income (loss)	Accumulated deficit	Total stockholder's equity (deficit)
	Authorized		Issued and outstanding		Authorized		Issued and outstanding				
	Shares	Value US$	Shares	Value US$	Shares	Value US$	Shares	Value US$			
As at April 01, 2021	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(404,256)**	**(198,593,776)**	**22,601,968**
Hedging reserve, net of tax position of $0 included in accumulated other comprehensive income	–	–	–	–	–	–	–	–	404,256	–	404,256
Net loss for the year	–	–	–	–	–	–	–	–	–	546,009	546,009
As at March 31, 2022	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	–	**(198,047,767)**	**23,552,233**
As at April 01, 2022	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	–	**(198,047,767)**	**23,552,233**
Net income for the year	–	–	–	–	–	–	–	–	–	4,932,302	4,932,302
As at March 31, 2023	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	–	**(193,115,465)**	**28,484,535**

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Net income after income tax	**4,932,302**	546,009
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**2,751,202**	3,475,768
Unrealized foreign exchange (gain) loss	**(218,698)**	1,806,121
Impairment of investment in wholly owned subsidiary	**-**	350,000
Deferred income tax	**695,644**	3,139,200
Changes in net operating assets and liabilities		
Accounts receivable	**9,244,301**	8,110,608
Inventories	**(16,070,865)**	(2,779,516)
Other current assets	**(66,431)**	1,090,920
Accounts payable	**(28,003,984)**	33,729,878
Operating lease-right of use assets	**1,998,758**	2,195,907
Operating lease-lease liability	**(1,515,082)**	(1,922,198)
Other current and non-current liabilities	**9,709,640**	25,452,921
Net cash (used in) provided by operating activities	**(16,543,213)**	75,195,618
Cash flows from investing activities		
Investment in wholly owned subsidiary	**-**	(350,000)
Purchase of property, plant, and equipment	**(1,370,249)**	(1,432,149)
Net cash used in investing activities	**(1,370,249)**	(1,782,149)
Cash flows from financing activities		
Payment of finance lease obligation	**-**	(10,450)
Notes payable, net	(5,000,000)	(48,000,000)
Net cash used in financing activities	**(5,000,000)**	(48,010,450)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**227,650**	(364,150)
Net (decrease) increase in cash and cash equivalents	**(22,685,812)**	25,038,869
Cash and cash equivalents at the beginning of the year	**37,302,508**	12,263,639
Cash and cash equivalents at the end of the year	**14,616,696**	37,302,508
Supplemental cash flow information		
Income taxes paid	**1,676,117**	1,347,222
Interest paid	**73,668**	629,610

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

NOTE A – NATURE OF OPERATIONS

Mahindra USA, Inc. (the "Company") ("MUSA") was incorporated on June 8, 1994 in the State of Texas and commenced business on March 15, 1995. The Company is owned by Mahindra and Mahindra Ltd. ("M&M"). M&M is a publicly traded corporation, headquartered in Mumbai, India, which, among other activities, manufactures farming equipment and automobiles. The Company sells tractors, parts, attachments, accessories and off-road vehicle in North America under wholesale distribution agreements.

The Company formed a subsidiary on August 9, 2016, Mahindra Mexico S de. R.L. de. C.V. ("MML"), to assemble and sell tractors, parts, attachments and accessories in Mexico and Latin America. MML commenced commercial operations in July 2018.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. Basis of preparation

a. The accompanying separate parent company financial statements (or "financial statements") are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP'), except for investments in its wholly owned subsidiary. The Company reported its investment in Mahindra Mexico S de. R.L. de. C.V. ("MML") using the cost basis for the reporting requirements of its ultimate parent company and shareholder; Mahindra and Mahindra Ltd.

b. All amounts are stated in United States Dollars (USD), except as otherwise specified.

c. The financial statements are presented for the years ended March 31, 2023, and March 31, 2022.

d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net income or stockholder's equity.

2. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates for determination of useful lives for property, plant & equipment, and long-lived assets for impairment, revenue recognition, allowance for incentives and warranties, legal and tax contingencies, provision for doubtful debts, accounting for leases and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

3. Cash and cash equivalents

The Company's cash and cash equivalents comprise of cash and bank balances. The Company does not have any cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in US bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. Revenue recognition

Financial Accounting Standards Board ('FASB') issued Accounting Standards Codification ('ASC') 606 – Revenue from Contracts with Customers in May 2014. The Company early adopted the standard during the year ended March 31, 2019, using modified retrospective method of transition to change its accounting policies.

Revenue from sale of tractors, parts, attachments, accessories and off-road vehicle is recognized when each of the following criteria is met:

1. The Company and an independent dealer approve a contract with commercial substance.
2. The sales price is determinable, and collectability of the payment is probable based on the terms outlined in the contract.
3. Control of the goods is transferred to the dealer when the ordered goods are invoiced to the dealer after credit approval and when the ordered items are ready for shipment.

Transfer of control, and therefore revenue recognition is recorded at a point in time on the date when the tractors, parts, attachments, accessories and off-road vehicles are made available to the dealers.

The Company participates in various retail sales incentives with its dealers. The Company records the estimated retail sales incentive programs offered to dealers as a reduction to revenue at the time of sale to the dealer. The estimate is based on historical data, announced incentive programs, field inventory levels, and retail sales volumes.

<u>Revenue from sale of off-road vehicle products</u>

The Company entered into a distribution agreement with Mahindra North American Technical Center, Inc. ("MNATC"), its related party, for sale of off-road vehicle and its parts and accessories manufactured by MNATC, in North America. The Company recognizes revenue from sales of these off-road vehicle and its parts and accessories on net basis as it is an agent in the transaction, in accordance with 'Principal versus Agent Considerations' guidance of ASC 606. Additionally, the Company receives reimbursements including a markup of certain directly related costs and expenses from MNATC which is recognized as 'other operating revenue' on the statements of comprehensive income (loss). The Company also has an arrangement to pass through sales incentive costs and warranty claims at actuals to MNATC.

Product warranties

The Company establishes reserves for product warranties at the time the related sale is recognized. The Company issues product warranties under which the performance of products delivered is generally guaranteed for a certain term. The accrual for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage.

5. Accounts receivable and allowance for doubtful debts

Accounts receivable is stated at the amount invoiced to the dealers. The Company follows the specific identification method for recognizing allowance for doubtful debts. All amounts deemed to be uncollectible are charged against the allowance for doubtful debts in the period that determination is made. The Company charges off uncollectable amounts against the allowance for doubtful debts in the period in which it determines they are uncollectable. Allowance for doubtful debts is included in other selling, general and administrative expenses in the statements of comprehensive income.

6. Inventories

Inventories are stated at moving average price or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price less applicable selling expenses. The Company writes down obsolete or otherwise unmarketable inventory to its estimated realizable value.

7. Investment in subsidiary

The Company accounts for investment in its subsidiary using the cost method. During the years ended March 31, 2023, and March 31, 2022, the Company has fully impaired the value of investment in the wholly owned subsidiary considering the series of operating losses of the subsidiary, thereby resulting in absence of an ability to recover the carrying amount of the investment.

8. Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase, improvements and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. Depreciation is provided over the useful lives of the related assets using the straight-line method for financial reporting and the modified accelerated cost recovery method for tax purposes. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

The estimated useful life used to determine depreciation is:

Buildings and building improvements	7-10 Years
Furniture and fixtures	3-10 Years
Plant & Machinery	3-7 Years
Computer and software	3-5 Years
Vehicles	3-5 Years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is a part of net operating loss.

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post-implementation/operation stage of an internal use software development project are expensed as incurred.

9. Leases

The Company follows Accounting Standards Codification (“ASC”) 842 Leases which requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company uses the practical expedients permitted under the standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the Management believes it to be immaterial.

The Company’s leases are classified as operating leases, which are included in operating lease right-of-use assets and operating lease liabilities in the Company’s balance sheet. Lease arrangements, which effectively transfer control of the underlying leased item, are capitalized and recognized as finance leases.

Right-of-use (“ROU”) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company’s outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

10. Income taxes

In accordance with the provisions of FASB ASC Topic 740 “Income Taxes,” income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

11. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates as at the last day of the year. Gains or losses, if any, on account of exchange difference either on settlement or translation are recognized in statements of comprehensive income, except those relating to acquisition of fixed assets which are adjusted to the cost of the respective asset.

12. Fair value measurements and financial instruments

The fair value hierarchy requires the use of observable market data when available. In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following table sets forth by level within the fair value hierarchy, the Company’s financial assets and liabilities that are accounted for at fair value on a recurring basis at March 31, 2023 and 2022, according to the valuation techniques the Company used to determine their fair values.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are support by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate such agreements, considering market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and related party dues. The estimated fair value of cash, accounts receivable, accounts payable and related party dues approximate their carrying amounts due to the short-term nature of these instruments. The Company has entered into a cash flow hedge so as to protect the variability of the cash flow stemming from the floating rate interest payments on facility arrangement. As of March 31, 2023, and March 31, 2022, the Company had no outstanding balances on account of cash flow hedges. None of these instruments are held for trading purposes.

13. Interest rate swaps

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on a portion of its notes payable. The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future monthly interest payments. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in accumulated other comprehensive income in the balance sheets. Any ineffectiveness is recorded in earnings. Amounts in accumulated other comprehensive income are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

14. Derivative financial instruments

The Company has obtained floating rate borrowings which are linked to 1 months revolving LIBOR. For managing the interest rate risk arising from changes in LIBOR on such borrowings, the Company has entered into interest rate swap (IRS). The Company has designated the IRS (hedging instrument) and the floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the IRS, the Company pays interest at the fixed rate to the swap counterparty in USD and receives the floating interest payments based on LIBOR in USD. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are offset, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge effectiveness testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

15. Advertising and marketing expenses

The Company subsidizes product advertising carried on by dealers within each dealer's local market and conducts dealer conferences. The Company also advertises in trade magazines, at trade shows and uses various other means of promotion, including product brochures and digital media to increase brand awareness and sale of products in the market. Expenditures without extended advertising value are expensed in the year accrued. The amount of advertising and marketing costs incurred by the Company for the year ended March 31, 2023, amounting to $2,650,743 (March 31, 2022: $3,717,043) is included in 'selling, general and administrative expenses' on the statement of comprehensive income.

16. Shipping and handling cost

The Company generally classifies freight billed to dealers as sales revenue. Shipping and handling activities are considered to be a separate performance obligation.

17. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2023	March 31, 2022
Balances with banks	**14,616,696**	37,302,508
Total	**14,616,696**	37,302,508

NOTE D – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, include the following:

	As at	
	March 31, 2023	March 31, 2022
Accounts receivable from customers	**1,646,936**	12,429,712
Less: allowance for doubtful debts	**(848,250)**	(1,740,770)
Accounts receivable, net of allowances	**798,686**	10,688,942

Accounts receivable as at March 31, 2023 and March 31, 2022 are stated net of provision for doubtful debt and allowances. The Company follows the specific identification method for recognizing allowance for doubtful debts. Accordingly, the Company maintains an allowance for doubtful debts on accounts receivable, based on present and prospective financial condition of the dealer and ageing of accounts receivable after considering historical experience and the current economic environment.

NOTE E – INVENTORIES, NET

Major classes of inventories include the following:

	As at	
	March 31, 2023	March 31, 2022
Finished goods	**53,482,812**	50,759,755
Raw materials	**93,538,450**	80,190,642
Total	**147,021,262**	130,950,397

NOTE F – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, and intangibles include the following:

	As at	
	March 31, 2023	March 31, 2022
Building and building improvements	**5,548,023**	5,442,446
Vehicles	**65,519**	42,511
Furniture and fixtures	**1,068,709**	832,457
Plant & Machinery	**1,651,074**	855,848
Computers and software	**11,274,961**	10,296,444
Less: accumulated depreciation and amortization	**(13,746,477)**	(10,995,275)
Property, plant and equipment, net	**5,861,809**	6,474,431
Capital work-in-progress	**59,008**	827,339
Property, plant and equipment, net	**5,920,817**	7,301,770

Depreciation and amortization expense for the year ended March 31, 2023, amounting to $ 2,751,202 (March 31, 2022: $3,475,768) is included in 'selling, general and administrative expenses' on the statements of comprehensive income.

During the years ended March 31, 2023, and March 31, 2022, capital work-in-progress of $ 2,138,581 and $660,003, respectively, was completed and capitalized to computer and software, building and building improvements and the other property, plant and equipment.

NOTE G – NOTES PAYABLE

As at March 31, 2023, there are no notes payable outstanding. The Company repaid all outstanding notes payable in Sep 2022. The average interest rate paid by the Company during the year on notes payable was 3.02%. Facilities from banks do not carry any restrictive covenants. The Company has an unutilized line of credit of $ 110,000,000.

As at March 31, 2022, the total notes payable outstanding amount to $5,000,000. The average interest rate during the year on these notes payable was 2.01%. The maturity date for the notes payable was in June 2022. Facilities from banks do not carry any restrictive covenants. The Company has an unutilized line of credit of $105,000,000.

As at March 31, 2023 and March 31, 2022, the Company has an irrevocable standby letter of credit for $12,000,000.

	As at	
	March 31, 2023	March 31, 2022
Current portion		
Notes payable	–	5,000,000
Total	–	5,000,000

NOTE H – ACCOUNTS PAYABLE

	As at	
	March 31, 2023	March 31, 2022
Trade payables	**31,931,335**	39,735,590
Total	**31,931,335**	39,735,590

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2023	March 31, 2022
Accrued payables	**78,629,182**	72,225,137
Total	**78,629,182**	72,225,137

Expenses accrued for the years ending March 31, 2023, and March 31, 2022, include advertising, marketing program costs, retail rate buy-downs, cash discounts, state franchise taxes, payroll and payroll taxes, employee bonuses, salesmen and customer bonuses, legal fees, property taxes, insurance deductibles, other expenses and warranty reserves. The Company participates in various retail incentives with its dealers and has accrued for the costs of these programs in effect as of the date of these separate parent company financial statements.

NOTE J – LEASES

General description of the lease

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, and vehicles with varying terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

Package of practical expedients: The Company will not reassess whether any expired or existing contracts are leases or contain leases, the lease classification for any expired or existing leases or any initial direct costs for any expired or existing leases as of the transition date. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the Management believes it to be immaterial.

Additional transition method: The Company adopted the standard using a modified retrospective approach, applying the standard's transition provisions at the beginning of the period of adoption and maintain previous disclosure requirements for comparative periods.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of income.

Right of use (ROU) asset relating to finance lease of $ 52,746 as of March 31, 2023 (March 31, 2022: $293,992), is included in "property, plant and equipment, net" and lease liability relating to capital lease is $Nil as of March 31, 2023 (March 31, 2022: $Nil).

The table below presents the classification of lease related expenses as reported in the statements of comprehensive income.

	For the year ended	
Particulars	**March 31, 2023**	March 31, 2022
Amortization of ROU asset on finance lease (a)	**241,246**	367,664
Interest on finance lease liability (b)	**–**	208
Operating lease expense (c)	**4,161,592**	3,600,281
Total lease expense	**4,402,838**	3,968,153

(a) Amortization of ROU asset relating to finance lease is included in 'selling, general and administrative expenses' in the statements of comprehensive income.

(b) Interest on finance lease liability is included in 'finance cost' in the statements of comprehensive income.

(c) Operating lease expenses are included in 'selling, general and administrative expenses' in the statements of comprehensive income. Operating lease expenses include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2023, for operating leases having an initial or remaining non-cancelable lease term in excess of one year are as follows.

Year ended March 31,	**Operating lease**
2024, 2025 and 2026	11,461,322
2027 and 2028	6,476,760
2029 onwards	6,560,461
Total minimum lease payments	**24,498,543**
Less: Interest	4,635,277
Total lease liabilities	**19,863,266**

The following table presents the weighted-average remaining lease term and discount rates as of:

	March 31, 2023	**March 31, 2022**
Weighted-average remaining lease term (years)		
Operating leases	**6.34**	7.92
Weighted-average discount rate		
Operating leases	**4.36%**	4.50%

The following table presents supplemental information for operating and finance leases.

	For the year ended	
	March 31, 2023	**March 31, 2022**
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	**4,196,896**	3,590,861
Financing cash flows from finance leases	**-**	10,450
Operating cash flows from finance leases	**-**	208
Non-cash lease assets obtained in exchange for new lease liabilities		
Operating leases	**796,403**	41,846

Long term finance lease obligation is calculated as:

	As at	
	March 31, 2022	March 31, 2021
Total finance lease obligation	**–**	10,450
Less: Current portion	**–**	(10,450)
Long term capital lease obligation	**–**	**–**

NOTE K – INCOME TAXES

The Company files state tax returns and federal tax returns at the standalone level. The components of the provision for income tax expense are as follows:

	For the year ended	
	March 31, 2023	March 31, 2022
Current taxes		
Federal	**834,612**	659,622
State	**1,045,278**	306,261
Deferred taxes		
Federal	**1,469,519**	2,638,488
State	**(773,875)**	500,712
Total	**2,575,534**	**4,105,083**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

As of March 31, 2023 the Company has net deferred tax assets of $ 57,954,964. This is mainly attributable to three components, deferred tax on accrued dealer incentive of $12,070,266, accrued expenses of $6,983,122 and on net operating losses $34,694,287. Other components refer to deferred taxes on various other expenses, including slow moving inventory, warranty reserves and allowance for uncollectible accounts receivable. Out of total deferred tax assets, the Company has recognized deferred tax assets of $33,531,095 and created valuation allowance on the remaining balance of $24,423,869.

As of March 31, 2022, the Company has net deferred tax assets of $58,072,080. This is mainly attributable to three components, deferred tax on accrued dealer incentive of $7,954,607, accrued expenses of $5,664,699 and on net operating losses $38,351,173. Other components refer to deferred taxes on various other expenses, including slow moving inventory, warranty reserves and allowance for uncollectible accounts receivable. Out of total deferred tax assets, the Company has recognized deferred tax assets of $34,226,738 and created valuation allowance on the remaining balance of $23,845,342.

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the evaluation of positive and negative evidence, the Company has determined that the entire amount of deferred tax assets may not be realizable in near future and accordingly created a valuation allowance of $24,423,869 and $23,845,342 as of March 31, 2023 and March 31, 2022, respectively.

The Company has federal net operating losses of $136,543,491 and $ 148,861,293 as at March 31, 2023 and March 31, 2022, respectively. These net operating losses generated will be carried forward indefinitely. The Company has state net operating loss carryforwards of approximately $135,427,071 and $ 137,686,118 as at March 31, 2023 and March 31, 2022, which if unutilized will expire based on the statutes of various states.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2023 and March 31, 2022.

The tax years 2019 to 2021 remain subject to examination by the taxing authorities.

NOTE L – EMPLOYEE BENEFIT PLANS

The Company adopted a 401(k)-retirement plan effective April 1, 1998. The total expense for employee retirement contribution plans for the year ended March 31, 2023, was $339,704 (March 31, 2022 – $337,321). The amounts have been included in selling, general and administrative expenses.

NOTE M – RELATED PARTY TRANSACTIONS

The Company had transactions relating to loans, advances, issue of shares and investments with following related parties:

A. Ultimate Parent Company

1. Mahindra and Mahindra Ltd.

B. Fellow Subsidiaries

1. Mahindra Integrated Business Solution Limited
2. Bristlecone India Limited
3. Bristlecone Inc.
4. Mahindra and Mahindra Financial Services Ltd
5. Mahindra Automotive Australia Pty Ltd.
6. Mahindra Vehicle Manufacturers Limited
7. Mahindra do Brasil Industrial Ltd.
8. Mahindra Overseas Investment Company Mauritius Limited
9. Mahindra Automotive North America Inc.
10. Mahindra North American Technical Center, Inc.

C. Associates

1. Mitsubishi Mahindra Agricultural Machinery Co., Ltd
2. Mahindra Finance USA, LLC
3. Tech Mahindra (Americas) Inc

D. Subsidiary of the Company

1. Mahindra Mexico S de RL de CV

The Company purchases tractors and parts from related parties, including M&M and Mitsubishi Mahindra Agricultural Machinery Co. Ltd., on an open account, which is paid when due. Accounts payable are net of amounts the Company has paid for warranty claims and legal fees.

The Company has the following payables:

	As at	
	March 31, 2023	March 31, 2022
Mahindra and Mahindra Ltd., Farm Equipment Sector	**38,934,764**	44,342,563
Mitsubishi Mahindra Agricultural Machinery Co., Ltd	**14,933,048**	29,888,598
Mahindra and Mahindra Ltd., Auto Sector	**606,200**	–
Mahindra and Mahindra Ltd., Head Office	**124,313**	91,281
Mahindra Integrated Business Solution Limited	**16,250**	86,218
Bristlecone India Limited	**25,056**	23,077
Mahindra North American Technical Center, Inc.	**167,676**	569,852
Mahindra Automotive North America Inc.	**49,316**	46,659
Total	**54,856,623**	75,048,248

In addition, the Company conducts business and records transactions with related parties for goods and services. As a result, the Company has the following receivables:

	As at	
	March 31, 2023	March 31, 2022
Mahindra and Mahindra Ltd., Farm Equipment Sector	**24,628**	205,636
Mahindra and Mahindra Financial Services Ltd.	**44,952**	21,148
Mahindra and Mahindra Ltd., Auto Sector	**–**	–
Mahindra Automotive Australia Pty Ltd.	**183,122**	118,155
Mahindra North American Technical Center, Inc.	**606,886**	–
Tech Mahindra (Americas) Inc	**131,153**	–
Total	**990,741**	344,939

The Company entered into transactions with its related parties in the normal course of business. The Company's purchases of tractors and parts from M&M Ltd. and Mitsubishi Mahindra Agricultural Machinery Co. Ltd. for the years ended March 31, 2023, and March 31, 2022, were $172,317,114 and $ 179,391,802, respectively. The dealers of Mahindra USA, Inc. avail themselves of a financing facility from Mahindra Finance USA LLC.

The Company's net revenue from sale of off-road vehicle products amounted to $637,666 and total cost and expense reimbursements amounted to $2,169,310, with Mahindra North American Technical Center, Inc. for the year ended March 31, 2023 (March 31, 2021: NIL).

NOTE N – FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant credit risk consist principally of cash and accounts receivable. Risks associated with cash are mitigated by banking with financial institutions that management believes to be of high credit quality. The Company performs ongoing credit evaluations of its dealers and maintains reserves for potential credit losses. To date, such losses have been within management's expectations.

NOTE O – RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The effects of coronavirus (COVID) and the related actions of governments and other authorities to contain COVID continue to affect the Company's operations, results, cash flows, and forecasts. The future financial effects of COVID are unknown due to many factors. The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE P – ASSEMBLY AND SERVICE AGREEMENT

The Company has entered into agreements with third party assemblers for the final assembly of tractors. These agreements stipulate that assemblers are to assemble the tractors in accordance with procedures provided by the Company so that the tractors are ready for sale to dealers. The assemblers store inventory owned by the Company in a secure location.

The assemblers are paid on a piecemeal basis at various rates depending on the respective model and related accessories. These rates are reviewed and negotiated at regular intervals.

NOTE Q – STOCKHOLDER'S EQUITY

Authorized common stock

The authorized Class A common stock is 460,000,000 shares with a par value of $ 0.25 and the authorized Class B common stock is 693,750,000 shares with a par value of $0.16 as at March 31, 2023 and as at March 31, 2022.

Common stock issued

Class A common stock issued and outstanding is 456,000,000 shares at $ 0.25 par value each and Class B common stock issued and outstanding is 672,500,000 shares at $0.16 par value each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE R – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date at which financial statements were available for issue. There were no subsequent events or transactions identified which require disclosure.

NOTE S – COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved in various legal proceedings which are considered ordinary litigation incidents to its business. In the management's opinion, adequate provisions have been made for the contingencies and none of the current litigation will have a materially adverse effect on the Company's financial position.

As of March 31, 2023, and March 31, 2022, the Company did not have any capital commitment outstanding.

STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2023, AND 2022

		(In Mexican pesos)
	2023	2022
Assets		
Current assets		
Cash & Cash Equivalent	**3,818,889**	3,818,889
Other Current Assets	**–**	–
Inventory	**–**	–
VAT Receivable	**1,002**	1,002
Total Current Assets	**3,819,891**	3,819,891
Non-current Assets		
Furniture & Equipment	**–**	–
Other Long Term Assets	**–**	–
Tax in favour	**–**	–
Total Non-Current Assets	**–**	–
Total Assets	**3,819,891**	3,819,891
Liabilities		
Current Liabilities		
Bank Loans	**–**	–
Suppliers	**26,093**	26,093
Due to Related Parties	**–**	–
Other Payables	**28,160,613**	28,160,613
Total Current Liabilities	**28,186,706**	28,186,706
Stockholders' deficit		
Common Stock	**217,186,300**	217,186,300
Accumulated Deficit	**(241,553,116)**	(241,553,116)
Net loss for the year	**–**	–
Total Stockholders' equity	**(24,366,816)**	(24,366,816)
Total Liabilities and Stockholders equity	**3,819,890**	3,819,890

STATEMENT OF INCOME FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

		(In Mexican pesos)
	2023	2022
Net sales	–	6,743,408
Cost of sales	–	4,211,821
Gross profit	–	2,531,587
Expenses:		
Administrative expenses	–	908,394
Selling expenses	–	1,526,690
Total	–	2,435,084
Interest Costs and Foreign Exchange Gain, net	–	96,503
Income Tax	–	–
Net loss of the year	–	–

The company is under liquidation from 1st November, 2021 when the liquidator was appointed. As the company is in liquidation it has ceased to do any trade. As per applicable local laws and regulations of the country of its incorporation there is no need to carry out any statutory audit or file any other financial closures for the Company. Accordingly Unaudited Financials Statements are being reported for the year ending 31st March, 2023.

STATEMENT OF CHANGES IN STOCKHOLDERS' FOR THE YEAR ENDED MARCH 31, 2023 AND 2022

(In Mexican pesos)

	Common stock	Accumulated losses	Stockholder´s total
Balances as at March 31, 2020	38,732,800	(218,257,131)	(179,524,331)
Common Stock Increase	171,380,000	–	171,380,000
Loss of the year	–	(23,295,985)	(23,295,985)
Balances as at March 31, 2021	**210,112,800**	**(241,553,116)**	**(31,440,316)**
Common stock increase	**7,073,500**	**–**	**7,073,500**
Loss of the year	**–**	**–**	**–**
Balances as at March 31, 2022	**217,186,300**	**(241,553,116)**	**(24,366,816)**
Loss of the year	**–**	**–**	**–**
Balances as at March 31, 2023	**217,186,300**	**(241,553,116)**	**(24,366,816)**

STATEMENT OF CASH FLOWS

FOR THE YEAR THEN ENDED MARCH 31, 2023 AND 2022

		(In Mexican pesos)
	2023	2022
Loss before income taxes	–	–
Depreciation & Amortisation	–	737,731
Total	–	737,731
Increase/(decrease) in:		
Accounts Receivables	–	–
Inventory	–	659,232
Recoverable VAT	–	5,361,036
Taxes in Favor	–	14,637,790
Other Current Assets	–	922,184
Suppliers	–	(825,135)
Due to Related Parties	–	(18,821,231)
Other Payables	–	(35,545,194)
Net cash used in operating activities	–	(32,873,587)
Investment Activities		
Machinery and Equipment, net	–	(737,199)
Net Cash used in Investing Activities	–	(737,199)
Excess cash to apply in financing activities	–	(33,610,786)
FINANCING ACTIVITIES:		
Bank Loans and Interest Paid	–	–
Common stock	–	7,073,500
	–	7,073,500
Increase in cash and cash equivalents	–	(26,537,286)
Cash at the beginning of the period	**3,818,888**	30,356,174
Cash at the end of the period	**3,818,888**	3,818,888

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
Officers of
Mahindra do Brasil Industrial Ltda.
Dois Irmãos - RS

Opinion

We have examined the financial statements of **Mahindra do Brasil Industrial Ltda.**, which comprise the balance sheet as of March 31, 2023, and the related statements of income, changes in members' equity and cash flows for the fiscal year then ended, as well as the summary of the main accounting practices and other explanatory notes.

In our opinion, the financial statements referred to above fairly state in all material aspects the equity and financial position of **Mahindra do Brasil Industrial Ltda.** as of March 31, 2023, the performance of its operations, and its cash flows for the fiscal year ended on that date, in accordance with the accounting practices adopted in Brazil.

Foundation for Opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the financial statements audit." We are independent in regard to the Company in accordance with the relevant ethical principles set out in the Code of Ethics for Professional Accountants and professional standards laid down by the Federal Accounting Council and we comply with all the other ethical responsibilities in accordance with these standards. We believe the audit evidence we achieved is sufficient and appropriate to substantiate our opinion.

Governance and Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in Brazil and the internal controls deemed necessary by Management for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing its operations.

Those responsible for the Company governance are those responsible for supervising the preparation process of the financial statements.

Auditors' Responsibility for the Audit of the Financial Statements

Our goals are to obtain reasonable assurance that the financial statements are jointly free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards will always detect any material misstatements. Such misstatements may occur due to fraud or error and are considered material when, individually or jointly, they can influence, from a reasonable perspective, the economic decisions of the users based on the referred financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, and obtain appropriate and sufficient audit evidence to substantiate our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that of error, as fraud may involve circumvention of internal controls, collusion, counterfeiting, omission, or willful misrepresentation.
- We obtain understandings of internal controls relevant to auditing in order to plan appropriate audit procedures in given circumstances, but not for the purpose of expressing opinion on the effectiveness of the Company's internal controls.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by Management.
- We conclude on the adequacy of the Executive Board's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a relevant uncertainty in regard to events or conditions that may cause significant doubt concerning the capacity for operational continuity of the Company. If we conclude there is material uncertainty when preparing our audit report, we will highlight the relevant disclosures in the financial statements or include modification in our opinion in the event the disclosures were inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer be in operational continuity.
- We assess the overall submission, structure, and content of financial statements, including disclosures, and whether the financial statements represent the related transactions and events in a manner consistent with the appropriate submission goal.

We communicate with governance, among other aspects, on the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in the internal controls identified during our work.

Porto Alegre, RS, April 26th, 2023.

Sérgio Laurimar Fioravanti
Accountant – CRCRS No. 48.601

Viviane Barcelos Cangussu Machado
Accountant – CRCRS No. 68.068

Baker Tilly Brasil RS Auditores Independentes S/S
CRCRS No. 006706/O
CVM 12.360
CNAIPJ 000023

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

BALANCE SHEET

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

Asset	**03/31/2023**	03/31/2022
Current		
Cash and cash equivalents (Note 3)	**41,128**	10,615
Trade receivables (Note 4)	**32,155**	19,132
Inventories (Note 5)	**101,657**	40,124
Taxes recoverable (Note 6)	**6,272**	6,833
Other credits (Note 7)	**3,155**	2,678
Advances to suppliers	**647**	96
	185,014	79,478
Noncurrent asset		
Financial investments	**–**	65
	–	65
Deposits in Court	**121**	–
Property, plant, and equipment (Note 8)	**2,438**	1,707
Intangible assets (Note 9)	**25**	41
Total noncurrent	**2,584**	1,813
Total assets	**187,598**	81,291

Explanatory notes are an integral part of the financial statements.

BALANCE SHEET

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

Liabilities	03/31/2023	03/31/2022
Current		
Suppliers (Note 10)	99,021	45,891
Loans and financing (Note 11)	–	10,426
Taxes receivable and installments (Note 12)	3,695	2,756
Salaries and vacation payable	1,443	1,180
Advances from Customers	949	739
Miscellaneous Provisions	2,617	1,616
Other accounts payable	46	21
	107,771	62,629
Noncurrent		
Fiscal/tax installments (note 12)	**–**	38
Warranty provisions	**10,296**	5,001
Total noncurrent	**10,296**	5,039
Total liabilities	**118,067**	67,668
Members' equity		
Capital (Note 15)	**60,975**	60,975
Equity valuation adjustment	**–**	(2,618)
Retained income	**8,556**	(44,734)
	69,531	13,623
Total liabilities and members' equity	**187,598**	81,291

Explanatory notes are an integral part of the financial statements.

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

STATEMENT OF INCOME

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

	03/31/2023	03/31/2022
Revenue (Note 16)	**293,775**	177,856
Cost of sales (Note 17)	**(192,557)**	(135,949)
Gross profit	**101,218**	41,907
Marketing and Sales Expenses (Note 18)	**(13,546)**	(8,406)
General administrative and tax expenses (note 19)	**(5,918)**	(4,797)
Other Operating Revenue/Expenses	**1,034**	(1,432)
Operating profit	**82,788**	27,272
Financial income (note 20)		
Financial expenses	**(9,660)**	(4,872)
Financial revenues	**2,688**	620
	(6,972)	(4,252)
Profit for the fiscal year before income tax and social contribution	**75,816**	23,020
Income tax and social contribution		
Current	**(19,908)**	(6,591)
	(19,908)	(6,591)
Profit for the fiscal year	**55,908**	16,429
Number of shares at the end of the fiscal year	**60,975,100**	60,975,100
Income per membership interest in BRL	**0.92**	0.27

Explanatory notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

In BRL	Capital	Equity valuation adjustment	Accumulated profits (losses)	Total
Balance as of March 31, 2021	**60,975**	**(2,618)**	**(61,163)**	**(2,806)**
Capital				
Profit for the fiscal year			16,429	16,429
Balance as of March 31, 2022	**60,975**	**(2,618)**	**(44,734)**	**13,623**
Capital				
Equity valuation adjustment		**2,618**	**(2,618)**	**–**
Profit for the fiscal year			**55,908**	**55,908**
Balance as of March 31, 2023	**60,975**	**–**	**8,556**	**69,531**

Explanatory notes are an integral part of the financial statements.

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

CASH FLOW STATEMENT

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

	03/31/2023	03/31/2022
Cash flow in operating activities		
Loss for the fiscal year	**55,908**	16,429
Adjustments for:		
Inventory Adjustment	**585**	656
Slow turn provision	**178**	(936)
Fixed asset write-off	**783**	356
Scrap write-off	**376**	1,092
Depreciation and amortization	**496**	(51)
Write-off (recovery) of tax credit	**(1,623)**	1,078
	56,703	18,624
Changes in assets and liabilities		
(Increase) decrease in trade receivables	**(13,023)**	(6,682)
(Increase) decrease in inventories	**(62,672)**	(14,702)
(Increase) decrease in advances	**(551)**	188
(Increase) decrease in tax recoverable	**2,184**	(107)
(Increase) decrease in other credits	**(477)**	(1,739)
(Increase) decrease in goods kept for sale	**–**	968
Increase (decrease) in suppliers and related parties	**53,130**	12,420
Increase (decrease) in taxes and installments payable	**901**	1,079
Increase (decrease) in salaries and vacation payable	**263**	120
Increase (decrease) in advance payments from customers	**210**	738
Increase (decrease) in miscellaneous provisions	**6,175**	1,367
Increase (decrease) in other accounts payable	**25**	17
Cash flow in operating activities	**(13,835)**	(6,333)
Cash flow from investing activities		
Property, plant, and equipment transfers	**(651)**	1,624
Acquisition of property, plant, and equipment and intangible assets	**(1,344)**	(629)
Cash flow used in investment activities	**(1,995)**	995
Cash flow from financing activities		
Loans and financing	**(10,426)**	(6,820)
Long-term Investments	**65**	75
Cash from (used in) financing activities	**(10,361)**	(6,745)
Net increase in cash and cash equivalents	**30,513**	6,541
Cash and cash equivalents in April 1	**10,615**	4,074
Cash and cash equivalents in March 31	**41,128**	10,615

Explanatory notes are an integral part of the financial statements.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

1. Operational Context

Mahindra do Brasil Industrial Ltda is a company headquartered in Dois Irmãos-RS, at Rua 10 de Setembro, 1097, in Bairro Centro. The company was incorporated on January 14, 2016.

The company's main objective is the Manufacture of Agricultural Tractors, Parts, and Accessories, as well as the wholesale trade of new and used cars, vans, and utility vehicles; retail sale of new cars, vans, and SUVs; retail trade of used parts and accessories for motor vehicles; wholesale trade of machinery, apparatus, and equipment for agricultural use; parts and pieces; maintenance and mechanical repair services for motor vehicles; installation of industrial machines; manufacture of other equipment and devices not previously specified; wholesale trade of new parts and accessories for motor vehicles; other private-equity firms, except holding companies; Other service activities provided primarily to companies not previously specified; body shop or bodywork and painting services for motor vehicles.

2. Summary of the Main Accounting Policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in all the fiscal years presented, unless otherwise specified.

The financial statements were approved by the Management as of April 24, 2023.

2.1 Basis for Preparation

The preparation of the financial statements requires the use of certain critical accounting estimates, as well as the exercise of judgment by the Company's management in the application of the accounting policies. The areas that require a higher level of judgment and are more complex, as well as those with assumptions and estimates that are significant for the financial statements, are disclosed in Note 2.15.

(a) Financial Statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements, guidelines, and interpretations issued by NBC TG in accordance with Laws no. 6404/1976 and 11638/2007.

2.2 Foreign Currency Conversion

Functional and Presentation Currency

The items included in the Company's financial statements are measured using the currency of the main economic environment in which the Company operates ("functional currency"). The financial statements are presented in reais (BRL), which is the Company's functional currency.

Foreign Currency Transactions

Transactions in foreign currency are converted into reais at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the reporting date are translated into the functional currency at the exchange rate calculated on that date. The foreign exchange gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for interest and payments effective during the period, and the amortized cost in a foreign currency at the exchange rate at the end of the reporting period. Foreign currency differences resulting from the conversion are recognized in the income.

2.3 Balancing of Income

The income of operations is ascertained in consideration of the accounting accrual basis.

2.4 Cash and Cash Equivalents

They are comprised of financial resources held in cash, bank accounts, and financial investments. Financial investments are valued at cost, plus income earned through the balance sheet date. These financial instruments are intended for trading and are recorded at realizable values (Note 3).

2.5 Financial Instruments

Recognition and Measurement

The Company classifies its financial assets under the following categories: loans and receivables are measured at fair value through income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets in the initial recognition.

Loans and Receivables

This category includes receivables that are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the balance sheet date (these are classified in noncurrent assets). The Company's receivables comprise trade accounts receivable, other trade receivables, and cash and cash equivalents, except for short-term investments. Receivables are recorded at amortized cost using the effective interest method.

Financial Assets Measured at Fair Value Through Income

Financial assets measured at fair value through income are financial assets held for active and frequent trading. Assets in this category are classified in current assets. Gains or losses arising from changes in the fair value of financial assets measured at fair value through income are presented in the statement of income under "financial statement" in the period in which they occur. They basically refer to short-term financial investments.

2.6 Non-derivative Financial Liabilities

The Company recognizes debt securities issued and subordinated liabilities initially on the date they are originated. All other financial liabilities are initially recognized on the trade date, on which the Company becomes a party to the contractual provisions of the instrument. The Company writes off a financial liability when its contractual obligations are discharged, canceled, or expired.

Financial assets and liabilities are offset, and the net amount submitted in the balance sheet only when the Company currently has a legal right to offset the amounts and intends to liquidate them on a net basis or to realize the asset and settle the liability simultaneously. The Company has the following non-derivative financial liabilities: loans with related parties, suppliers, loans, and other accounts payable.

Such liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

2.7 Inventories

This cost is based on the average price principle and comprises incurred expenses from inventory purchases, as well as their respective shipping costs.

The net realizable amount is the estimated sales price in the normal course of business, deducted from the estimated costs for completion and sales expenses.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

2.8 Property, Plant, and Equipment

(a) Recognition and Measurement

The Company chose to revalue property, plant, and equipment at deemed cost on October 31, 2016. The effects of deemed cost decreased property, plant, and equipment against members' equity, net of tax effects (Note 8).

After the transition of the NBC TG's, property, plant, and equipment items are now measured at the historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses.

Cost includes expenses that are directly attributable to the purchase of an asset. Software purchased to enable the functionality of a device is capitalized as part of such equipment.

Gains and losses on the disposal of property, plant, and equipment are determined by comparing the proceeds arising from the disposal with the book value of the fixed asset, and are recognized as net within other revenues in the income.

(b) Subsequent Costs

The replacement cost of property, plant, and equipment is recognized in the carrying amount of the asset in the event it is probable that the economic benefits incorporated into the asset will flow to the Company and provided that their cost can be reliably measured. The carrying amount of the asset that has been replaced by another asset is written off. Recurring maintenance of property, plant, and equipment are recognized in the income as incurred.

(c) Depreciation

Depreciation is recognized in the income based on the straight-line method in relation to the estimated useful life of each part of property, plant, and equipment, since this is the method that most closely reflects the consumption pattern of future economic benefits incorporated into the asset.

2.9 Reduction to Impairment

The Company analyzes the existence of evidence that the carrying amount of an asset will not be recovered. If such evidence is identified, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the highest value between: (a) its fair value less costs that would be incurred to sell it and (b) its value in use. The value in use is equivalent to the discounted cash flows (before taxes) derived from the continued use of the asset until the end of its useful life.

When the residual book value of the asset exceeds its recoverable value, the Company recognizes a reduction in the book balance of this asset (impairment or deterioration). For assets recorded at cost, the impairment is recorded in the income for the period. If the recoverable amount of an individual asset is not determined, an analysis of the recoverable amount of the cash-generating unit to which the asset belongs is performed.

2.10 Provisions

Allowance is recognized due to a past event and if the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an economic resource will be required to settle the obligation. Provisions are calculated by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the value of money at that time and specific risks for the liability.

Financial liabilities are classified as financial liabilities at fair value through the income, as the case may be. The Company determines the classification of its financial liabilities at the time of their initial recognition. The Company's financial liabilities include accounts payable to suppliers, tax and labor obligations.

2.11 Capital

The membership interests are all paid in and classified as members' equity. Mandatory minimum dividends, if any, as defined in the articles of association, are recognized as a liability.

2.12 Operating Revenue

Operating revenue from the sale of goods in the ordinary course of business is measured at the fair value of the compensation received or receivable. Operating income is recognized when there is convincing evidence that: i) the most significant risks and benefits inherent in the ownership of the goods have been transferred to the buyer, which in the Company's case is when the products are delivered to its customers, ii) that it is probable that the economic and financial benefits will flow to the Company, iii) that the associated costs and the possible return of goods can be estimated reliably, iv) that there is no ongoing involvement with the goods sold, and v) that the value of operating revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be reliably measured, then the discount is recognized as a reduction in operating revenue as sales are recognized.

2.13 Financial Revenue and Expenses

Financial income basically comprises interest income, discounts, income from financial investments and gains from exchange variation.

Financial expenses include interest expenses, financial expenses, and loans and financing, as well as the respective passive exchange variations.

2.14 Income Tax and Social Contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus an additional 10% on taxable income exceeding BRL 240,000 for income tax and 9% on taxable income for social contribution, and consider the offset of tax losses and negative basis of social contribution, limited to 30% of real profit.

2.15 Critical Accounting Estimates and Judgments

Estimates and accounting judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances.

Based on assumptions, the Company makes estimates regarding the future. By definition, the resulting accounting estimates will rarely correspond to the actual related results. Estimates and assumptions which present significant risk and are likely to cause a material adjustment in the book values of assets and liabilities for the next fiscal year are included in the following explanatory notes.

3. Cash and Cash Equivalents

	03/31/2023	03/31/2022
Cash	**1**	1
Cash in bank account	**189**	669
Investments	**40,938**	9,945
	41,128	10,615

The Company makes financial investments in large financial institutions with the purpose of generating financial income while not using the resources. Investments in reais are made in CDBs and Investment Funds issued by the bank and repo (repurchase) operations, the repo (repurchase) is an investment in bank leasing debentures with daily liquidity and guarantee of repurchase by the bank.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

4. Trade Receivables

	03/31/2023	03/31/2022
Brazilian clients	**33,500**	20,478
(-) Allowance for expected losses	**(1,346)**	(1,346)
	32,155	19,132

The Company sells its products directly to its dealers through its commercial department. The provision for expected losses is considered sufficient by management, considering the company's history of losses.

5. Inventories

	03/31/2023	03/31/2022
Raw material:	**25,099**	9,614
Inventory in transit	**47,830**	17,192
Finished products	**2,553**	1,370
Third-party inventories in our possession	**–**	27
Goods for resale	**71**	2,672
Statement tractor inventory	**2,156**	827
(-) Provision for inventory loss - others	**(1,502)**	(1,324)
Third party tractor inventory - general warehouse	**25,305**	9,603
Products in possession of third parties	**145**	143
	101,657	40,124

6. Taxes Recoverable

	03/31/2023	03/31/2022
ICMS recoverable	**528**	1,580
PIS recoverable	**1,169**	996
COFINS recoverable	**4,387**	4,000
Other taxes	**188**	257
	6,272	6,833

In March 2023, the Company recognized the final and unappealable decision related to the lawsuit filed against the Federal Revenue Service of Brazil excluding ICMS from the PIS and COFINS calculation basis. To this end, it registered the updated credit in the amount of BRL 280 and BRL 1,343 respectively.

7. Other Credits

	03/31/2023	03/31/2022
Other trade receivables	**111**	1,189
Amounts to be appropriated	**442**	477
Advance of labor funds	**37**	46
Advances to forwarding agents and suppliers	**2,565**	966
	3,155	2,678

Amounts in Accounts Receivable refer to reimbursement from the controller, in addition to consortium quotas, awaiting consideration. Advances to forwarding agents and suppliers refer to import processes in transit, as well as expenses with fairs to be appropriated, respectively.

8. Property, Plant, and Equipment

a) Composition

								03/31/2022
		Cost			**Depreciation**			
	Depreciation rate	**History**	**Adjustment to present value**	**Total**	**History**	**Adjustment to present value**	**Total**	**Net**
Machinery and Equipment	10% per year	979	672	1,651	(271)	(379)	(649)	1,002
Tools		41	–	41	(6)	–	(6)	35
Improvements in property owned by third parties	20% per year	208	–	208	(61)	–	(61)	147
Furniture and fixtures	10% per year	386	(639)	(253)	(197)	341	145	(109)
IT - Equipment	20% per year	245	(24)	221	(160)	26	(133)	87
Facilities	10% per year	263	(245)	18	(135)	133	(0)	18
Test tractors		267	–	267	–	–	–	267
Property, plant, and equipment held by third parties		–	–	–	–	–	–	–
Tractors used in exhibitions/fairs		–	–	–	–	–	–	–
Property, plant, and equipment (ongoing)		–	–	–	–	–	–	–
Development in prototypes		260	–	260	–	–	–	260
		2,650	**(237)**	**2,413**	**(827)**	**122**	**(705)**	**1,707**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

								03/31/2023
		Cost			Depreciation			
	Depreciation rate	History	Adjustment to present value	Total	History	Adjustment to present value	Total	Net
Machinery and equipment	10% per year	1,161	–	**1,161**	(417)	–	**(417)**	**744**
Tools		192	–	**192**	(44)	–	**(44)**	**148**
Improvements in property owned by third parties	20% per year	258	–	**258**	(218)	–	**(218)**	**40**
Furniture and fixtures	10% per year	11	–	**11**	(5)	–	**(5)**	**6**
IT - Equipment	20% per year	272	–	**272**	(193)	–	**(193)**	**79**
Improvement in progress in third-party properties		9	–	**9**	–	–	**–**	**9**
Facilities	10% per year	162	–	**162**	(96)	–	**(96)**	**67**
Test tractors		502	–	**502**	–		**–**	**502**
Engineering tooling		224	–	**224**	(50)		**(50)**	**174**
Property, plant, and equipment (ongoing)		46	–	**46**	–		**–**	**46**
Development in prototypes		623	–	**623**	(0)		**(0)**	**622**
		3,460	**–**	**3,460**	**(1,022)**	**–**	**(1,022)**	**2,438**

b) Transaction

	Machinery and equipment	Tools	Improvements in third-party assets	Furniture and fixtures	IT - Equipment	Property, plant, and equipment (ongoing)	Improvement in progress in third-party properties	Facilities	Test tractors	Engineering tooling	Development in prototypes	Total
Cost												
Opening Balance	1,665	41	208	(253)	221	–	–	19	267	–	260	2,427
Additions	278	23	52	–	62	46	174	–	243	102	362	1,342
Write-offs	(852)	(30)	(2)	264	(38)	–	(165)	119	(48)	(29)	–	(783)
Transfers	71	158	–	–	28	–	–	26	41	152	–	474
Closing Balance	**1,161**	**192**	**258**	**11**	**272**	**46**	**9**	**163**	**502**	**224**	**622**	**3,460**
Depreciation												
Opening Balance	(663)	(6)	(61)	144	(133)	–	–	(0)	–	–	–	(720)
Additions	172	(38)	(158)	(356)	(110)	–	–	(164)		(50)	–	(704)
Write-offs	56	–	1	65	50	–	–	54	–	–	–	226
Transfers	19	0	–	143	–	–	–	14	–	–	–	177
Closing Balance	**(417)**	**(44)**	**(218)**	**(5)**	**(193)**	**–**	**–**	**(96)**	**–**	**(50)**	**–**	**(1,022)**
Balance as of Mar. 31, 2022	**1,002**	**35**	**147**	**(109)**	**87**	**–**	**–**	**18**	**267**	**–**	**260**	**1,707**
Balance as of Mar. 31, 2023	**744**	**148**	**40**	**6**	**79**	**46**	**9**	**67**	**502**	**174**	**622**	**2,438**

9. Intangible Assets

		03/31/2022	03/31/2023		
	Amortization rate	Net	Cost	Accumulated amortization	Net
IT - Software and Licenses	20% per year	41	2	**(18)**	**25**
		41	2	**(18)**	**25**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

10. Suppliers

The Company has suppliers abroad of inputs that are related parties: Mahindra & Mahindra and Erkunt.

	03/31/2023	03/31/2022
National suppliers	**6,407**	7,189
International suppliers	**92,614**	38,702
	99,021	45,891

The obligations with the controller refer to the purchase of inputs and finished products without foreign exchange exposure, whose payment term is 180 days from the date of shipment.

11. Loans and Financing

	03/31/2023	03/31/2022
Citibank S.A.	**–**	10,426
	–	10,426

In June 2022, the Company settled the residual loan in the total amount of BRL 10,954.

12. Taxes Payable and Installments

	03/31/2023	03/31/2022
IRRF	**61**	48
CSRF	**10**	8
ICMS	**1,651**	1,825
IRPJ/CSLL	**2,292**	691
Other	**21**	20
RFB simplified installments	**47**	202
(-) Interest to be incurred	**(9)**	(38)
(-) Tax reversal - billed and not shipped	**(378)**	–
Total current	**3,695**	2,756
RFB simplified installments		47
(-) Interest to be incurred	**–**	(9)
Total noncurrent	**–**	38

13. Contingencies

The Company is a party to labor and civil proceedings. For those lawsuits whose loss was considered probable, if applicable, the respective provision for losses was fully recorded. For the possible loss, 50% of the estimated amount was provisioned.

Civil provisions refer mainly to claims before representatives while labor provisions refer substantially to various labor claims involving former employees of the Company.

As of March 31, 2023, the Company has the amount of BRL 180.2 (BRL 326.6 in 2022) in labor and civil lawsuits, involving risk of possible loss as classified by Management and its legal advisors.

As mentioned in explanatory note No. 6, in March 2023, the Company recognized the final and unappealable decision of case No. 5016813-20.2019.4.04.7108, against the União da Fazenda Nacional, referring to the exclusion of ICMS from the PIS/COFINS calculation base.

14. Tax Losses and Negative Basis

The company has a balance of BRL 22,794 of tax loss and negative basis of social contribution, these credits represent a right to set up deferred tax credits in the amount of BRL 7,750, which are not activated, based on the expectation of generating future taxable income. These credits are realized by offsetting their base, limited to 30% of taxable income in subsequent fiscal years. No tax credits were recorded on temporary tax differences, which are provision for inventory losses, provision for expected losses, provision for guarantees, miscellaneous provision, and long-term provisions.

Annually, management assesses this expectation of future taxable income and, when it identifies its recoverability, it will proceed with the necessary adjustments to bring the amount of said credits recorded to their probable realizable value. Deductible temporary differences do not expire in accordance with current tax legislation.

15. Members' Equity

a) Capital

On March 31, 2023, the paid-in capital, arising from foreign participation, was represented by 60,975,100 membership interests, with a par value of one real (BRL 1.00) each, distributed among the members as follows:

	03/31/2023	03/31/2022
Mahindra & Mahindra Ltd.	**60,911**	60,911
Mahindra Overseas Investment Company (Mauritius)	**64**	64
	60,975	60,975

b) Equity Valuation Adjustment

The reserve for equity valuation adjustments includes adjustments for adopting the deemed cost of the asset on the transition date. In the fiscal year of 2023, the total amount of BRL 2,618 was reversed to the Retained Profit (Loss) Account.

c) Income Allocation

The Company's Articles of Organization determines the distribution of income in the proportion that the shareholders who hold the majority of the capital approve. The Company did not allocate the income for this fiscal year, as it must first absorb the tax loss and negative basis related to previous incomes.

16. Revenue

	03/31/2023	03/31/2022
Sale of products	**331,864**	199,932
(-) Tax on sales	**(35,283)**	(21,896)
(-) Returns and rebates	**(2,806)**	(180)
Net Revenue	**293,775**	177,856

17. Sales Costs

	03/31/2023	03/31/2022
Cost of goods sold	**188,417**	133,192
Cost of goods sold	**3,001**	1,945
Inventory turnover/adjustment provision	**1,139**	812
	192,557	135,949

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

Sales and Marketing Expenses

	03/31/2023	03/31/2022
Salaries, benefits, and social charges	**3,287**	2,636
Services provided by third parties	**371**	440
Advertising	**473**	431
Travel and accommodation	**597**	294
Fairs, congresses, and symposiums	**1,118**	401
Extended warranties	**7,118**	3,963
Other selling expenses	**582**	241
	13,546	8,406

18. Managerial and Tax Expenses

	03/31/2023	03/31/2022
Salaries, benefits, and social charges	**3,179**	2,726
Services provided by third parties	**681**	332
Communications and electric power	**138**	57
Travel and accommodation	**232**	68
Depreciation and amortization	**1,176**	1,023
Fairs, congresses, and symposiums	**18**	4
Expenses with vehicles	**–**	7
Insurances	**8**	10
Office supplies	**32**	23
Tax expenses	**172**	350
Import expenses	**–**	14
Project expenses	**24**	0
Other	**258**	183
	5,918	4,797

19. Financial Income

	03/31/2023	03/31/2022
Financial expenses		
Exchange rate variations on liabilities	**336**	370
Interest expense	**9,070**	4,448
IOF	**101**	15
Others	**153**	39
	9,660	4,872
Financial income		
Income from financial investments	**2,429**	204
Active exchange rate variations	**117**	396
Other	**142**	20
	2,688	620
Financial income	**6,972**	4,252

20. Insurances

The Management of the Companies adopts the policy of taking out insurance for the headquarters of the Companies, whose coverage is considered sufficient by the Management and insurance agents to cover the occurrence of claims, and the management is responsible for defining the risk assumptions adopted.

21. Financial Risk Management

(a) Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risks
- Liquidity risks
- Market risks
- Currency risks
- Operational risks

We present information on the Company's exposure to each of the aforementioned risks, the Company's objectives, policies, and processes for risk measurement and management, and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

(b) Risk Management Structure

Management has overall responsibility for establishing and overseeing the Company's risk management framework. Risk management policies are established to identify and analyze the risks faced by the Company, to define appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are frequently revised to reflect changes in market conditions and the Company's activities. Through its training and management policies and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit Risks

Credit risk is the Company's risk of financial loss if a customer or the other party in a financial instrument fails to meet its contractual obligations, arising mainly from trade receivables and investment securities.

Trade Receivables and Other Credits

The Company's exposure to credit risk is influenced primarily by the individual characteristics of each customer. However, management also considers the demographics of the customer base, including the credit risk of the region where customers operate, as these factors can influence credit risk.

Management has established a credit policy in which all new customers have their creditworthiness analyzed individually before the Company's payment and delivery terms and conditions are offered. The analysis includes external assessments, when available, including a prior analysis of the bank records carried out by the financial institutions themselves. Purchase limits are established for each customer, guaranteed by financial institutions, which represent the maximum amount outstanding without requiring prior approval. Such limits are periodically revised. Customers who fail to meet the established credit limit may only operate with the Company on an advance payment basis. Once the transaction is approved by the financial institution, the sale is carried out and the risk becomes entirely with the financial institution.

In monitoring customers' credit risk, they are grouped according to their credit characteristics, including geographic location, maturity, and existence of previous financial difficulties.

(d) Liquidity Risks

Liquidity risk is the risk in which the Company will find it difficult to meet the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach in liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations as they fall due, under normal and stress conditions, without causing unacceptable losses or risking damage to the Company's reputation.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31ST, 2023 AND 2022

IN THOUSANDS OF REAIS

Based on the calculation of the Liquidity ratios, the current liquidity ratio corresponds to 1.71 on March 31, 2023 (1.27 on March 31, 2022), a result that demonstrates balance in a possible settlement of short-term obligations.

(e) Market Risks

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, and share prices, may have on the Company's earnings or the value of its holdings in financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters while optimizing the return.

The Company complies with financial obligations to manage market risks. All these operations are conducted within the guidelines established by Management.

(f) Currency Risks

The Company is subject to currency risk in purchases, loans, and financing denominated in a currency other than its functional currency, the real (BRL). The currency in which these transactions are primarily denominated is the US dollar.

With respect to other monetary assets and liabilities denominated in foreign currency, the Company ensures that its net exposure is maintained at an acceptable level to address short-term instabilities.

(g) Operational Risks

Operating risks are the risks of direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology, and infrastructure and from external factors, except credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of business behavior. Operating risks arise from all of the Company's operations.

The Company's objective is to manage operational risks to avoid the occurrence of financial losses and damage to its reputation, as well as to seek cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management. Accountability is supported by the development of the Company's general standards for the management of operational risks in the following areas:

- Requirements for proper segregation of duties, including independent authorization of operations;
- Requirements for reconciliation and monitoring of operations;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the identified risks;
- Requirements to report operating losses and proposed corrective actions;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where effective.

(h) Capital Management

The Executive Board has been monitoring the loss generated by the operation, in order to mitigate its causes and generate returns on capital, which the Company defines as income of operating activities divided by total members' equity.

Shareholders provide advances for future capital increases when necessary and/or contributions to maintain cash flow and support investments, whichever is more profitable for the Company.

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Erkunt Traktör Sanayii Anonim Şirketi;

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Erkunt Traktör Sanayii Anonim Şirketi (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS"s)

Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We here by declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	
Recoverability of trade receivables	**How our audit addressed the key audit matter**
Trade receivables amounting to TL 525.894.088 constitute a significant portion of the assets of the Company as of December 31, 2022. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer- the amount of guarantees/collateral held, past collection performance, credit quality and aging of receivables. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, recoverability of trade receivables is a key matter for our audit.	We performed the following procedures in relation to the recoverability of trade receivables: Understanding the business process for collections from customers, evaluating the operational effectiveness of controls embedded in the business process and testing of selected controls, Comparing trade receivable turnover days to the prior period Testing collections in the subsequent period from selected customers Inquiries with management in relation to any disputes with customers and written inquiries with the Company's legal counsels on outstanding litigation in relation to trade receivables Testing receivables by obtaining confirmation letters from customers and reconciling them to the Company's accounting records

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

1. In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1- December 31, 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
2. In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Emir Taşar.

Eren Bağımsız Denetim A.Ş.
Member Firm of GRANT THORNTON International

Emir Taşar,
Partner
March 7, 2023
Ankara, Turkey

STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**Current Period Audited December 31, 2022**	Prior Period Audited December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	**3**	**127,040,737**	18,574,616
Trade receivables:			
– Due from related parties	**5,28**	**28,231,803**	22,771,252
– Due from third parties	**5**	**497,662,285**	320,564,686
Other receivables:			
– Due from third parties	**6**	**43,524,142**	21,126,820
Financial investments	**7**	**–**	22,921
Inventories	**8**	**548,579,680**	202,547,882
Prepaid expenses	**10**	**54,479,386**	34,213,870
Other current assets	**9**	**135,260,432**	64,202,434
Total current assets		**1,434,778,465**	684,024,481
Non-current assets			
Investment accounted by the equity method	**11**	**153,815,702**	107,862,689
Property, plant and equipment, net	**12**	**110,088,216**	47,428,929
Intangible assets, net	**13**	**46,973,095**	24,318,583
Right of use assets	**14**	**1,129,384**	188,982
Deferred tax assets	**26**	**25,654,993**	18,331,965
Total non-current assets		**337,661,390**	198,131,148
Total assets		**1,772,439,855**	882,155,629

STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**Current Period Audited December 31, 2022**	Prior Period Audited December 31, 2021
Liabilities			
Current liabilities			
Financial liabilities	**4**	**67,293,118**	70,734,233
Trade payables:			
– Due to related parties	**5,28**	**194,311,660**	30,497,111
– Due to third parties	**5**	**494,877,137**	256,614,097
Other Payables:	**6**	***47,133,775***	16,259,559
Deferred income	**10**	**248,439,706**	163,381,337
Employee benefit obligations	**15**	**7,152,831**	1,146,664
Other provisions	**16**	**80,821,395**	23,257,741
Provision for employee benefits	**16**	**6,639,488**	1,912,243
Other current liabilities	**17**	**6,239,389**	1,124,721
Total current liabilities		**1,152,908,499**	564,927,706
Non-current liabilities			
Financial liabilities	**4**	**2,336,601**	3,072,569
Provision for employee termination benefits	**16**	**11,052,611**	4,217,760
Deferred income	**10**	**12,982,218**	14,604,996
Total non-current liabilities		**26,371,430**	21,895,325
Total liabilities		**1,179,279,929**	586,823,031
Shareholders' equity			
Paid-in share capital	**19**	**440,000,000**	365,000,000
Investment accounted by equity method not to be reclassified to profit or loss:		**(23,984,792)**	(7,241,608)
– Property plant and equipment revaluation fund		**20,500,262**	20,500,262
– Actuarial loss fund arising from employee benefits		**(6,459,701)**	(1,767,148)
Legal reserves		**3,442,629**	3,442,629
Accumulated losses		**(84,601,537)**	(188,168,863)
Net profit for the year		**244,263,065**	103,567,326
Total equity		**593,159,926**	295,332,598
Total liabilities and equity		**1,772,439,855**	882,155,629

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**Current Period Audited January 1, – December 31, 2022**	Prior Period Audited January 1 – December 31, 2021
Revenue	**20**	**2,194,706,409**	1,115,683,779
Cost of sales (-)	**21**	**(1,763,426,497)**	(967,129,228)
Gross profit		**431,279,912**	148,554,551
General administrative expenses (-)	**22**	**(49,141,936)**	(17,674,331)
Marketing, sales and distribution expenses (-)	**22**	**(156,733,109)**	(57,797,731)
Research and development expenses (-)	**22**	**(10,138,277)**	(4,509,409)
Other operating income	**23**	**66,424,943**	43,076,550
Other operating expenses (-)	**23**	**(85,452,063)**	(50,856,574)
Operating profit		**196,239,470**	60,793,056
Income from investment accounted by equity method	**11**	**62,696,198**	44,034,346
Income from investment activities	**24**	**1,816,113**	969
Expenses from investment activities (-)	**24**	**(134,206)**	(74,339)
Operating profit before financial income		**260,617,575**	104,754,032
Financial income	**25**	**31,966,532**	36,466,104
Financial expenses (-)	**25**	**(54,470,931)**	(55,728,383)
Profit before tax		**238,113,176**	85,491,753
Deferred tax income/ (expenses)	**26**	**6,149,889**	18,075,573
Net profit for the year		**244,263,065**	103,567,326
Attribution of net profit for the period			
Owners of the parent	**27**	**244,263,065**	103,567,326
Earnings per share	**27**	**558**	284
Other comprehensive income or loss not to be classified to profit or loss:			
- Investment accounted by equity method not to be reclassified to profit or loss	**11**	**(16,743,184)**	(1,513,694)
- Actuarial loss arising from employee benefits (-)	**16**	**(5,865,690)**	(1,025,568)
- Tax effect		**1,173,138**	256,392
Other comprehensive loss		**(21,435,736)**	(2,282,870)
Total comprehensive income		**222,827,329**	101,284,456

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Paid-in share capital	Property, plant and equipment revaluation fund	Actuarial loss fund arising from employee benefits	Investment accounted by equity method not to be reclassified to profit or loss	Reserves	Accumulated losses	Net profit/ (loss) for the year	Total equity
January 1, 2021	265,000,000	20,500,262	(997,972)	(5,727,914)	3,442,629	(108,466,340)	(79,702,523)	94,048,142
Transfers	–	–	–	–	–	(79,702,523)	79,702,523	–
Capital increase	100,000,000	–	–	–	–	–	–	100,000,000
Net profit for the year	–	–	–	–	–	–	103,567,326	103,567,326
Other comprehensive income/ (expenses)	–	–	(769,176)	(1,513,694)	–	–	–	(2,282,870)
December 31, 2021	365,000,000	20,500,262	(1,767,148)	(7,241,608)	3,442,629	(188,168,863)	103,567,326	295,332,598
January 1, 2022	365,000,000	20,500,262	(1,767,148)	(7,241,608)	3,442,629	(188,168,863)	103,567,326	295,332,598
Transfers	**–**	**–**	**–**	**–**	**–**	**103,567,326**	**(103,567,326)**	**–**
Capital increase	**75,000,000**	**–**	**–**	**–**	**–**	**–**	**–**	**75,000,000**
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**244,263,065**	**244,263,065**
Other comprehensive income/ (expenses)	**–**	**–**	**(4,692,553)**	**(16,743,184)**	**–**	**–**	**–**	**(21,435,737)**
December 31, 2022	440,000,000	20,500,262	(6,459,701)	(23,984,792)	3,442,629	(84,601,537)	244,263,065	593,159,926

(*) In the Trade Registry Gazette published on January 12, 2022, the share capital of the Company was increased at the amount of TL 75,000,000 with a cash payment.

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited January 1- December 31, 2022	Audited January 1 – December 31, 2021
A. Cash flows from operating activities		**156,575,580**	16,362,354
I. Profit before taxation on income for the year		**244,263,065**	103,567,326
II. Adjustments for reconciliation of profit before taxation:		**25,305,332**	(18,914,327)
Adjustment for depreciation and amortization	**12,13,14**	**11,304,748**	6,254,369
Adjustment for gain on sales of fixed assets	**24**	**134,206**	-
Adjustments related to provisions for employee benefits	**16**	**6,378,731**	1,551,004
Adjustment for provision for warranty	**16**	**54,918,032**	6,546,053
Adjustment for provision for lawsuits	**16**	**2,645,622**	156,476
Adjustment for doubtful receivables provision	**5**	**6,828,117**	3,716,193
Adjustments for undisturbed profits of investments accounted for using equity	**11**	**(62,696,198)**	(44,034,346)
Adjustments related to interest income	**23,25**	**(11,057,356)**	(945,436)
Adjustments related to interest expenses	**25**	**22,690,116**	25,653,572
Adjustments related to fair value gain on derivative financial instruments		**309,203**	263,361
Adjustment for tax expenses	**26**	**(6,149,889)**	(18,075,573)
III. Changes in working capital:		**(112,310,492)**	(67,885,623)
Changes in trade receivables		**(189,386,267)**	(239,133,777)
Changes in trade payables		**163,814,549**	7,572,066
Changes in other liabilities		**30,587,934**	1,423,690
Changes in employee benefit obligations		**6,006,167**	305,360
Changes in prepaid expenses		**(20,265,516)**	(26,122,327)
Changes in other assets		**154,414,180**	73,508,363
Changes in deferred income		**83,435,591**	161,433,552
Changes in inventories		**(346,031,798)**	(65,115,086)
Changes in other working capital		**5,114,668**	18,242,536
Cash flows from operating activities:		**157,257,905**	16,767,376
Employment termination benefits paid	**16**	**(682,325)**	(405,022)
B. Cash flows from investing activities		**(96,570,585)**	(38,457,361)
Cash outflow from purchases of property, plant and equipment	**12**	**(68,203,153)**	(13,255,259)
Cash outflow from purchases of intangible assets	**13**	**(28,445,683)**	(25,306,791)
Proceeds from sale of tangible and intangible assets	**12**	**78,251**	104,689
C. Cash flows from financing activities		**48,461,126**	22,040,093
Interest paid	**25**	**(22,690,116)**	(24,635,430)
Taxes paid		**714,927**	26,195
Cash outflow from payment of lease liabilities		**(1,122,570)**	(1,937,206)
Cash outflows for debt payments		**(3,441,115)**	(51,413,466)
Share capital increase in cash		**75,000,000**	100,000,000
Net increase in cash and cash equivalents		**108,466,121**	(54,914)
D. Cash and cash equivalents at the beginning of the year		**18,574,616**	18,629,530
E. Cash and cash equivalents at the end of the year	**3**	**127,040,737**	18,574,616

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022
(Currency – TL unless otherwise indicated)

1. Organization and nature of activities

Erkunt Traktör Sanayii Anonim Şirketi ("Erkunt" or the "Company") was established on November 12, 2013.

The main activity of the Company is the production, sales, maintenance and repair of agricultural machinery, engine and transmission units, machinery and equipment.

The registered address of Company is Organize Sanayi Bölgesi, Batı Hun Caddesi, No: 2, Sincan, Ankara.

As of December 31, 2022, the number of personnel working within the Company is 450 (December 31, 2021: 295).

2. Basis of preparation of financial statements and significant accounting policies

2.1. Basis of preparation

The Company and its subsidiary maintain its books of account and prepare its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/ TFRS") and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority ("POA").

The financial statements are prepared in accordance with Turkish Accounting Standards for the purpose of fair presentation with booking of additional adjustments and reclassifications issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). These adjustments consist of warranty provision, calculation of severance payment, useful lives and prorate of depreciation of tangible assets, provision accounting, provision of impaired inventories accounting, doubtful trade receivables and rediscount of trade payables.

Approval of financial statements

These financial statements have been approved and authorized to be published by the Board of Directors on March 7, 2023. The Board of Directors has the authority to revise the financial statements after issuance.

Functional and presentation currency

The Company's financial statements are prepared and presented in Turkish Lira ("TL"), which is the currency of the primary economic environment in which the entity operates.

Continuity of the business

The financial statements have been prepared on a going concern basis, under the assumption that the Company will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities.

Mahindra Overseas Investment Company, the partner of the Company, has declared that it will transfer all necessary resources to the Company in order to maintain the continuity of the business.

Comparative information and amendments on past year financial statements

The accompanying financial statements are prepared comparatively with the previous period in order for the determination of the Company's financial position, performance, and cash flow trends. When there is a change in the presentation and reclassification of the items of the financial statements, the Company reclassifies the financial statements of the previous period to conform the comparability and discloses information related to these matters.

The classifications made in the company's statement of financial position as of December 31, 2021 and the profit or loss statement are as follows:

- Trade receviables from third parties amounting to TL 22.771.252 were classified under trade receivables from related parties.
- Reverse balance in trade payables from third parties amounting to TL 2.573.999 were classified under advances given to related parties.
- Trade payables from related parties amounting to TL 6.675.978 were classified under trade payables to third parties.
- Other short–term liabilities amounting to TL 35.569.181 were classfied under trade receivables from third parties.
- Short –term deferred income amounting to TL 14.604.996 was classified under long–term deferred income.
- Other operating expenses amounting to TL 821.838 were classified under finance expenses.

2.2 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2022 and thereafter. The effects of these standards and interpretations on the Company financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2022 are as follows:

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Fit for Purpose
- Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Annual Improvements – 2018–2020 Cycle

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 17 – The new Standard for insurance contracts
- Amendments to IAS 1 – Classification of Liabilities as Current and Non–Current Liabilities
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback

The effects of these changes on the financial position or performance of the Company are being evaluated.

2.3 Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, other cash and cash equivalents, short–term deposits, highly liquid short–term investments and investments which has insignificant risk of change in fair value with maturity less than three months.

Related parties

a) A person or a member of that person's immediate family is related to reporting entity under the following conditions:

If the person;

i. Has control or joint control over the reporting entity;

ii. Has a significant impact on the reporting entity;

iii. The reporting entity or the entity reporting the case of a member of the key management personnel of the parent company

b) In the presence of any one of the following conditions entity related to the reporting entity:

i. If a firm and reporting entity are member of the same Company.

ii. If the firm is other entity's (or other entity of a member of a Company is a member), subsidiary, or the joint venture.

iii. Both entities are joint ventures of the same third party.

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v. The entity, reporting entity or the entity which is in relation to the reporting entity or an entity associated with operating employees reporting if the post–employment benefit plans is provided in. If the reporting entity has such a plan, the sponsoring employers are also related to the reporting entity.

vi. Entity is jointly controlled by a person identified in the event (a).

vii. (a) event (ii) the presence or a significant impact on a person's business as defined in the company (or of a parent of the entity) is a member of the key management personnel.

Trade receivables

Trade receivables are recognized at original invoice amount less an allowance for any uncollectible–amount and recorded at amortized cost. The amount of imputed interests is calculated by considering the effective interest rates in line with the maturity of the receivables. When the Company will not be able to collect its receivable, the estimation for provision for doubtful receivable is recognized. Provision is set when doubtful receivables have been identified. When the receivable become uncollectible, it is written–off.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Maturity differences related with trade payables are presented in other income/ expense from main operations.

Prepaid expenses

Prepaid expenses are the amounts generally made to suppliers and which will be transferred to expense and cost accounts in the following period or periods.

Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost is determined by the most recent purchase method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write–down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write–down is reversed. The reversal amount is limited to the amount of the original write–down.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the statement of income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Provision for impairment is provided when there is an objective evidence of non–collectability of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also, portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account. Changes in provision account are recorded under the comprehensive income statement.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is provided on cost or revalued amount of property and equipment except for land and construction in progress on a straight–line basis. For the property plant and equipment that has fixed useful life, depreciation period and method is investigated at least once a year by Company management.

The depreciation periods for property, plant and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

Accounts	Useful lives
Buildings	10 – 50 years
Land improvements	5 – 15 years
Machinery and equipment	3 – 24 years
Motor vehicles	5 – 14 years
Furniture and fixtures	2 – 50 years
Other fixtures	2 – 20 years

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the entity. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains or losses on disposals of property, plant and equipment are included in the other income and expense accounts, as appropriate.

Intangible assets

Intangible assets mainly comprise of software licenses, research and development cost and are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight–line basis over the best estimate of their useful live. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year–end.

The depreciation periods for licenses and software, which approximate the estimated economic useful lives of such assets, are as follows:

	Useful life
Rights	2 – 15 years
Research and development expenses	5 – 15 years
Other intangible assets	2 – 10 years

Research and development expenses

Research expenses are recorded in the income statement in the incurred period. Expenses resulting from development activities (relating to the design and testing of new or improved products), are recorded as intangible assets when the following conditions are all met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight–line basis over its useful life, not exceeding five years.

Financial instruments

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

Financial assets:

- cash
- a contractual right to receive cash or another financial asset from another enterprise
- a contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable,
- an equity instrument of another enterprise

A financial liability that is a contractual obligation:

- to deliver cash or another financial asset to another enterprise,
- to exchange financial instruments with another enterprise under conditions that are potentially unfavorable

A financial asset or financial liability is calculated with the given (for financial asset) and uncovered (financial obligations) fair value on transaction costs by adding transaction expenses (deducting the financial liability) if any.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. It is best evidenced by a quoted market price, if one exists.

Impairment of assets

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statements of comprehensive income.

On the other hand; the recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. Value in use is assessed by discounting future cash flows to their present value using a pre–tax discount rate that reflects current market conditions and the risks specific to the asset.

Current income taxes and deferred tax

Tax expense for the period comprises current and deferred tax. Current taxes on income comprise tax payable calculated on the basis of expected taxable income for the period using the tax rates enacted at the balance sheet date and any adjustment in taxes payable for previous periods.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre–tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed in every period end and necessary changes performed to the best estimates of Management.

Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non–occurrence of one or more uncertain future events not totally within the control of the Company are disclosed as contingent assets or liabilities.

Employee benefits

Employee termination benefit

In accordance with existing social legislation in Turkey, the Company is required to make lump–sum termination indemnity payments to each employee who has completed over one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The Company has calculated the provision for employment termination benefits using the “Projection method” and based on the Company’s past experience in personnel’s completion of service time and entitlement to employment termination rights and recognized its discounted value as of the balance sheet date. All actuarial gains and losses calculated have been reflected to the statement of other comprehensive income.

Unused vacation

Unused vacation rights accrued in the financial statements represents estimated total provision for potential liabilities related to employees’ unused vacation days and daily gross as of the balance sheet date. These amounts are reflected in the personnel expenses when incurred.

Wages and deductions

These are the amounts owed as the scope of benefits provided to employees during the period which are wages, salaries and social security contributions. These amounts are reflected in the personnel expenses when incurred.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the Central Bank of the Republic of Turkey’s buying exchange rates prevailing at the balance sheet dates.

Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise. The foreign currency gain/loss related to the Company’s trade payables and receivables shown in operating income/loss account and the other foreign currency gain/loss except the Company’s operations shown in financial gain/loss account.

Revenue recognition

Company performs manufacturing and assembling of raw materials, spare parts and work–in progress of any vehicles, cars, truck, bus, tow truck, tractors, refrigerated vehicle, ambulance, forklift, railway wagon, rail vehicles, locomotives, any vehicles related with the automotive industry, all kinds of sea, air, land and rail vehicles within its own manufacturing plant and performs import, export, marketing, sales and purchasing at the same time. Agreements with customers are generally made after tenders have been won. The Company provides repair and maintenance services for the customers covered by the warranty during the period of 2 years for the vehicles for which the Company has sold. Income related to services that are not yet completed when they are billed accounted as deferred income.

Revenues are recognized on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company, at the fair value of consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.

Other revenues

Other revenues earned by the Company consist of rent income and interest income which is recognized on an accrual basis.

Loans

Loans are recognized initially at fair value and at directly attributable transaction costs after initial recognition. Loans are subsequently measured at amortized cost by using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the financial liabilities.

Financial leases

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the fair value of the leased asset, net of grants and tax credits receivable, or at the present value of the lease payment, whichever is the lower. Lease payments are treated as comprising capital and interest elements, the capital element is treated as reducing the capitalized obligation under the lease and the interest element is charged as expense to the statement of income. Depreciation on the relevant asset is also charged to the statement of income over its useful life.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the statement of income/(loss) in the period in which they are incurred. Borrowing costs include other costs related to interest and funding.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statement requires Company management to make judgments, estimates and assumptions that are reflected in the measurement of income and expense in the income statement and in the carrying value of assets and liabilities in the balance sheet. The actual future results from operations may be different than those estimated. Estimates are reviewed periodically, and adjustments become necessary, they are reported in the income statement in which they become known. However, the actual results may be different than those estimated.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

a) Provisions for employment termination benefits have been calculated according to various actuarial assumptions (discount rate, estimated future wage increase, and rate of retirement of the employees).

b) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.

c) Provisions for lawsuits are determining by the management with support of Company's legal advisers that can result a cash outflow for the Company in every period at the date of preparation of financial statements.

d) The Company management made significant assumptions on the useful economic lives of the tangible assets according to experiences of technical team, especially in buildings and equipment.

e) Research expenses are recorded as expense when realized. Costs incurred in development projects (related to the design and testing of new or improved products) are recorded as intangible assets if the conditions described in Note 2.3 are met.

Statement of cash flows

Cash flow for the period shown in the cash flow statements is based on operating, investing and financing activities which are classified and reported. Cash flows generated from operating activities consist of cash flows that fare generated from the Company's main operating activities. Cash flows related to investing activities consist of the Company's cash flows used and obtained in the investment activities (asset investments & financial investments).

Cash flows related to financing activities consist of the resources used in financing activities of the Company and the repayment of these sources.

Cash and cash equivalents include cash on hand, deposits at banks, short–term deposits, highly liquid short–term investments and investments which has insignificant risk of change in fair value with maturity less than three months.

Subsequent events

The Company recognizes the subsequent events that require adjustment which provide additional information to the status of the Company at the balance sheet date on its financial statements. If non–adjusting events after the balance sheet date have certain significance, then, they are disclosed in the notes to the financial statements.

3. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash:	**34.535**	22.715
Bank:		
– Demand deposits	**57.008.500**	18.542.531
– Time deposits	**2.717.300**	–
Other (*)	**67.280.402**	9.370
Total	**120.040.737**	18.574.616

As of December 31, 2022, the Company has restricted bank deposits amounting to TL 47.084.986 (31 December 2021: TL 16.263.536).

(*) As of December 31, 2022, the Company has liquid money market mutual funds in its bank account of TL 67.271.032 measured at amortized cost (December 31, 2021: None).

4. Financial liabilities

	December 31, 2022	December 31, 2021
Short–term bank borrowings	**63.546.320**	68.219.000
Other financial liabilities	**1.383.488**	256.647
Lease liabilities	**2.363.310**	2.258.586
Short–term financial liabilities	**67.293.118**	70.734.233
Lease liabilities	**2.336.601**	3.072.569
Long–term financial liabilities	**2.336.601**	3.072.569
Total	**69.629.719**	73.806.802

As of December 31, 2022 and 2021, balances denominated in original currencies of the Company's financial liabilities and effective interest rates are as follows:

			December 31, 2022
	Interest rate (%)	**Original currency**	**TL**
Bank borrowings:			
– TL	**25,30**	**63.546.320**	**63.546.320**
Total			**63.546.320**

			December 31, 2021
	Interest rate (%)	Interest rate (%)	Interest rate (%)
Bank borrowings:			
– TL	16,59%	68.219.000	68.219.000
Total			68.219.000

5. Trade receivables and payables

a) Trade receivables

	December 31, 2022	December 31, 2021
Trade receivables (*)		
– Trade receivables from related parties (Note 28)	**28,231,803**	22,771,252
– Trade receivables from third parties	**281,787,112**	186,283,460
Notes receivables	**215,875,173**	134,281,226
Doubtful receivables	**26,500,676**	19,672,559
Less: Provision for doubtful receivables	**(26,500,676)**	(19,672,559)
Total	**525,894,088**	343,335,938

(*) The average maturity of trade receivables is 90–120 days.

Movement of provision for doubtful receivables as follows:

	2022	2021
1 January	**19.672.559**	15.956.366
Provision during the year (Note 23 b) (*)	**6.828.117**	3.716.193
31 December	**26.500.676**	19.672.559

(*) Includes the IFRS 9 adjustments for the receivables.

b) Trade payables

	December 31, 2022	December 31, 2021
Trade payables (**)	**494,877,137**	256,614,097
Due to related parties	**194,311,660**	30,497,111
	689,188,797	287,111,208

(**) The average maturity of trade payables is 90–120 days as of December 31, 2022 (December 31, 2021: 90–120 days).

6. Other receivables and payables

a) Other receivables

	December 31, 2022	December 31, 2021
Receivables from tax authorities	**43,159,329**	21,089,150
Deposits and guarantees given	**364,813**	37,670
Total	**43,524,142**	21,126,820

b) Other payables

	December 31, 2022	December 31, 2021
Other payables (*)	**47,133,775**	16,259,559
Total	**47,133,775**	16,259,559

(*) The Company's other payables account mainly consists of loans used on behalf of customers.

7. Financial investments

	December 31, 2022	December 31, 2021
Derivative financial liabilities at fair value designated through expense	**–**	22,921
Total	**–**	22,921

8. Inventories

	December 31, 2022	December 31, 2021
Raw materials	**180,052,080**	68,241,794
Work–in progress	**9,368,315**	5,318,028
Finished goods	**94,276,306**	56,402,081
Merchandise goods	**40,592,719**	14,777,103
Other inventories	**224,466,666**	57,985,282
Less: Allowances for impairment on inventories (–)	**(176,406)**	(176,406)
Total	**548,579,680**	202,547,882

For the years ended December 31, 2022 and 2021, the movements of allowances for impairment on inventories are as follows:

	2022	2021
January 1	**176,406**	176,406
December 31	**176,406**	176,406

9. Other current assets

	December 31, 2022	December 31, 2021
VAT receivables	**134,147,991**	63,874,281
Income accruals	**965,395**	131,926
Personnel advances	**114,375**	40,691
Job advances	**32,671**	155,536
Total	**135,260,432**	64,202,434

10. Prepaid expenses and deferred income

a) Prepaid expenses

	December 31, 2022	December 31, 2021
Advances given:		
– Advances given to third parties	**50,098,639**	31,114,632
– Advances given to related parties	**–**	2,573,999
Prepaid expenses	**4,342,123**	522,015
Prepaid tax and funds	**38,624**	3,224
Total	**54,479,386**	34,213,870

b) Deferred income

Short–term deferred income

	December 31, 2022	December 31, 2021
Advances received	**239,771,151**	141,594,308
Deferred revenue (*)	**8,668,555**	21,787,029
	248,439,706	163,381,337

(*) It includes the part that causes a period shift from the Company's export invoices.

Long–term deferred income

	December 31, 2022	December 31, 2021
Deferred revenue (*)	**12,982,218**	14,604,996
	12,982,218	14,604,996

(*) As a result of the agreement made by the Company, Hisarlar Makina San. ve Tic. A.Ş.'s fixed assets were purchased by the Company and consist of the 10–year usage right fee deducted to Hisarlar due to the fact that Hisarlar continues to produce with these fixed assets.

11. Investment accounted by the equity method

	Percentage of shares	**December 31, 2022**
Erkun Sanayi A.Ş.	**35%**	**153,815,702**
Total		**153.815.702**

	Percentage of shares	December 31, 2021
Erkun Sanayi A.Ş.	%35	107,862,689
Total		107,862,689

	December 31, 2022	December 31, 2021
Opening	**107,862,689**	65,342,037
Current period profit per share of Erkunt Traktör	**62,696,198**	44,034,346
Other comprehensive income per share of Erkunt Traktör	**(16,743,184)**	(1,513,694)
Closing	**153,815,703**	107,862,689

	December 31, 2022	December 31, 2021
Current assets	**830,595,105**	486,038,440
Non–current assets	**261,237,042**	168,715,705
Total assets	**1,091,832,147**	654,754,145
Short term liabilities	**524,924,100**	295,712,369
Long term liabilities	**127,434,613**	50,862,665
Equity	**439,473,434**	308,179,111
Total liabilities	**1,091,832,147**	654,754,145

	December 31, 2022	December 31, 2021
Income from investment accounted by the equity method	**62,696,198**	44,034,346
Total	**62,696,198**	44,034,346

12. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation between the dates of January 1 – December 31, 2022 is as follows:

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Land	**16,135,000**	**–**	**–**	**16,135,000**
Land improvements	**631,608**	**–**	**–**	**631,608**
Buildings	**15,055,860**	**–**	**–**	**15,055,860**
Machinery and equipment	**8,997,217**	**1,597,681**	**(46,147)**	**10,548,751**
Vehicles	**186,800**	**–**	**–**	**186,800**
Furniture and fixtures	**6,228,947**	**3,821,319**	**(367,618)**	**9,682,648**
Other tangible assets	**26,670,752**	**5,667,501**	**(186,241)**	**32,152,012**
Leasehold improvements	**537,229**	**1,569,057**	**–**	**2,106,286**
Construction in progress (*)	**2,090,316**	**55,547,595**	**–**	**57,637,911**
Total	**76,533,729**	**68,203,153**	**(600,006)**	**144,136,876**
Accumulated depreciation:				
Land improvements	**(443,977)**	**(29,497)**	**–**	**(473,474)**
Buildings	**(8,873,649)**	**(285,101)**	**–**	**(9,158,750)**
Machinery and equipment	**(3,896,090)**	**(1,152,235)**	**25,650**	**(5,022,675)**
Vehicles	**(91,388)**	**(30,345)**	**–**	**(121,733)**
Furniture and fixtures	**(3,896,007)**	**(846,418)**	**233,846**	**(4,508,579)**
Othre tangible assets	**(11,512,688)**	**(2,883,321)**	**128,053**	**(14,267,956)**
Leasehold improvements	**(391,001)**	**(104,492)**	**–**	**(495,493)**
Total	**(29,104,800)**	**(5,331,409)**	**387,549**	**(34,048,660)**
Net book value	**47,428,929**			**110,088,216**

Movement of property, plant and equipment and accumulated depreciation between the dates of January 1 – December 31, 2021 is as follows:

	January 1, 2021	Additions	Disposals	December 31, 2021
Cost:				
Land	16,135,000	–	–	16,135,000
Land improvements	631,608	–	–	631,608
Buildings	15,055,860	–	–	15,055,860
Machinery and equipment	4,926,820	4,070,397	–	8,997,217
Vehicles	118,799	68,001	–	186,800
Furniture and fixtures	5,060,551	1,168,396	–	6,228,947
Other tangible assets	20,858,187	5,952,436	(139,871)	26,670,752
Leasehold improvements	537,229	–	–	537,229
Construction in progress (*)	94,287	1,996,029	–	2,090,316
Total	63,418,341	13,255,259	(139,871)	76,533,729

	January 1, 2021	Additions	Disposals	December 31, 2021
Accumulated depreciation:				
Land improvements	(411,696)	(32,281)	–	(443,977)
Buildings	(8,588,547)	(285,102)	–	(8,873,649)
Machinery and equipment	(3,526,706)	(369,384)	–	(3,896,090)
Vehicles	(83,710)	(7,678)	–	(91,388)
Furniture and fixtures	(3,416,967)	(507,960)	28,920	(3,896,007)
Other tangible assets	(9,782,790)	(1,736,160)	6,262	(11,512,688)
Leasehold improvements	(333,844)	(57,157)	–	(391,001)
Total	(26,144,260)	(2,995,722)	35,182	(29,104,800)
Net book value	37,274,081			47,428,929

As of December 31, 2022, total insurance on property, plant and equipment amounts to TL 52.789.600 (December 31, 2021: TL 60.460.319).

As of December 31, 2022, there is no pledge on property, plant and equipment (December 31, 2021: None)

13. Intangible assets

Movement of intangible assets and accumulated amortization between the dates of January 1, 2022 and December 31, 2022 is as follows:

	January 1, 2022	**Additions**	**Impairment**	**December 31, 2022**
Cost:				
Licenses and software	**21,973,142**	**–**	**–**	**21,973,142**
Research and development (*)	**57,576,361**	**27,265,082**	**–**	**84,841,443**
Other	**2,053,306**	**1,180,601**	**–**	**3,233,907**
Total	**81,602,809**	**28,445,683**	**–**	**110,048,492**
Accumulated amortization:				
Licenses and software	**(3,105,177)**	**(1,973,579)**	**–**	**(5,078,756)**
Research and development	**(52,421,227)**	**(3,509,232)**	**–**	**(55,930,459)**
Other	**(1,757,822)**	**(308,360)**	**–**	**(2,066,182)**
Total	**(57,284,226)**	**(5,791,171)**	**–**	**(63,075,397)**
Net book value	**24,318,583**			**46,973,095**

Movement of intangible assets and accumulated amortization between the dates of January 1, 2021 and December 31, 2021 is as follows:

	January 1, 2021	Additions	Impairment	December 31, 2021
Cost:				
Licenses and software	2,629,364	19,343,778	–	21,973,142
Research and development (*)	51,982,255	5,594,106	–	57,576,361
Other	1,684,399	368,907	–	2,053,306
Total	56,296,018	25,306,791	–	81,602,809
Accumulated amortization:				
Licenses and software	(2,629,364)	(475,813)	–	(3,105,177)
Research and development	(51,982,255)	(438,972)	–	(52,421,227)
Other	(1,684,399)	(73,423)	–	(1,757,822)
Total	(56,296,018)	(988,208)	–	(57,284,226)
Net book value	–			24,318,583

14. Right of use assets

	December 31, 2022	Additions	December 31, 2022
Cost:			
Right of use assets	8,151,211	1,122,570	**9,273,781**
Total	8,151,211	1,122,570	**9,273,781**
Accumulated amortization:			
Right of use assets amortization	(4,974,997)	(182,168)	**(5,157,165)**
Impairment	(2,987,232)	–	**(2,987,232)**
Total	(7,962,229)	(182,168)	**(8,144,397)**
Net book value	188,982		**1,129,384**

	December 31, 2021	Additions	December 31, 2021
Cost:			
Right of use assets	8,151,211	–	**8,151,211**
Total	8,151,211	–	**8,151,211**
Accumulated amortization:			
Right of use assets amortization	(2,704,558)	(2,270,439)	**(4,974,997)**
Impairment	(2,987,232)	–	**(2,987,232)**
Total	(5,691,790)	(2,270,439)	**(7,962,229)**
Net book value	2,459,421		**188,982**

15. Employee benefit obligations

	December 31, 2022	December 31, 2021
Payables to personnel	**4,816,477**	28,161
Social security payables	**2,336,354**	1,118,503
Total	**7,152,831**	1,146,664

16. Provisions, contingent assets and liabilities

a) Short term provisions for employee benefits

	December 31, 2022	December 31, 2021
Provision for unused vacation liabilities	**6,639,488**	1,912,243
Total	**6,639,488**	1,912,243

Movements of the provision for unused vacation liabilities are as follows:

	2022	2021
Opening	**1,912,243**	1,639,437
Additional provisions/ (releases), net	**4,727,245**	272,806
December 31,	**6,639,488**	1,912,243

b) Long term provisions for employee benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, or who retires or resigns. The indemnity is one month's salary for each working year and is limited to TL 19.982,83 as of December 31, 2022 (December 31, 2021: TL 10.848,59).

The Company reflected a liability calculated using the Projected Unit Credit Method and based upon factors derived using their experience of personnel terminating their services and eligible to receive retirement pay and discounted by using the current market yield on government bonds at the statement of financial position date. This provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

	December 31, 2022	December 31, 2021
Provision for employee termination benefits	**11,052,611**	4,217,760
Total	**11,052,611**	4,217,760

Movements of the provision for employee termination benefits are as follows:

	2022	2021
January 1	**4,217,760**	2,575,408
Interest costs (Note 25)	**885,730**	352,831
Service costs	**765,756**	668,975
Severance paid (–)	**5,865,690**	1,025,568
Actuarial loss	**(682,325)**	(405,022)
December 31	**11,052,611**	4,217,760

Other current provisions

	December 31, 2022	December 31, 2021
Provisions for litigation (*)	**5,062,952**	2,417,330
Provision for warranty	**75,758,443**	20,840,411
	80,821,395	23,257,741

(*) As of December 31, 2022, the majority of the provisions for lawsuits is for employee related lawsuits, and the remainder of the lawsuits related to commercial activities.

Movements of provision for litigation are as follows:

	2022	2021
January 1	**2,417,330**	2,260,854
Additional provisions (Note 23 b)	**2,645,622**	156,476
December 31,	**5,062,952**	2,417,330

Movements of provision for warranty are as follows:

	2022	2021
January 1	**20,840,411**	14,294,358
Additional provision/ (releases), net (Note 24)	**54,918,032**	6,546,053
December 31	**75,758,443**	20,840,411

17. Other current liabilities

	December 31, 2022	December 31, 2021
Taxes and fund payables	**4,312,534**	942,570
Expense accruals	**1,926,855**	182,148
Total	**6,239,389**	1,124,718

18. Contingent liabilities

The detail of the guarantees and pledges given is summarized in below:

	December 31, 2022	December 31, 2021
Guarantee letters recieved	**261,966,000**	138,326,000
Guarantee letters given (*)	**7,123,717**	8,274,417
Mortgages (**)	**2,702,000**	2,702,000
Total	**149,302,417**	92,215,375

(*) Guarantee letters consist of guarantees given to municipalities for contracted works, custom offices, suppliers, electricity and natural gas distribution companies.

(**) Mortgages consist of tangible asset mortgage due to bank borrowings (Note 12).

	December 31, 2022	December 31, 2021
A. Total amount of GPMs given by the Company on behalf of its own legal entity	**7,123,717**	8,274,417
B. Total amount of GPMs given in favor of partnerships included in full consolidation	–	–
C. Total amount of GPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	–	–
D. Total amount of other GPMs given	–	–
Total	**7,123,717**	8,274,417

19. Shareholder's equity

The Company's share-capital structure as of December 31, 2022 and 2021 are as follows:

	December 31, 2022		December 31, 2021	
	Share (%)	**TL**	Share (%)	TL
Mahindra Overseas Investment Company	**100%**	**440,000,000**	100%	365,000,000
Total	**100%**	**440,000,000**	100%	365,000,000

There are TL 1.000 units of shares with nominal value of TL 440.000 (2021: 365.000 units of share with nominal value of TL 1.000).

The share capital of the Company was increased to TL 440.000.000 with a cash payment amounting TL 75.000.000 by the Company's shareholder Mahindra Overseas Investment Company before that publishing in the Trade Registry Gazette dated January 12, 2022.

20. Sales

	January 1 – December 31, 2022	January 1 – December 31, 2021
Domestic sales	**1,939,838,219**	971,246,794
Export sales	**447,069,406**	260,100,470
Other sales	**6,814,018**	5,014,845
Gross sales	**2,393,721,643**	1,236,362,109
Sales returns (–)	**(6,343,068)**	(8,796,035)
Sales discounts (–)	**(192,672,166)**	(111,882,295)
Net sales	**2,194,706,409**	1,115,683,779

21. Cost of sales

	January 1 – December 31, 2022	January 1 – December 31, 2021
Cost of trade good sold	**163,645,278**	69,931,856
Cost of goods sold	**1,599,781,219**	897,197,372
Total	**1,763,426,497**	967,129,228

22. Expense by nature

Expenses by nature for the period between January 1 – December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Marketing, selling and distribution expenses	**156,733,109**	57,797,731
General administrative expenses	**49,141,936**	17,674,331
Research and development expenses	**10,138,277**	4,509,409
Total	**216,013,322**	79,981,471

a) Marketing, selling and distribution expenses

	January 1 – December 31, 2022	January 1 – December 31, 2021
Warranty expenses	**85,839,962**	28,411,019
Personnel expenses	**22,727,890**	10,393,335
Transportation expenses	**19,312,773**	9,251,040
Dealer expenses	**5,376,564**	847,478
Exhibition expenses	**3,703,041**	1,008,590
Sales incentive expenses	**2,946,059**	941,192
Travel expenses	**1,990,393**	589,216
Depreciation and amortization expenses	**1,611,906**	1,367,121
Export expenses	**1,514,075**	1,080,633
Rent expenses	**1,462,933**	846,587
Advertisement expenses	**506,702**	527,712
Other	**9,740,811**	2,533,808
Total	**156,733,109**	57,797,731

b) General administrative expenses

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel expenses	**27,682,492**	11,949,839
Outsourcing expenses	**11,321,654**	2,167,692
Depreciation and amortization expenses	**2,069,789**	557,201
Donations	**1,432,168**	4,500
Rent expenses	**1,066,589**	693,745
Security expenses	**967,714**	604,483
Training expenses	**942,947**	81,967
Travel expenses	**678,840**	225,960
Insurance expenses	**559,408**	142,691
Vehicles maintenance expenses	**411,260**	123,504
Tax expenses	**181,956**	102,090
Maintenance expenses	**155,075**	17,875
Communication expenses	**151,942**	122,560
Other	**1,520,102**	880,224
Total	**49,141,936**	17,674,331

c) Research and development expenses

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel expenses	**3,908,022**	1,289,854
Depreciation and amortization expenses	**3,509,232**	2,059,608
External benefits and services	**2,021,529**	898,601
Other	**699,494**	261,346
Total	**10,138,277**	4,509,409

23. Other operating income and expenses

a) Other operating income

	1 Ocak – 31 Aralık 2022	1 Ocak – 31 Aralık 2021
Foreign exchange gain from trade receivables and payables	**47,534,300**	20,797,555
Rediscount interest income	**10,342,429**	6,720,024
Provisions no longer required for litigation	**4,890,608**	11,201,735
Income and profits of the previous period	**1,247,247**	2,425,762
Other	**2,410,359**	1,931,474
Total	**66,424,943**	43,076,550

b) Other operating expenses

	1 Ocak – 31 Aralık 2022	1 Ocak – 31 Aralık 2021
Foreign exchange loss from trade receivables and payables	**69,794,603**	43,700,604
Provision for doubtful receivables (Note 5)	**6,828,117**	3,716,192
Provision for unused vacation (Note 16)	**4,727,245**	272,806
Idle capacity expenses and losses	**3,220,760**	2,481,022
Expenses and lossesof the previous period	**504,975**	224,487
Provision for litigation (Note 16)	**245,622**	156,476
Other	**130,741**	304,987
Total	**85,452,063**	50,856,574

24. Income or expenses from investing activities

a) Income from investing activities

	January 1 – December 31, 2022	January 1 – December 31, 2021
Mutual fund sales profit (*)	**1,816,113**	–
Gain on sale of property, plant and equipment	**–**	969
Total	1,816,113	969

(*) It includes the sales profit arising from the short-term liquid fund purchase and sale of the Company.

b) Expenses from investing activities

	January 1 – December 31, 2022	January 1 – December 31, 2021
Losses from sale of property, plant and equipment	**134,206**	959
Losses from subsidiary purchase	**–**	73,380
Total	**134,206**	74,339

25. Financial income and expenses

a) Financial income

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange gain	**31,013,200**	30,978,109
Interest income	**714,927**	26,195
Gain on derivative instruments	**238,405**	5,461,800
Total	**31,966,532**	36,466,104

b) Financial expenses

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange losses (-)	**28,904,593**	26,797,153
Interest expenses	**22,690,116**	24,635,430
Letter of guarantee expenses	**1,721,915**	821,838
Losses on derivative instruments	**1,154,307**	3,473,962
Total	**54,470,931**	55,728,383

26. Taxation

Current and deferred income tax

The corporation tax rate is 23% in Turkey (2021: 22%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and it is legally eligible, they may be offset against one another.

Tax amounts recognized in the income statement as of December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Deferred tax income/ (expenses)	**6,149,889**	18,075,573
Total tax expenses	**6,149,889**	18,075,573

As of 31 December 2022 and 2021, the details of temporary differences and deferred tax assets and liabilities are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Property, plant and equipment	**160,775**	1,634,262	**32,155**	326,852
Revaluation differences of property, plant and equipment	**(11,207,708)**	(11,207,708)	**(1,120,771)**	(1,120,771)
Provision for employee termination	**11,052,611**	4,217,760	**2,210,522**	843,552
Right of use assets	**4,917,744**	5,785,916	**983,549**	1,157,183
Provision for warranty	**75,758,443**	20,840,411	**15,151,689**	4,168,082
Provision for doubtful receivables	**26,435,250**	19,846,523	**5,287,050**	3,969,305
Unused vacation	**6,639,488**	1,912,243	**1,327,898**	382,449
Provision for litigation	**5,062,952**	2,417,330	**1,012,590**	483,466
Financial instruments	**–**	(22,921)	**–**	(4,584)
Intangible assets	**27,396,082**	36,659,858	**5,479,216**	7,331,972
Rediscount	**(10,342,429)**	(6,720,024)	**(2,068,486)**	(1,344,005)
Foreign currency valuation difference	**(12,004,704)**	–	**(2,641,035)**	–
Other	**3,075**	9,410,360	**616**	2,138,464
Deferred tax asset/ liability – net	**123,871,579**	84,774,010	**25,654,993**	18,331,965

Deferred tax liability or asset is determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base according to the balance sheet method, considering. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future. As the company does not expect to generate taxable profit in the next 5 years in the current period, it has been evaluated that it is not possible to benefit from these differences and the deferred tax has not been recorded in the financial statements.

27. Earnings per share

Earnings per share ("EPS") are determined by dividing the net comprehensive income by the weighted average number of shares that have been outstanding during the year.

Earnings per share as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Net comprehensive income or loss attributable to the equity holders of the parent	**244,263,065**	103,567,326
Weighted average number of share certificates (piece)	**437,734**	291,027
Earnings per share, (0,001)	**558**	284

28. Related part disclosures

a) Trade receivables from related parties

Due to related parties	**December 31, 2022**		December 31, 2021	
	Trade	**Other**	Trade	Other
Related parties				
Mahindra do Brasil Industrial Ltda.	**22,969,617**	**–**	17,625,542	–
Mahindra South Africa (PTY) Ltd.	**4,082,762**	**–**	688,770	–
Mitsubishi Mahindra Agricultural Machinery	**1,178,741**	**–**	4,456,467	–
Mahindra&Mahindra Limited	**683**	**–**	473	–
Total	**28,231,803**	**–**	22,771,252	–

b) Trade payables to related parties

The details of goods and services purchase and sales made with related parties are as follows:

	January 1, December 31, 2022		January 1, December 31, 2021	
	Purchase	**Sale**	Purchase	Sale
Related parties				
Mahindra&Mahindra Limited	**110,409,891**	**–**	–	–
Erkunt Sanayi A.Ş.(*) (1)	**83,901,769**	**–**	30,490,031	7,080
Total	**194,311,660**	**–**	30,490,031	7,080

(*) Subsidiary

(1) The company purchases casting parts from Erkunt Sanayi A.Ş.

c) Prepaid expenses from related parties

	January 1, December 31, 2022		January 1, December 31, 2021	
	Purchase	**Sale**	Purchase	Sale
Related parties				
Mahindra&Mahindra Limited	**–**	**–**	2,573,999	–
Total	**–**	**–**	2,573,999	–

d) Purchases and sales of goods and services with related parties

	January 1, December 31, 2022		January 1, December 31, 2021	
	Purchase	**Sale**	Purchase	Sale
Related parties				
Erkunt Sanayi A.Ş.	**157,121,165**	**3,318,474**	69,370,326	898,383
Mahindra&Mahindra Limited	**116,897,946**	**3,802,140**	10,012,504	2,596,670
Mitsubishi Mahindra Agricultural Machinery	**26,188**	**7,891,023**	8,881	14,463,668
Mahindra do Brasil Industrial Ltda.	**–**	**40,133,516**	–	18,671,972
Mahindra South Africa (PTY) Ltd.	**–**	**11,934,900**	–	3,898,119
Total	**274,045,299**	**67,080,053**	79,391,711	40,528,812

29. Financial instruments and nature and extent of risks arising from financial instruments

The Company's principal financial instruments are comprised of bank loan, liabilities under finance lease, other financial liabilities, cash and short–term bank deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company management reviews and agrees policies for managing each of the risks as summarized below. The Company also monitors the market price risk arising from all financial instruments.

Capital risk management

The management of the Company considers the cost of capital and the risks associated with each class of capital. The Company's capital structure consists of payables, cash and short–term deposits, and shareholder's equity components mentioned in Note 19 such as issued capital, capital reserves, and profit reserves for its net debt to equity ratio analysis.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may incur new payables or repay the existing payables and adjust the dividend payment to shareholders or the shareholders may make a direct cash contribution of the needed working capital to the Company.

The Company follows equity by using the rate of liabilities/equity. This ratio is calculated by division of net liabilities to total equities. Net debt is calculated by excluding the cash and cash equivalents from total debt amount (financial liabilities include trade and other payables and short term and long-term other liabilities like as indicated on financial statement).

	December 31, 2022	December 31, 2021
Financial liabilities (Note 4)	**69,629,719**	73,806,802
Less: Cash and cash equivalents (Note 3)	**(127,040,737)**	(18,574,616)
Net debt	**(57,411,018)**	55,232,186
Total equity	**593,159,926**	295,332,598
Net debt/total equity ratio	**–**	19%

Foreign currency risk

The Company is exposed to foreign exchange risk arising from denominated foreign currency transactions. The Company exposed to foreign exchange risk primarily to USD and EUR bank loans. These exposures are managed by balancing interest rate sensitive assets and liabilities.

The Company's net foreign currency position as of December 31, 2022 and 2021 is presented below:

In totals;	**December 31, 2022**	December 31, 2021
A. Foreign currency assets	**93,574,649**	88,774,074
B. Foreign currency liabilities	**(272,788,185)**	(83,530,544)
Net foreign exchange position (A+B)	**(179,213,536)**	5,243,530

As of December 31, 2022, and 2021, details of foreign currency positions of the Company are as follows:

December 31, 2022	**USD**	**EUR**	**GBP**	**Total TL equivalent (Presentation currency)**
Cash and cash equivalents	**1,344,033**	**2,830,053**	**1,145**	**81,573,697**
Trade receivables	**16,158**	**269,193**	**289**	**5,674,974**
Current assets	**1,360,191**	**3,099,246**	**1,434**	**87,248,671**
Other receivables	**107,040**	**216,931**	**–**	**6,325,978**
Tangible assets	**107,040**	**216,931**	**–**	**6,325,978**
Total assets	**1,467,231**	**3,316,177**	**1,434**	**93,574,649**
Trade payables	**7,221,020**	**6,879,401**	**6,056**	**272,788,185**
Current liabilities	**7,221,020**	**6,879,401**	**6,056**	**272,788,185**
Total liabilities	**7,221,020**	**6,879,401**	**6,056**	**272,788,185**
Net foreign currency position	**(5.753.789)**	**(3.563.224)**	**(4.622)**	**(179.213.537)**

December 31, 2021	USD	EUR	GBP	Total TL equivalent (Presentation currency)
Cash and cash equivalents	1,734,733	3,207,371	–	69,604,081
Trade receivables	174,951	218	180	2,276,758
Current assets	1,909,684	3,207,589	180	71,880,839
Other receivables	718,200	515,777	–	16,893,235
Tangible assets	718,200	515,777	–	16,893,235
Total assets	2,627,884	3,723,366	180	88,774,074
Trade payables	1,309,192	4,516,533	60	83,304,177
Other payables	–	8,871	5,508	226,367
Current liabilities	1,309,192	4,525,404	5,568	83,530,544
Total liabilities	1,309,192	4,525,404	5,568	83,530,544
Net foreign currency position	1,318,692	(802,038)	(5,388)	5,243,530

In foreign currency sensitivity analysis' gain/loss section as of December 31, 2022 and 2021 the exposure of the 10% loss/gain of TL against USD and EUR currencies on the comprehensive financial income statement is shown. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Foreign currency sensitivity analysis as of December 31, 2022 and 2021 are as follows:

			December 31, 2022
			Profit/Loss
		Appreciation of foreign currency	**Depreciation of foreign currency**
	Appreciation/depreciation of USD against TL at 10%:		
1–	**USD net asset/liability**	**(10,782,942)**	**10,782,942**
2–	**Portion protected from USD risk (–)**	**–**	**–**
3–	**USD net effect (1+2)**	**(10,782,942)**	**10,782,942**
	Appreciation/depreciation of EUR against TL at 10%:		
4–	**EUR net asset/liability**	**(7,127,947)**	**7,127,947**
5–	**Portion protected from EUR risk (–)**	**–**	**–**
6–	**EUR net effect (4+5)**	**(7,127,947)**	**7,127,947**
	Appreciation/depreciation of GBP against TL at 10%:		
7–	**GBP net asset/liability**	**(10,464)**	**10,464**
8–	**Portion protected from GBP risk (–)**	**–**	**–**
9–	**GBP net effect (4+5)**	**(10,464)**	**10,464**
	Total (3+6+9)	**(17,921,354)**	**17,921,354**

		December 31, 2021	
		Profit/Loss	
		Appreciation of foreign currency	Depreciation of foreign currency
	Appreciation/depreciation of USD against TL at 10%:		
1–	**USD net asset/liability**	1,711,332	(1,711,332)
2–	**Portion protected from USD risk (–)**	–	–
3–	**USD net effect (1+2)**	1,711,332	(1,711,332)
	Appreciation/depreciation of EUR against TL at 10%:		
4–	**EUR net asset/liability**	(1,177,576)	1,177,576
5–	**Portion protected from EUR risk (–)**	–	–
6–	**EUR net effect (4+5)**	(1,177,576)	1,177,576
	Appreciation/depreciation of GBP against TL at 10%:		
7–	**GBP net asset/liability**	(9,404)	9,404
8–	**Portion protected from GBP risk (–)**	–	–
9–	**GBP net effect (4+5)**	(9,404)	9,404
	Total (3+6+9)	524,353	(524,353)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation who has invested in financial instruments. The Company manages its credit risk by restricting its transactions that are carried out by third parties and reviewing those third parties credit risks continuously.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or Companies of customers in specific locations or businesses. The maximum credit risk the Company exposure is reflected by presenting all financial assets from carrying amount on financial statements.

	Receivables				
	Trade receivables		**Other receivables**		
December 31, 2022	**Related party**	**Third party**	**Related party**	**Third party**	**Deposits at banks**
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	**28,231,803**	**497,662,285**	**–**	**43,524,142**	**59,725,800**
– The part of maximum risk under guarantee with collateral, etc.*	**–**	**261,966,000**	**–**	**–**	**–**
A. Net book value of financial assets that are neither past due nor impaired	**28,231,803**	**497,662,285**	**–**	**43,524,142**	**59,725,800**
B. Net book value of financial assets that are negotiated if not that will be accepted as past due or impaired	**–**	**–**	**–**	**–**	**–**
C. Net book value of assets that are past due but not impaired	**–**	**–**	**–**	**–**	**–**
– The part under guarantee with collateral, etc.					
D. Net book value of impaired assets	**–**	**–**	**–**	**–**	**–**
– Past due (gross book value)	**–**	**26,500,676**			
– Impairment (–)	**–**	**(26,500,676)**	**–**	**–**	**–**
– The part of net value under guarantee with collateral, etc.	**–**	**–**	**–**	**–**	**–**
– Not due (gross book value)	**–**				
– Impairment (–)	**–**	**–**	**–**	**–**	**–**
E. Off–balance sheet items with credit risk	**–**	**–**	**–**	**–**	**–**

December 31, 2021	Receivables: Trade receivables – Related party	Receivables: Trade receivables – Third party	Receivables: Other receivables – Related party	Receivables: Other receivables – Third party	Deposits at banks
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	**22,771,252**	**320,564,686**	**–**	**21,126,820**	**18,542,531**
– The part of maximum risk under guarantee with collateral,etc.*	**–**	**141,028,000**	**–**	**–**	**–**
A. Net book value of financial assets that are neither past due nor impaired	**22,771,252**	**320,564,686**	**–**	**21,126,820**	**18,542,531**
B. Net book value of financial assets that are negotiated if not that will be accepted as past due or impaired	**–**	**–**	**–**	**–**	**–**
C. Net book value of assets that are past due but not impaired	**–**	**–**	**–**	**–**	**–**
– The part under guarantee with collateral, etc.	**–**	**–**	**–**	**–**	**–**
D. Net book value of impaired assets	**–**	**–**	**–**	**–**	**–**
– Past due (gross book value)	**–**	**19,672,559**	**–**	**–**	**–**
– Impairment (–)	**–**	**(19,672,559)**	**–**	**–**	**–**
– The part of net value under guarantee with collateral, etc.	**–**	**–**	**–**	**–**	**–**
– Not due (gross book value)	**–**	**–**	**–**	**–**	**–**
– Impairment (–)	**–**	**–**	**–**	**–**	**–**
E. Off–balance sheet items with credit risk	**–**	**–**	**–**	**–**	**–**

Liquidity risk

Liquidity risk is the risk of the Company not meeting its net funding requirements. Liquidity risk is managed by cash inflows and outflows which are balanced by credit institutions in scope of the pre-determined credit limits. Remaining period to maturity as of the balance sheet date is taken into consideration when presenting the breakdown of financial liabilities according to their maturities.

The following table presents the maturity analyses of the Company's financial liabilities' contractual undiscounted cash outflows as of December 31, 2022 and 2021.

December 31, 2022

Maturities according to the agreements	**Book value**	**Total contract based cash outflow (I+II+III)**	**Up to 3 months (I)**	**3 months to 1 year (II)**	**1 to 5 years (III)**
Financial liabilities (Note 4)	**69,629,719**	**76,416,371**	**19,056,808**	**55,022,963**	**2,336,601**
Trade payables to third parties (Note 5)	**494,877,137**	**494,877,137**	**494,877,137**	**–**	**–**
Trade payables to related parties (Note 29)	**194,311,660**	**194,311,660**	**194,311,660**	**–**	**–**
Other liabilities (Note 6)	**47,133,775**	**47,133,775**	**47,133,775**	**–**	**–**
Total liabilities	**805,952,291**	**812,738,943**	**755,379,380**	**55,022,963**	**2,336,601**

December 31, 2021

Maturities according to the agreements	Book value	Total contract based cash outflow (I+II+III)	Up to 3 months (I)	3 months to 1 year (II)	1 to 5 years (III)
Financial liabilities (Note 4)	73,806,802	91,291,569	21,575,000	66,644,000	3,072,569
Trade payables to third parties (Note 5)	256,614,097	256,614,097	256,614,097	–	–
Trade payables to related parties (Note 29)	30,497,111	30,497,111	30,497,111	–	–
Other liabilities (Note 6)	16,259,559	16,259,559	16,259,559	–	–
Total liabilities	377,177,569	394,662,336	324,945,767	66,644,000	3,072,569

(*) The Company has a rotative loan amounting to TL 63.546.320, interest rates cover 1 year and it may vary.

Interest risk

Fixed-interest financial instruments	**December 31, 2022**	December 31, 2021
Financial liabilities	**63,546,320**	68,219,000
Total	**63,546,320**	68,219,000

31. Subsequent events after balance sheet date

Due to the damages caused by the earthquakes that took place in Kahramanmaraş on February 6, 2023, affecting many of our provinces and shaking our whole country, in accordance with the Official Gazette numbered 32098 on Wednesday, February 8, 2023, Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa and Elazig provinces, it was decided to declare a state of emergency for three months. The economic impacts in the provinces affected by the earthquake are uncertain as of the reporting date.

The Company continues to evaluate the effects of the earthquake on its operations and financial statements.

.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Erkunt Sanayi Anonim Şirketi;

A) Report on the audit of the financial statements

1) Opinion

We have audited the financial statements of **Erkunt Sanayi A.Ş.** (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Accounting Standards ("TAS").

2) Basis for opinion

We conducted our audit in accordance with Independent Auditing Standards ("IAS"s). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How key audit matters addressed in the audit
<u>**Trade Receivables**</u> Trade receivables are significant for the Company as it represents approximately 40% of the Company's total assets. The collectability of trade receivables is one of the most important elements of the Company's working capital management. The Company's management has used certain estimates and assumptions in the calculation of the provision for doubtful trade receivables related to trade receivables. Due to the reasonableness of the size of the amounts and the collectability of trade receivables, the existence and collectability of trade receivables is considered as a key audit matter.	– Evaluating the process regarding the collection follow-up of the Company's trade receivables and the operational effectiveness of the relevant internal controls. – Understanding, evaluating and testing the effectiveness of internal controls regarding financial reporting for credit risk – Examining the aging table of receivables analytically. – Testing trade receivable balances by sending confirmation letters through sample selections. – Testing the collections made in the subsequent period through sample selections. – Testing the collaterals received for receivables by sampling and evaluating their ability to be converted to cash. – Evaluating the compliance of the applied accounting policies with TFRS 9, the company's past performance, local and global practices, – Investigating the disputes and lawsuits related to the receivables in order for the auditing appropriateness of the special provisions and obtaining a confirmation letter from the legal advisors regarding the ongoing lawsuits. – Evaluating the adequacy of the explanations regarding the impairment of trade receivables and their compliance with TFRS. We also tested management's periodicity testing procedures and selected samples independently to test segments of revenue and purchases with verification of invoices. Details on trade receivables are given in Note 5.

<table>
<tr><th>Key audit matters</th><th>How key audit matters addressed in the audit</th></tr>
<tr><td><u>Property, plant and equipment</u>

As of December 31, 2022, property, plant and equipment amounting to TL 177.486.653 represents significant part of total assets in the statement of financial position.

Property, plant and equipment is considered as key audit matter due to their size as of the statement of financial position date.</td><td>– The appropriateness of the estimated useful lives of the tangible assets is evaluated by considering the expected economic benefits associated with each asset.

– Supporting documents for the movements of tangible assets were obtained and material accuracy tests were carried out.

– Whether the depreciation methodology reflects the profile of expected future economic benefits in the best way/accurate way was evaluated and the current year depreciation expenses were tested.

Details on tangible fixed assets are given in Note 10.</td></tr>
</table>

4) Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

5) Auditor’s responsibilities for the audit of the financial statements

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

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

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

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

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

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

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

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

B) Other legal and regulatory requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Emir Taşar.

Eren Bağımsız Denetim Anonim Şirketi
A member firm of Grant Thornton

Emir Taşar, SMMM
Partner

March 6, 2023
Ankara, Turkey

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	**Audited Current year December 31, 2022**	Audited Prior year December 31, 2021
Current Assets		**830.595.105**	486.439.439
Cash and Cash Equivalents	3	**34.066.851**	20.811.358
Trade Receivables:			
- Due from related parties	*5-26*	**102.534.403**	35.198.404
- Other parties	*5*	**339.001.378**	249.266.989
Other Receivables:			
- Due from related parties	*6-26*	**33.397**	73.302
- Other parties	*6*	**126.537**	127.072
Inventories	7	**274.339.187**	144.150.044
Prepaid expenses	8	**10.264.466**	2.930.737
Other current assets	14	**70.228.886**	33.881.533
Non-current assets		**261.237.042**	168.715.705
Investment accounted for using the equity method	16	**17.032.895**	8.419.294
Other receivables:			
- Other parties	*6*	**1.299.028**	674.788
Investment properties	9	**366.654**	381.083
Property, plant and equipment	10	**177.486.653**	137.926.139
Intangible assets	11	**333.247**	333.218
Right of use asset	12	**25.393.363**	8.785.111
Prepaid expenses	8	**4.536.175**	3.631.711
Deferred tax asset	25	**34.789.027**	8.564.361
TOTAL ASSETS		**1.091.832.147**	655.155.144

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 (CONTD...)
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	**Audited Current year December 31, 2022**	Audited Prior year December 31, 2021
Current Liabilities		**524.924.100**	296.104.842
Short-term financial liabilities	4	**10.349.000**	5.949.000
Other financial liabilities	4	**347.019**	134.312
Short-term lease liabilities	4	**6.838.179**	2.148.102
Trade payables:			
- Due to related parties	*5-26*	**5.476.539**	1.723.441
- Other parties	*5*	**446.015.287**	246.219.825
Employee benefit obligations	13	**24.625.013**	12.468.172
Other payables:			
- Other parties	*6*	**656.561**	2.496.227
Deferred income	8	**5.433.862**	3.155.220
Current income tax liability	25	**6.814.001**	11.594.036
Short-term provisions:			
- For employee benefits	*13*	**17.800.119**	9.802.316
- Other	*15*	**568.520**	414.191
Non-current liabilities		**127.434.613**	50.871.190
Long-term lease liabilities	4	**22.421.184**	11.081.410
Other payables:			
- Due to related parties	6-26	**8.525**	8.525
Long-term provisions			
- For employee benefits	*13*	**105.004.904**	39.781.255
Equity		**439.473.434**	308.179.112
Paid-in share capital	17	**15.120.000**	15.120.000
Adjustment to share capital		**(7.064.199)**	(7.064.199)
Actuarial loss arising from defined benefit plans	17	**(67.442.890)**	(19.605.221)
Restricted reserves	17	**11.099.374**	11.099.374
Retained earnings		**308.629.158**	182.816.739
Net profit for the year		**179.131.991**	125.812.419
Total liabilities and equity		**1.091.832.147**	655.155.144

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Note	**Audited Current year January 1- December 31, 2022**	Audited Prior year January 1- December 31, 2021
Revenue	18	**2.230.704.589**	1.016.417.902
Cost of sales (-)	18	**(1.884.906.404)**	(825.998.149)
Gross profit		**345.798.185**	190.419.753
Research and development expenses (-)	19	**(11.914.696)**	(4.708.627)
Marketing, selling and distribution expenses (-)	20	**(69.716.392)**	(32.317.433)
General administrative expenses (-)	21	**(47.459.083)**	(23.401.609)
Other income from operating activities	22	**4.039.238**	2.701.417
Other expense from operating activities (-)	22	**(11.034.272)**	(5.431.956)
Operating profit		**209.712.980**	127.261.545
Income from investment activities	23	**401.099**	184.733
Share of profit/ (loss) of investments accounted for using the equity method	16	**9.065.401**	2.198.332
Operating profit before financial expenses		**219.179.480**	129.644.610
Financial income	24	**337.726.124**	150.791.675
Financial expenses (-)	24	**(356.233.478)**	(128.130.552)
Profit before taxation		**200.672.126**	152.305.733
Tax income/ (expenses)		**(21.540.135)**	(26.493.314)
Tax expenses for the year	25	**(35.805.384)**	(28.595.047)
Deferred tax income	25	**14.265.249**	2.101.733
Net profit for the year		**179.131.991**	125.812.419
Items not to be reclassified to profit or loss		**(47.837.669)**	(4.324.839)
Actuarial loss arising from defined benefit plans		**(59.797.086)**	(5.406.049)
Tax effect of actuarial loss	25	**11.959.417**	1.081.210
Other comprehensive expenses		**(47.837.669)**	(4.324.839)
Total comprehensive income		**131.294.322**	121.487.580

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Paid-in share capital	Adjustment to share capital	Actuarial losses arising from defined benefit plans	Restricted reserves	Retained earnings	Net profit for the year	Total
Balance as of January 31, 2021	15.120.000	(7.064.199)	(15.280.382)	11.099.374	159.903.798	22.912.941	186.691.532
Transfers	–	–	–	–	22.912.941	(22.912.941)	–
Total comprehensive loss	–	–	(4.324.839)	–	–	125.812.419	121.487.580
Balance as of December 31, 2021	15.120.000	(7.064.199)	(19.605.221)	11.099.374	182.816.739	125.812.419	308.179.112

	Paid-in share capital	Adjustment to share capital	Actuarial losses arising from defined benefit plans	Restricted reserves	Retained earnings	Net profit for the year	Total
Balance as of January 31, 2022	**15.120.000**	**(7.064.199)**	**(19.605.221)**	**11.099.374**	**182.816.739**	**125.812.419**	**308.179.112**
Transfers	–	–	–	–	125.812.419	(125.812.419)	–
Total comprehensive loss	–	–	(47.837.669)	–	–	179.131.991	131.294.322
Balance as of December 31, 2022	**15.120.000**	**(7.064.199)**	**(67.442.890)**	**11.099.374**	**308.629.158**	**179.131.991**	**439.473.434**

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Note	January 1- December 31, 2022	January 1- December 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		**90.688.617**	55.711.200
Profit for the year		**179.131.991**	125.812.419
Adjustments to reconcile profit:			
Adjustments for depreciation and amortization expenses	9, 10, 11, 12	**36.507.504**	25.457.358
Adjustments for impairment of receivables	5	**583.184**	503.327
Adjustment for provisions related with employee benefits		**18.087.075**	14.182.248
Adjustments for litigation provision		**154.329**	(256.845)
Adjustments for interest income and expenses		**3.697.030**	3.707.095
Adjustments related to fair value losses of derivative financial instruments	24	**-**	(57.589)
Adjustments for tax income or expenses	25	**21.540.135**	26.493.314
Adjustments for losses (gains) arising from disposal of property, plant and equipment	23	**(123.968)**	(184.733)
Adjustments for unrealized foreign currency conversion differences		**2.292.550**	-
Adjustments for undistributed profits of investment accounted for using the equity method	16	**(9.065.401)**	(2.198.332)
Changes in working capital:			
Trade receivables		**(157.653.572)**	(193.155.917)
Other receivables		**(583.800)**	(268.675)
Inventories		**(130.189.143)**	(89.032.340)
Prepaid expenses		**(8.238.193)**	(4.926.719)
Trade payables		**203.548.560**	196.092.592
Payables of employee benefits		**12.156.841**	2.173.172
Other payables		**(1.839.666)**	1.577.606
Deferred income		**2.278.642**	698.010
Other current and non-current assets		**(36.347.353)**	(27.208.158)
Cash flows from operating activities:			
Employment termination benefits paid	13	**(4.662.709)**	(4.783.860)
Taxes paid	25	**(40.585.419)**	(18.912.773)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(69.992.617)**	(52.163.309)
Proceeds from sale of property, plant and equipment and intangible assets	10	**170.622**	194.121
Cash outflow from purchases of property, plant and equipment and intangible assets	10,11	**(70.615.039)**	(52.508.030)
Dividend received	16	**451.800**	150.600
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(7.440.507)**	(7.557.575)
Cash inflows from borrowings	4	**47.495.000**	39.780.312
Cash outflow related to borrowing payments		**(42.882.293)**	(41.948.327)
Cash outflow related to leasing payments		**(11.403.138)**	(4.531.081)
Interest paid	24	**(783.545)**	(1.134.690)
Interest received	24	**133.469**	276.211
Net change in cash and cash equivalents		**13.255.493**	(4.009.684)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**20.811.358**	24.821.042
E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	**34.066.851**	20.811.358

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT DECEMBER 31, 2022

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated.)

1. Organization and operations of the Company

Erkunt Sanayi A.Ş. (the “Company”) was established in 1961 and its main activity is to manufacture and trade all kinds of parts, machined parts and main products based on casting technology for automotive, tractors and construction equipment.

The Company has Casting-1 and Machining-1 facilities in Etimesgut Ankara, which is its headquarters, as well as Casting-2 established in Sincan Ankara “Organized Industrial Zone” in 1996 and Processing-2 facilities at the same location.

The Company’s share capital consists of 1.512.000.000 units of shares with the nominal value of TL 0,01.

The shareholders of the Company and their shareholding structures as of December 31, 2022 and 2021 are as follows:

	December 31, 2022		December 31, 2021	
Shareholders	**Amount in TL**	Share (%)	Amount in TL	Share (%)
Mahindra Overseas Investment Company Ltd.	**9.633.788**	**%63,7**	9.633.788	%63,7
Erkunt Traktör Sanayii A.Ş.	**5.288.795**	**%35,0**	5.288.795	%35,0
Bürge Ceylan Kaleli	**110.950**	**%0,7**	110.950	%0,7
Ahmet Nalbur	**15.120**	**%0,1**	15.120	%0,1
Rezzan Oral	**147**	**-**	147	-
Other	**71.200**	**%0,5**	71.200	%0,5
Total	**15.120.000**	**100,0**	15.120.000	100,0

Total number of employees of the Company as of December 31, 2022 is 1.521 (December 31, 2021: 1.510).

2. Basis of presentation of financial statements and summary of accounting policies

2.1 Basis of presentation

The Company maintains its legal books of account and prepare its statutory financial statements (“Statutory Financial Statements”) in accordance with accounting principles issued by the Turkish Commercial Code (“TCC”) and tax legislation.

The accompanying financial statements of the Company have been prepared in accordance with the principles of Turkish Accounting Standards (“TAS”), as issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

Financial statements and footnotes are presented in accordance with the financial statement examples and user guide announced by the POA with the principle decision dated April 15, 2019.

The financial statements have been prepared under the historical cost convention. In determining the historical cost, generally the fair value of the price paid for the assets is taken as basis.

Functional and reporting presentation currency

The currency and functional currency of the country of residence of the Company is Turkish Lira (“TL”). The Company uses Turkish Lira (“TL”) the measurement items in its financial statements.

Going concern

The Company prepared its financial statements in accordance with the going concern assumption.

Approval of the financial statements

The financial statements have been approved and authorized to be published on March 6, 2023, by the Board of Directors. The General Assembly has the authority to revise the financial statements.

2.2 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standards, if any, is made either retrospectively or prospectively. Changes without any transition requirement, material changes in accounting policies or material errors are corrected retrospectively by restating the prior period financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.3 Comparative information and restatement of financial statements with prior periods

The Company’s financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends in accordance with a new illustrative financial statements. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period financial statements.

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2022 are as follows:

– Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

– Amendments to TAS 16 – Proceeds before intended use

In July 2020, POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

– Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

Annual Improvements – 2018–2020 Cycle

In July 2020, POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary tto measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

2.5 Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents are cash in hand, demand deposits and other short-term investments with a maturity of 3 months or less than 3 months, which are easily convertible into cash and do not carry a significant risk of change in value (Note 3). Bank deposits with a maturity of longer than 3 months and less than 1 year are classified as short-term financial investments.

Financial instruments

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Company classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

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

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset; the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

– it has been acquired principally for the purpose of selling it in the near term; or
– on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
– it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

– for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
– for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss.

Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;

– for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss and
– for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each Reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit losses is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

<u>Financial liabilities</u>

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value. A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Company continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Entity does not reclassify any financial liability.

<u>Derecognition of financial liabilities</u>

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

<u>Derivative financial instruments</u>

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Related parties

Parties are considered related to the Company if:

a) A person or a close member of that person's family is related to a reporting entity if that;

The related person or entity that is related to the entity preparing its financial statements (for this note will be named as reporting entity'):

(i) Has control or joint control over the reporting entity;
(ii) Has significant influence over the reporting entity; or
(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same company (which means that each Parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Inventories

Inventories are valued at the lower of cost or net realizable value. The costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority valued by using the monthly weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

	Useful life
Building	50 years
Machinery and equipment	2-33 years
Vehicles	4-5 years
Furniture and fixtures	2-50 years
Leasehold improvements	4-15 years

Expenses after the capitalization are added to the cost of related asset and reflected in financial statements as a separate asset if they shall mostly provide an economic benefit and their cost is measured in a trustable manner. Property, plant and equipment are reviewed for impairment if there are conditions showing that the securities are more than amount recoverable. Assets are grouped at the lowest level which is cash-generating unit in order to determine impairment (cash-generating unit).

Carrying amount of a tangible asset and recoverable value is the one which is higher than the net sales price following the deduction of commensurable value for the sale of the asset. Useful life of assets are reviewed as of date of balance sheet and adjusted, if required.

Maintenance and repair expenses are recorded as expense to the statement of profit or loss of the related period. The Company omits the carrying values of the changed pieces occurred with respect to renovations from the balance sheet without considering whether they are subject to depreciation in an independent manner from other sections. Main renovations are subject to deprecation based on the shortest of residual life of the related tangible asset or useful life of the renovation itself.

Intangible assets

Out of the purchased intangible fixed assets, those with a finite life are presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized principally on a straight-line basis over their estimated useful lives and production amounts. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, and any changes in the estimate are accounted for on a prospective basis.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

IFRS 16 "Leases" standard

Company - as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

– fixed lease payments (including in-substance fixed payments), less any lease incentives;

– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

– the amount expected to be payable by the lessee under residual value guarantees;

– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

– The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

– The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

– A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments incurred on or before the lease actually commences, and other direct initial costs. These assets are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of- use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Revenue recognition

Company recognizes revenue when the goods or services are transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer. The principal activities of the Company are production of iron and steel rolled products, alloyed and non-alloyed iron, steel and pig iron castings, cast and pressed products and their by-products.

Company recognizes revenue based on the following main principles:

a) Identification of customer contracts

b) Identification of performance obligations

c) Determination of transaction price in the contract

d) Allocation of price to performance obligations

e) Recognition of revenue when the performance obligations are fulfilled

The Company evaluates the products it has committed in each contract with customers and determines each commitment it has made to transfer the said goods or services as a separate performance obligation. Whether the performance obligation for each contract will be realized at a certain time or over time is evaluated at the beginning of the contract. If the Company realizes the transfer of control of its goods and services over time and fulfils its performance obligation over time, it measures the progress in fulfilling the performance obligation and records the revenues in the financial statements.

Employee termination benefits

According to the Turkish law, employee termination payments are made to employees in the case of retiring or involuntarily leaving. Such payments are considered as a part of defined retirement benefit plan in accordance with TAS 19 (revised) Employee Benefits ("TAS 19").

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans. The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows:

	December 31, 2022	**December 31, 2021**
Interest rate (%)	22,00	21,50
Inflation rate (%)	18,00	16,90

Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company have not been recognized in these financial statements and treated as contingent liabilities and contingent assets.

Taxation and deferred income taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in future and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is determined by calculating the temporary differences between the carrying amounts of assets/liabilities in the financial statements and the corresponding tax bases, used in the computation of the taxable profit, using currently enacted tax rates.

Deferred tax liabilities are generally recognized for all taxable temporary differences where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized if it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the statement of profit or loss, except when they relate to the items credited or debited directly to the equity (in this case the deferred tax related to these items is also recognized directly in the equity), or where they arise from the initial accounting of a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Statement of cash flows

Cash flows during the period are classified and reported as operating, investing and financing activities in the statement of cash flows.

Cash flows arising from operating activities represent the cash flows that are used in or provided by the sales activities.

Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Company.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprises of the cash on hand, the demand deposits and highly liquid other short-term investments which their maturities are three months or less from the date of acquisition, are readily convertible to cash and are not subject to a significant risk of changes in value.

The translation difference that occurs due to translation from functional currency to presentation currency is shown as translation difference on cash flow statement.

Subsequent events

Subsequent events include all events that take place between the balance sheet date and the date of authorization for the release of the balance sheet, although the events occurred after the announcements related to the net profit/loss or even after the public disclosure of other selective financial information.

In the case that events occur requiring an adjustment, the Company adjusts the amounts recognized in its financial statements to reflect the adjustments after the balance sheet date. Post period end events that are not adjusting events are disclosed in the notes when material.

2.6 Critical accounting judgments, estimates and assumptions

The preparation of financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. These estimates and assumptions are reviewed regularly, taking into account past experiences and factors expected to arise in the future under certain conditions. Uncertainty about these estimates and assumptions may require significant adjustments in the carrying values of assets and liabilities. Actual results may differ from estimates and assumptions.

Comments that may have a significant impact on the amounts reflected in the financial statements and the significant assumptions and evaluations made by considering the main sources of the estimates that may or may occur at the balance sheet date are as follows:

a) Provisions for employment termination benefits have been calculated according to the (discount rate, estimated future wage increase, and rate of retirement of the employees) based on actuarial assumptions.

b) Provisions for lawsuits are determined by the management with support of the Company's legal advisers that can result a cash outflow for the Company in every period at the date of preparation of financial statements.

c) The Company's management has made certain important assumptions based on experiences of their technical personnel in determining useful economic life of the property, plant and equipment.

d) The Company reviews its assets for any possible impairment if there is an indication of assets cannot be sold at their book value in accordance with current developments and changing circumstances. In case of such an indication and book value of assets exceed their estimated recoverable values, assets and cash providing units are stated at estimated recoverable values. The recoverable value of assets is stated at greater of net selling price or value in use.

3. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	**1.645**	6.014
Cash in banks:		
– Time deposit	**2.000.000**	–
– Demand deposit	**25.704.053**	20.805.344
Other cash and cash equivalents (*)	**6.361.153**	–
Total	**34.066.851**	20.811.358

(*) It consists of money market funds that do not contain stock funds.

The details of the time deposits as of December 31, 2022 are as follows:

	Maturity	**Interest rate (%)**	**December 31, 2022**
Turkish Lira	January 2023	**11,50**	**2.000.000**
Total			**2.000.000**

The currency details of the time and demand deposits as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Euro	**19.313.720**	20.123.369
British Pound	**3.971.363**	667.211
US Dollar	**2.341.514**	10.129
Turkish Lira	**2.077.456**	4.635
Total	**27.704.053**	20.805.344

As of December 31, 2022, there are no blockage, pledges or mortgages on cash and cash equivalents (December 31, 2021: None).

4. Financial liabilities

The details of financial liabilities as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Short-term financial liabilities:		
Short-term bank loans	**10.349.000**	5.949.000
Current portion of long-term operation lease liabilities	**6.838.179**	2.148.102
Other financial liabilities (*)	**347.019**	134.312
Total	**17.534.198**	8.231.414
Long-term financial liabilities:		
Long-term operation lease liabilities	**22.421.184**	11.081.410
Total	**22.421.184**	11.081.410

(*) Other financial liabilities consist of credit card payables.

Movements of bank loans for the year ended December 31, 2022 and 2021 are as follows:

	2022	2021
January 1	**5.949.000**	7.903.316
Addition	**47.495.000**	39.780.312
Principal paid	**(43.095.000)**	(41.734.628)
December 31	**10.349.000**	5.949.000

5. Trade receivables and payables

a) Trade receivables

The details of trade receivables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Trade receivables from third parties	**339.573.032**	251.322.194
Doubtful receivables	**329.806**	329.806
Trade receivables from related parties (Note 26)	**104.852.510**	35.449.776
Total	**444.755.348**	287.101.776
Minus: Provision for doubtful receivables	**(329.806)**	(329.806)
Minus: Expected credit loss		
Third parties	**(571.654)**	(2.055.205)
Related parties (Note 26)	**(2.318.107)**	(251.372)
Trade receivables, net	**441.535.781**	284.465.393

The maturity of the Company's trade receivables varies depends on the contracts signed. However, the average maturity for the trade receivables as of December 31, 2022 is 48 days (2021: 47 days). As of December 31, 2022, there was no calculation of unearned finance income as it had no significant influence on trade receivables.

The movement of the Company's provision for doubtful receivables as of December 31, 2022 and 2021 is as follows:

	2022	2021
January 1	**(329.806)**	(329.806)
Charge during the year (Note 22)	**–**	–
Provision no longer required (Note 22)	**–**	–
December 31	**(329.806)**	(329.806)

The movement of the Company's expected credit loss as of December 31, 2022 and 2021 is as follows:

	2022	2021
January 1	**(2.306.577)**	(1.803.250)
Charge during the year (Note 22)	**(2.889.761)**	(2.306.577)
Provision no longer required (Note 22)	**2.306.577**	1.803.250
December 31	**(2.889.761)**	(2.306.577)

b) Trade payables

The details of trade payables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Trade payables to third parties	**446.015.287**	246.219.825
Trade payables to related parties (Note 26)	**5.476.539**	1.723.441
Total	**451.491.826**	247.943.266

The maturity of the Company's trade payables varies depends on the contracts signed. However, the average maturity for the trade payables as of December 31, 2022 is 61 days (2021: 50 days).

6. Other receivables and payables

a) Other receivables

The details of short-term other receivables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Other receivables from third parties	**126.537**	127.072
Other receivables from related parties (Note 26)	**33.397**	73.302
Total	**159.934**	200.374

The details of long-term other receivables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Deposits and guarantees given	**1.299.028**	674.788
Total	**1.299.028**	674.788

b) Other payables

The details of short-term other payables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Other payables to third parties	**656.561**	2.496.227
Total	**656.561**	2.496.227

The details of long-term other payables as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Other payables to related parties (Note 26)	**8.525**	8.525
Total	**8.525**	8.525

7. Inventories

The details of inventories as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Raw materials and supplies	**163.521.220**	87.029.030
Work in process	**98.882.304**	44.197.876
Finished goods	**11.411.325**	12.591.216
Goods in transit	**524.338**	331.922
Total	**274.339.187**	144.150.044

The amount of insurance cover on inventories is TL 100.000.000 for the year ended December 31, 2022 (December 31, 2021: TL 27.500.000).

8. Prepaid expenses and deferred income

a) Prepaid expenses

The details of short-term prepaid expenses as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Prepaid expenses for next months	**2.310.777**	1.619.230
Advances given	**7.943.989**	1.309.507
Other	**9.700**	2.000
Total	**10.264.466**	2.930.737

The details of long-term prepaid expenses as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Advances given	**4.494.983**	3.631.711
Prepaid expenses	**41.192**	–
Total	**4.536.175**	3.631.711

b) Deferred income

The details of deferred income as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Income related to future months (*)	**5.253.292**	3.047.368
Advances received	**180.570**	107.852
Total	**5.433.862**	3.155.220

(*) Delivered duty paid ("DDP") is a delivery agreement whereby the seller assumes all of the responsibility, risk, and costs associated with transporting goods until the buyer receives or transfers them at the destination port. Income related to future months consist of sales which are not recorded as revenue due to delivery method.

9. Investment properties

Movement of investment properties and accumulated amortization for the year ended December 31, 2022 and 2021 are as follows:

	January 1, 2022	**Addition**	**December 31, 2022**
Cost:			
Building	**721.459**	**–**	**721.459**
Total cost	**721.459**	**–**	**721.459**
Accumulated depreciation:			
Buildings	**340.376**	**14.429**	**354.805**
Total accumulated depreciation	**340.376**	**14.429**	**354.805**
Book value	**381.083**		**366.654**

	January 1, 2021	Addition	December 31, 2021
Cost:			
Building	721.459	–	721.459
Total cost	721.459	–	721.459
Accumulated depreciation:			
Buildings	325.907	14.469	340.376
Total accumulated depreciation	325.907	14.469	340.376
Book value	395.552		381.083

The Company included the depreciation expenses from investment properties for the year ended December 31, 2022 amounting to TL 14.429 under the general administration expenses (2021: TL 14.469).

Investment properties consist of 3.550 m^2 of administrative buildings with an area of 15.461 m^2 in Ankara Sincan Organized Industrial Zone Batıhun Street.

10. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation between January 1 - December 31, 2022 are as follows:

Cost	**Land**	**Land improvements**	**Buildings**	**Plant, machinery and equipment**	**Vehicles**	**Furniture and fixtures**	**Other tangible fixed assets**	**Leasehold improvements**	**Construction in progress**	**Total**
Opening Balance as of January 1, 2022	**1.386.469**	**7.433.733**	**15.069.597**	**327.062.590**	**432.745**	**9.760.556**	**5.134.216**	**555.012**	**37.822.274**	**404.657.192**
Additions	**–**	**826.463**	**–**	**49.093.475**	**–**	**3.184.777**	**201.406**	**1.364.696**	**15.821.967**	**70.492.784**
Disposals (-)	**–**	**–**	**–**	**(90.312)**	**(216.440)**	**(78.712)**	**–**	**–**	**–**	**(385.464)**
Closing Balance as of December 31, 2022	**1.386.469**	**8.260.196**	**15.069.597**	**376.065.753**	**216.305**	**12.866.621**	**5.335.622**	**1.919.708**	**53.644.241**	**474.764.512**
Accumulated depreciation										
Opening Balance as of January 1, 2022	**–**	**5.308.761**	**3.842.495**	**247.395.131**	**364.280**	**4.976.070**	**4.719.815**	**124.501**	**–**	**266.731.053**
Charge for the year	**–**	**389.317**	**385.966**	**28.203.921**	**13.000**	**1.432.482**	**205.469**	**255.461**	**–**	**30.885.616**
Disposals (-)	**–**	**–**	**–**	**(90.312)**	**(172.153)**	**(76.345)**	**–**	**–**	**–**	**(338.810)**
Closing Balance as of December 31, 2022	**–**	**5.698.078**	**4.228.461**	**275.508.740**	**205.127**	**6.332.207**	**4.925.284**	**379.962**	**–**	**297.277.859**
Book value as of December 31, 2022	**1.386.469**	**2.562.118**	**10.841.136**	**100.557.013**	**11.178**	**6.534.414**	**410.338**	**1.539.746**	**53.644.241**	**177.486.653**

Depreciation expenses of TL 28.646.842 has been charged in ‘Cost of Goods Sold’, TL 664.253 in ‘General Administrative Expenses’, TL 832.016 has been charged in ‘Research and Development Expenses’ and TL 742.505 in ‘Idle Capacity Expenses’.

The amount of insurance cover on plant, machinery and equipment is TL 1.612.790.500, on buildings is TL 216.755.000 and furniture and fixtures is TL 131.837.900 for the year ended December 31, 2021.

As of December 31, 2022, there is no mortgage on property, plant and equipment.

Movement of property, plant and equipment and accumulated depreciation between January 1 - December 31, 2021 are as follows:

Cost	**Land**	**Land improvements**	**Buildings**	**Plant, machinery and equipment**	**Vehicles**	**Furniture and fixtures**	**Other tangible fixed assets**	**Leasehold improvements**	**Construction in progress**	**Total**
Opening Balance as of January 1, 2021	1.386.469	7.433.733	15.069.597	305.543.065	449.371	9.085.034	5.372.183	348.454	10.203.784	354.891.690
Additions	–	–	–	8.266.378	–	925.933	200.060	206.558	42.819.378	52.418.307
Disposals (-)	–	–	–	(1.947.741)	(16.626)	(250.411)	(438.027)	–	–	(2.652.805)
Transfers from constructions in progress	–	–	–	15.200.888	–	–	–	–	(15.200.888)	–
Closing Balance as of December 31, 2021	1.386.469	7.433.733	15.069.597	327.062.590	432.745	9.760.556	5.134.216	555.012	37.822.274	404.657.192
Accumulated depreciation										
Opening Balance as of January 1, 2021	–	4.885.371	3.440.833	229.072.794	327.399	4.028.013	4.932.950	51.780	–	246.739.140
Charge for the Year	–	423.390	401.662	20.266.544	53.506	1.192.615	224.892	72.721	–	22.635.330
Disposals (-)	–	–	–	(1.944.207)	(16.625)	(244.558)	(438.027)	–	–	(2.643.417)
Closing Balance as of December 31, 2021	–	5.308.761	3.842.495	247.395.131	364.280	4.976.070	4.719.815	124.501	–	266.731.053
Book value as of December 31, 2021	1.386.469	2.124.972	11.227.102	79.667.459	68.465	4.784.486	414.401	430.511	37.822.274	137.926.139

Depreciation expenses of TL 21.198.892 has been charged in ‘Cost of Goods Sold’, TL 427.755 in ‘General Administrative Expenses’, TL 70.805 has been charged in ‘Research and Development Expenses’ and TL 937.878 in ‘Idle Capacity Expenses’.

The amount of insurance cover on plant, machinery and equipment is TL 1.056.810.000, on buildings is TL 135.395.000 and furniture and fixtures is TL 87.285.000 for the year ended December 31, 2021.

As of December 31, 2021, there is no mortgage on property, plant and equipment.

11. Intangible assets

Movement of intangible assets and their accumulated amortization between January 1 - December 31, 2022 and 2021 are as follows:

	January 1, 2022	**Addition**	**December 31, 2022**
Cost:			
Rights	**2.665.601**	**122.255**	**2.787.856**
Total cost	**2.665.601**	**122.255**	**2.787.856**
Accumulated amortization:			
Rights	**2.332.383**	**122.226**	**2.454.609**
Total accumulated amortization	**2.332.383**	**122.226**	**2.454.609**
Book value	**333.218**		**333.247**

	January 1, 2021	Addition	December 31, 2021
Cost:			
Rights	2.575.878	89.723	2.665.601
Total cost	2.575.878	89.723	2.665.601
Accumulated amortization:			
Rights	2.217.906	114.477	2.332.383
Total accumulated amortization	2.217.906	114.477	2.332.383
Book value	357.972		333.218

Amortization expense of TL 122.226 has been charged in 'General Administrative Expenses' for the year ended December 31, 2022 (December 31, 2021: TL 114.477)

12. Right of use assets

Movement of right of use assets and their accumulated depreciation between January 1 - December 31, 2022 and 2021 are as follows:

	January 1, 2022	**Addition**	**Disposals(-)**	**December 31, 2022**
Cost:				
Building	14.013.836	–	–	14.013.836
Vehicles	2.280.416	4.625.877	(2.280.416)	4.625.877
Machinery	–	17.467.608	–	17.467.608
Total	**16.294.252**	**22.093.485**	**(2.280.416)**	**36.107.321**
Accumulated depreciation:				
Building	5.798.829	1.932.943	–	7.731.772
Vehicles	1.710.312	2.219.810	(2.280.416)	1.649.706
Machinery	–	1.332.480	–	1.332.480
Total accumulated depreciation	7.509.141	5.485.233	(2.280.416)	10.713.958
Book Value	8.785.111			25.393.363

	January 1, 2021	Addition	Disposals(-)	December 31, 2021
Total cost				
Building	14.013.836	–	–	14.013.836
Vehicles	2.280.416	–	–	2.280.416
Total cost	16.294.252	–	–	16.294.252
Accumulated depreciation:				
Building	3.865.886	1.932.943	–	5.798.829
Vehicles	950.173	760.139	–	1.710.312
Total accumulated depreciation	4.816.059	2.693.082	–	7.509.141
Book Value	11.478.193			8.785.111

Depreciation expenses of TL 3.265.423 has been charged in 'Cost of Goods Sold' and TL 2.219.810 TL in 'General Administrative Expenses'. (December 31, 2021: TL 1.932.943, TL 760.139)

13. Employee benefits

a) Employee benefit obligations

The details of employee benefit obligations as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Payables to personnel	**13.245.687**	6.671.441
Taxes and funds payable	**4.270.590**	2.309.090
Social security premium payable	**7.108.736**	3.487.641
Total	**24.625.013**	12.468.172

b) Provisions for employee benefits

The details of provisions for employee benefits as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Short-term provision:		
Provision for unused vacation	**9.758.882**	5.188.887
Bonus provision	**8.041.237**	4.613.429
Total	**17.800.119**	9.802.316
Long-term provision:		
Provision for employee termination benefits	**105.004.904**	39.781.255
Total	**105.004.904**	39.781.255

The movements of the provision for unused vacation are as follows:

	2022	2021
January 1	**5.188.887**	3.766.609
Addition/ (used) during year, net	**4.569.995**	1.422.278
December 31	**9.758.882**	5.188.887

The movements of the provision for bonus payments are as follows:

	2022	2021
January 1	**4.613.429**	–
Addition	**3.427.808**	4.613.429
December 31	**8.041.237**	4.613.429

According to the articles of Turkish Labor Law in force, the Company have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life by completing at least one year of service, leaving for military services and deceased.

As of December 31, 2022, the amount payable consists of one month's salary limited to a maximum of TL 15.371,40 (December 31, 2021: TL 8.284,51) for each year of service. As of January 1, 2023, the employment termination benefit has been updated to a maximum of TL 19.982,83.

The employment termination benefit legally is not subject to any funding requirement.

As of December 31, 2022 and 2021, movements of the provision for employee termination benefits are as follows:

	2022	2021
January 1	**39.781.255**	31.012.525
Service cost	1.337.396	1.478.848
Interest cost (Note 24)	8.751.876	6.667.693
Payments (-)	(4.662.709)	(4.783.860)
Actuarial loss	59.797.086	5.406.049
December 31	**105.004.904**	39.781.255

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans.

The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows:

	December 31, 2022	December 31, 2021
Interest rate (%)	22,00	21,50
Inflation rate (%)	18,00	16,90
Probability of retirement (%)	97,08	93,44

The principal assumptions used in the calculation of retirement pay liability are interest rate and inflation rate. All other variables were held constant, the sensitivity analysis of the assumptions which was used for the calculation of provision for employment termination benefits as of December 31, 2022 as follows:

Sensitivity level	**Interest rate**	
Change in rate	1% increase	1% decrease
Change in employee benefits liability	(8.610.310)	8.610.310

Sensivity level		**Inflation rate**
Change in rate	1% increase	1% decrease
Change in employee benefits liability	10.311.974	(10.311.974)

14. Other assets

	December 31, 2022	December 31, 2021
VAT carried forward	**70.042.565**	33.695.212
Other VAT	**186.321**	186.321
Total	**70.228.886**	33.881.533

15. Provisions, commitments and contingencies

a) Provisions

The details of provisions for litigation as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Litigation provision	**568.520**	414.191
Total	**568.520**	414.191

As of December 31, 2022 and 2021, movements of the provision for litigation are as follows:

	2022	2021
January 1	**414.191**	671.036
Charge during the year (Note 22)	**232.530**	106.089
Provision no longer required (Note 22)	**(78.201)**	(362.934)
December 31	**568.520**	414.191

b) Commitments and contingencies

The details of the collaterals, pledges and mortgages ("CPM") as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Letters of guarantees received:		
Turkish Lira	**3.589.879**	3.049.368
Us Dollar	**-**	116.100
Pledges received (*):		
Turkish Lira	**226.475.000**	512.475.000
Euro	**5.000.000**	5.000.000

	December 31, 2022	December 31, 2021
Letters of guarantees given:		
Turkish Lira	225.000	1.202.632
Euro	344.400	912.241
Collateral bond given:		
Turkish Lira	24.000	24.000
Euro	138.600	138.600
Collateral cheque given:		
Turkish Lira	80.000	80.000
Peldges given (*):		
Turkish Lira	28.000.000	28.000.000
Euro	500.000	500.000

(*) Amounts related to the pledges received and given consist of the pledges received from Erkunt Traktör and given to Erkunt Traktör.

16. Investment accounted for using the equity method

Investment accounted for using the equity method as of December 31, 2022 and 2021 is as follows:

	December 31, 2022	December 31, 2021
Kumsan Döküm ve Malz. San. ve Tic A.Ş. ("Kumsan")	**17.032.895**	8.419.294
Total	**17.032.895**	8.419.294

As of December 31, 2022, share capital of Kumsan Döküm ve Malz. San. ve Tic. A.Ş. is TL 1.200.000 (2021: TL 1.200.00)

Details of share of profit/ (loss) of investments accounted for using the equity method for the periods ended December 31, 2022 and 2021 are as follows:

	2022	2021
January 1	**8.419.294**	6.371.562
Profit for the year	**9.065.401**	2.198.332
Dividend payment	**(451.800)**	(150.600)
December 31	**17.032.895**	8.419.294

17. Equity

a) Share capital

The shareholders and share capital structure of the Company as of December 31, 2022 and 2021 are as follows:

	December 31, 2022		December 31, 2021	
	Share (%)	**Turkish Lira**	Share (%)	Turkish Lira
Mahindra Overseas Investment Company Ltd.	**63,72**	**9.633.788**	63,72	9.633.788
Erkunt Traktör Sanayi A.Ş.	**34,98**	**5.288.795**	34,98	5.288.795
Bürge Ceylan Kaleli	**0,73**	**110.950**	0,73	110.950
Ahmet Nalbur	**0,10**	**15.120**	0,10	15.120
Rezzan Oral	**0,00**	**147**	0,00	147
Other	**0,47**	**71.200**	0,47	71.200
Total	**100**	**15.120.000**	100	15.120.000

The Company's share capital consists of 1.512.000.000 units of shares with the nominal value of TL 0,01 (2021: 1.512.000.000 units of shares). As of December 31, 2022, legal reserves in statutory financial statements is amounting to TL 11.099.374 (2021: TL 11.099.374).

b) Actuarial gain/ (loss) arising from defined benefit plans

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. The actuarial gains and losses are recognized in other comprehensive income. As of December 31, 2022, the actuarial losses amounting to TL 59.797.086 (December 31, 2021: TL 5.406.049) accounted in equity.

c) Reserves

The legal reserves are established by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve). Without limit, a further 10 percent of dividend distributions in excess of 5 percent of paid-in capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50 percent of share capital.

d) Profit distribution

The Company takes a profit distribution decision and distributes profits in line with the provisions of the Turkish Commercial Code, Tax Laws, other relevant legislation, the Articles of Association and the General Assembly Resolution. Profit distribution principles are determined by the Profit Distribution Policy. The company did not take a profit distribution decision for the periods end as of December 31, 2022 and 2021.

18. Revenue and cost of sales

Details of revenue and cost of sales for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Domestic sales:		
As-cast sales	**262.840.290**	84.761.490
Refined-cast sales	**208.379.734**	97.411.970
Model and other sales	**13.630.929**	17.325.718
Export sales:		
As-cast sales	**1.402.818.018**	668.970.393
Refined-cast sales	**348.833.449**	158.048.064
Model and other sales	**60.335.530**	17.168.589
Sales returns (-)	**(29.886.269)**	(11.876.988)
Sales discounts (-)	**(36.247.092)**	(15.391.334)
Net sales	**2.230.704.589**	1.016.417.902
Cost of cast sales:		
Direct raw materials and supplies expenses	**(1.071.562.622)**	(518.022.474)
Personnel expenses	**(272.732.971)**	(146.214.450)
Electric, gas and water expenses	**(387.524.504)**	(93.776.699)
Amortization and depreciation expenses	**(31.912.265)**	(23.131.835)
Other	**(106.595.125)**	(32.698.377)
Cost of model and other sales	**(14.578.917)**	(12.154.314)
Gross profit	**345.798.185**	190.419.753

19. Research and development expenses

Details of research and development expenses for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel expenses	**10.407.373**	3.908.364
Amortization and depreciation expenses	**832.016**	70.805
Raw materials and supplies expenses	**104.416**	276.040
Other	**570.891**	453.418
Total	**11.914.696**	4.708.627

20. Marketing, selling and distribution expenses

Details of marketing, selling and distribution expenses for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Raw materials and supplies expenses (*)	**43.557.514**	17.363.173
Freight expenses	11.867.625	7.609.119
Commission expenses	**10.615.464**	5.824.252
Personnel expenses	**2.358.391**	943.550
Other	**1.317.398**	577.339
Total	**69.716.392**	32.317.433

(*) Raw materials and supplies expenses consist of packing expenses.

21. General administration expenses

Details of general administration expenses for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel expenses	**26.871.399**	14.815.955
Travel expenses	**6.441.347**	1.760.730
Outsourced benefits and services	**3.469.183**	1.570.291
Amortization and depreciation expenses	**3.020.718**	1.316.840
General office expenses	**2.220.357**	2.054.112
Taxes, duties and charges	**1.035.975**	537.780
Other	**4.400.104**	1.345.901
Total	**47.459.083**	23.401.609

22. Other operating income and expenses

a) Other operating income

Details of other operating income for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Provision no longer required (Note 5, 15)	**2.384.778**	2.166.184
Corporate tax discount	**1.429.752**	310.440
Insurance indemnity income	**12.268**	25.497
Other	**212.440**	199.296
Total	**4.039.238**	2.701.417

b) Other operating expenses

Details of other operating expenses for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Idle capacity personnel expenses	**6.254.756**	1.366.160
Provision expenses (Note 5, 15)	**3.122.291**	2.412.666
Idle capacity amortization and depreciation expenses	**742.505**	937.878
Taxes, duties and charges	**234.081**	31.710
Other	**680.639**	683.542
Total	**11.034.272**	5.431.956

23. Income from investment activities

Details of income from investment activities for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Profit on sales of marketable securities	**277.131**	–
Profit on sales of PPE	**123.968**	184.733
Total	**401.099**	184.733

24. Income and expenses from financial activities

a) Income from financial activities

Details of income from financial activities for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange gains	**337.592.655**	150.457.875
Interest income from time deposit	**133.469**	276.211
Income from derivative transactions	**–**	57.589
Total	**337.726.124**	150.791.675

b) Expenses from financial activities

Details of expenses from financial activities for the periods ended December 31, 2022 and 2021 are as follows:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange loss	**340.493.092**	116.995.676
Interest expenses related to employee termination benefit (Note 13)	**8.751.876**	6.667.693
Interest expenses related to operation lease liability	**3.383.240**	2.783.096
Late interest expenses	**2.578.783**	413.142
Interest expenses related to borrowings	**783.545**	1.134.690
Commission and other interest expenses	**242.942**	136.255
Total	**356.233.478**	128.130.552

25. Taxation

	December 31, 2022	December 31, 2021
Current income tax expense	**35.805.384**	28.595.047
Less: Prepaid current income taxes	**(28.991.383)**	(17.001.011)
Tax asset/ liabilities, net	**6.814.001**	11.594.036

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In addition to corporate taxes, companies should also calculate income withholding taxes on dividends distributed, except for the dividends distributed to fully fledged taxpayer companies receiving and declaring these dividends and to Turkish branches of foreign companies. As of December 31, 2022, income tax withholding is applied as 10%. Undistributed dividends incorporated in share capital are not subject to the income withholding taxes.

In Turkey, a definite and distinct reconciliation procedure for tax assessment does not exist. Companies file their tax returns between 1 April - 25 April following the closing period of the related year's accounts. Tax returns and related accounting records may be examined and revised within five years.

75% of the gains arising from the sale of participation shares, which are in the assets of the corporations for at least two full years, and 50% of the gains arising from the sale of the intangibles that are in the assets for the same period of time, are exempt from tax, provided that they are added to the capital as stipulated in the Corporate Tax Law. .

In Turkey, provisional tax is calculated on a quarterly basis. The temporary tax rate on corporate earnings for 2022 is 23% (31 December 2021: 25%).

Pursuant to the Provisional 7316 added with the Article 11 of the Law on Corporate Income Tax, published in the Official Gazette dated 22 April 2021 and numbered 31462, the corporate tax rate for the corporate earnings for the 2021 taxation period has been determined as 25%, and the corporate tax rate for the corporate earnings for the 2022 taxation period has been determined as 23%. With the amendment added to Article 32 of the Corporate Tax Law, these rates will be applied with a discount of 1 point to the earnings from production activities and earnings from exports. In Turkey, advance tax returns are filed on a quarterly basis. The temporary tax of 2022 has been calculated over the corporate earnings using the rate 23%, during the temporary taxation period. (December 31, 2021: 25%).

Companies calculate provisional tax at the rate of 20% (22% for 2018, 2019 and 2020 taxation periods and 25% and 23% for 2021 and 2022 taxation periods, respectively) on their quarterly financial profits and declare them until the 14th day of the second month following that period. They pay until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or deducted.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits. There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29. With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023.

Movement of deferred income tax assets and liabilities for the year ended December 31, 2022 and 2021 are as follows:

	2022	2021
January 1	**8.564.361**	5.381.418
Deferred tax expense recognized in income statement	**14.265.249**	2.101.733
Deferred tax income recognized in equity	**11.959.417**	1.081.210
December 31	**34.789.027**	8.564.361

The Company recognizes deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of income and expenses tax bases in different reporting periods in the financial statements prepared according to TFRS.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ liabilities provided using effective tax rates as of December 31, 2022 and 2021 are as follows:

	Cumulative temporary differences	**Deferred tax assets/ (liabilities)**	**Cumulative temporary differences**	**Deferred tax assets/ (liabilities)**
	December 31, 2022	**December 31, 2022**	December 31, 2021	December 31, 2021
Deferred tax asset/ (liabilities), net:				
Property plant and equipment and intangible assets	**10.071.261**	**(2.014.252)**	13.926.935	(2.785.386)
Provision for employee termination benefits	(20.701.292)	4.140.259	(15.274.729)	3.054.946
Provision for unused vacation	(9.758.882)	1.951.776	(5.188.887)	1.037.777
Provision for lawsuits	(568.520)	113.704	(414.191)	82.838
Expected credit loss	(2.889.761)	577.952	(2.306.577)	461.315
Bonus provision	–	–	(4.613.429)	922.686
Derivative instruments	1.152	(230)	–	–
TFRS 16 leasing	(4.856.398)	971.280	(4.444.401)	888.880
Actuarial loss	(84.303.612)	16.860.722	(24.506.526)	4.901.305
Investment incentive	–	12.374.279	–	–
Other	932.315	(186.463)	–	–
Deferred tax (liability) / asset, net		**34.789.027**		8.564.361

26. Related parties

a) Related party balances

a.1) Receivables from related parties

As of December 31, 2022 and 2021 balances between related parties and the company explained in detail below:

	December 31, 2022		**December 31, 2021**	
	Short-term		**Short-term**	
	Trade receivables (*)	**Other receivables (**)**	**Trade receivables (*)**	**Other receivables (**)**
Erkunt Traktör	**84.829.726**	**33.397**	**30.438.177**	**73.302**
Mahindra Overseas Investment Company Ltd. (“Mahindra”)	**20.022.784**	**–**	**5.011.599**	**–**
Total	**104.852.510**	**33.397**	**35.449.776**	**73.302**

(*) Trade receivables from related parties are presented in gross balances. As of December 31, 2022, the expected credit loss for trade receivables from related parties is TL 2.318.107 (December 31, 2021: TL 251.372).

(**) As of December 31, 2022 and 2021, other receivables from related parties related to renting.

a. 2) Payables to related parties

As of December 31, 2022 and 2021, short-term payables to related parties are disclosed in detail below:

	December 31, 2022		December 31, 2021	
	Short-term		Short-term	
	Trade payables	**Other payables**	Trade payables	Other payables
Kumsan	**4.515.185**	**–**	1.723.441	–
Other	**961.354**	**–**	–	–
Total	**5.476.539**	**–**	1.723.441	–

As of December 31, 2022 and 2021, long-term payables to related parties are disclosed in detail below:

	December 31, 2022		December 31, 2021	
	Long-term		Long-term	
	Trade payables	**Other payables**	Trade payables	Other payables
Other	**–**	**8.525**	–	8.525
Total	**–**	**8.525**	–	8.525

b) Related party transactions

The details of transactions for the year ended December 31, 2022 between the Company and related parties are explained below:

	Sales of good and service	**Rent income**	**Purchase of good and service**	**Rent expenses**
Erkunt Traktör	157.007.460	113.704	3.318.474	-
Mahindra	98.671.372	-	-	-
Kumsan	-	-	20.545.192	-
Erkunt Gayrimenkul A.Ş.	-	-	-	9.562.737
Total	**255.678.832**	**113.704**	**23.863.666**	**9.562.737**

The details of transactions for the year ended December 31, 2021 between the Company and related parties are explained below:

	Sales of good and service	Rent income	Purchase of good and service	Rent expenses
Erkunt Traktör	68.864.938	94.920	9.609	–
Mahindra	45.234.906	–	–	–
Kumsan	–	–	6.604.782	–
Erkunt Gayrimenkul A.Ş.	–	–	–	3.678.986
Total	114.099.844	94.920	6.614.391	3.678.986

27. Nature and level of risks arising from financial instruments

The primary financial instruments of the Company consist of cash and short-term deposits. The main objective of the related financial instruments is to finance Company’s business activities.

a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

Net financial debt calculated as total financial liabilities (including short and long-term bank borrowings) less cash and cash equivalents. This ratio is calculated as net financial debt divided by paid in capital.

	December 31, 2022	December 31, 2021
Financial liabilities	**39.955.382**	19.312.824
Less: Cash and cash equivalents	**(34.066.851)**	(20.811.358)
Net debt/ (cash)	**5.888.531**	(1.498.534)
Total paid in capital	**15.120.000**	15.120.000
Net debt/ paid in capital	**%39**	<0

b) Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. Company Management and Board of Directors examines and approves the policies on the management of risks stated below. In addition, Company also considers the market risk of all of its financial instruments.

b.1) Credit risk management

	Receivables				
	Trade Receivables		**Other Receivables**		
Current period (December 31, 2022)	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Bank deposits**
Maximum net credit risk as of balance sheet date A+B+C+D)(*)	**102.534.403**	**339.001.378**	**33.397**	**1.425.565**	**27.704.053**
-The part of maximum risk under guarantee with collateral	–	–	–	–	–
A. Net book value of financial assets that are neither overdue nor impaired	–	**251.377.546**	**33.397**	**1.425.565**	**27.704.053**
B. Net book value of financial assets that are renegotiated	–	–	–	–	–
C. Net book value of impaired asset	**102.534.403**	**87.623.832**	–	–	–
- Overdue (gross net book value)	**63.938.691**	**18.747.480**	–	–	–
- Impairment (-)	**(2.084.285)**	**(174.759)**	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
- Undue (gross net book value)	**40.913.819**	**69.448.006**	–	–	–
- Impairment (-)	**(233.822)**	**(396.895)**	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
D. Credit risk off the statement of financial position	–	–	–	–	–

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

	Receivables				
	Trade Receivables		Other Receivables		
Prior period (December 31, 2021)	Related Party	Third Party	Related Party	Third Party	Bank deposits
Maximum net credit risk as of balance sheet date (A+B+C+D)(*)	35.198.404	249.266.989	73.302	801.860	20.805.344
-The part of maximum risk under guarantee with collateral	–	–	–	–	–
A. Net book value of financial assets that are neither overdue nor impaired	–	–	73.302	801.860	20.805.344
B. Net book value of financial assets that are renegotiated	–	–	–	–	–
C. Net book value of impaired asset	35.198.404	249.266.989	–	–	–
- Overdue (gross net book value)	19.917.328	28.301.813	–	–	–
- Impairment (-)	(149.324)	(917.600)	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
- Undue (gross net book value)	15.532.448	223.350.187	–	–	–
- Impairment (-)	(102.048)	(1.467.411)	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
D. Credit risk off the statement of financial position	–	–	–	–	–

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

b.2) Liquidity risk management

Liquidity risk is the risk of Company not meeting its net funding requirements.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Contractual Maturity Analysis December 31, 2022	**Carrying Value**	**Total Cash Outflow According To Contract (I+II+III)**	**Less Than 3 Months (I)**	**3-12 Months (II)**	**1-5 Years (III)**
Bank loans	10.349.000	10.349.000	–	10.349.000	–
Other financial liabilities	347.019	347.019	347.019	–	–
Operational leasing liability	**29.259.363**	**35.355.534**	**2.330.172**	**7.499.637**	**25.525.725**
Trade payables	**451.491.826**	**451.491.826**	–	**451.491.826**	–
Other payables	**665.086**	**665.086**	–	**656.561**	**8.525**
Total liabilities	**492.112.294**	**498.208.465**	**2.677.191**	**469.997.024**	**25.534.250**

Contractual Maturity Analysis December 31, 2021	Carrying Value	Total Cash Outflow According To Contract (I+II+III)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)
Bank loans	5.949.000	5.949.000	–	5.949.000	–
Other financial liabilities	134.312	134.312	134.312	–	–
Operational leasing liability	13.229.512	13.229.512	537.025	1.611.077	11.081.410
Trade payables	247.943.266	247.943.266	–	247.943.266	–
Other payables	2.504.752	2.504.752	–	2.496.227	8.525
Total liabilities	269.760.842	269.760.842	671.337	257.999.570	11.089.935

b.3) Market risk management

As the details can be seen below, the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are supplemented by sensitivity analysis.

b.3.1) Foreign currency risk management

The Company is exposed to foreign exchange risk arising from foreign currency transactions.

As of December 31, 2022 and 2021, details of foreign currency positions of assets and liabilities of the Company are as follows:

	Current period			
	December 31, 2022			
Foreign exchange position	**TL Equivalent**	**USD**	**EUR**	**GBP**
1. Monetary financial assets	25.626.597	212.392	968.840	104.117
2. Trade receivables	350.744.230	1.081.855	11.086.282	4.869.513
3. Other	4.935.713	–	247.384	184
4. Current assets (1+2+3)	381.306.540	1.294.247	12.302.506	4.973.814
5. Total assets (4)	381.306.540	1.294.247	12.302.506	4.973.814
6. Trade payables	(55.516.051)	(1.509.877)	(1.260.170)	(96.160)
7. Other	(78.431.080)	–	(3.395.078)	(478.030)
8. Current liabilities (6+7)	(133.947.131)	(1.509.877)	(4.655.248)	(574.190)
9. Total liabilities (8)	(133.947.131)	(1.509.877)	(4.655.248)	(574.190)
10. Net foreign currency asset/ (liability) position (5+9)	247.359.409	(215.630)	7.647.258	4.399.624

	Prior period			
	December 31, 2021			
Foreign exchange position	**TL Equivalent**	**USD**	**EUR**	**GBP**
1. Monetary financial assets	20.800.709	781	1.370.587	38.229
2. Trade receivables	226.566.118	447.249	8.874.571	5.183.225
3. Other	908.509	29.822	25.928	8.068
4. Current assets (1+2+3)	248.275.336	477.852	10.271.086	5.229.522
5. Total assets (4)	248.275.336	477.852	10.271.086	5.229.522
6. Trade payables	(142.105.460)	(4.480.861)	(5.579.829)	(116.333)
7. Other	(107.755)	–	(7.339)	–
8. Current liabilities (6+7)	(142.213.215)	(4.480.861)	(5.587.168)	(116.333)
9. Total liabilities (8)	(142.213.215)	(4.480.861)	(5.587.168)	(116.333)
10. Net foreign currency asset/ (liability) position (5+9)	106.062.121	(4.003.009)	4.683.918	5.113.189

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro.

In foreign currency sensitivity analysis gain/ loss section as of December 31, 2022 and 2021 the exposure of the %10 loss/ gain of TL against foreign currencies on the comprehensive financial income statement is disclosed. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Current period	**Foreign currency sensitivity table**	
	December 31, 2022	
	Profit/ loss	
	Appreciation of foreign currency	**Appreciation of foreign currency**
Appreciation of USD against TL by 10%:		
1- USD denominated net assets / liabilities	**(403.193)**	**403.193**
2- Hedged amount against USD risk(-)	**–**	**–**
3- Net effect of USD (1+2)	**(403.193)**	**403.193**
Appreciation of EUR against TL by 10%:		
4- EUR denominated net assets / liabilities	**15.244.732**	**(15.244.732)**
5- Hedged amount against EUR risk(-)	**–**	**–**
6- Net effect of eur (4+5)	**15.244.732**	**(15.244.732)**
Appreciation of other currency against TL by 10%:		
7- Other currency denominated net assets/liabilities	**9.894.402**	**(9.894.402)**
8- Hedged amount against other currency risk (-)	**–**	**–**
9- Net Effect of other currency (7+8)	**9.894.402**	**(9.894.402)**
Total (3+6+9)	**24.735.941**	**(24.735.941)**

Prior period	Foreign currency sensitivity table	
	December 31, 2021	
	Profit/ loss	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 10%:		
1- USD denominated net assets / liabilities	(5.194.905)	5.194.905
2- Hedged amount against USD risk(-)	–	–
3- Net effect of USD (1+2)	(5.194.905)	5.194.905
Appreciation of EUR against TL by 10%:		
4- EUR denominated net assets / liabilities	6.877.068	(6.877.068)
5- Hedged amount against EUR risk(-)	–	–
6- Net effect of eur (4+5)	6.877.068	(6.877.068)
Appreciation of other currency against TL by 10%:		
7- Other currency denominated net assets/liabilities	8.924.049	(8.924.049)
8- Hedged amount against other currency risk (-)	–	–
9- Net Effect of other currency (7+8)	8.924.049	(8.924.049)
Total (3+6+9)	10.606.212	(10.606.212)

28. Subsequent events

None.

AUDITOR'S REPORT

To the Annual General Meeting of Sampo-Rosenlew Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sampo-Rosenlew Oy (business identity code 0773638-7) for the year ended 31 March, 2023. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

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

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

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

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

KPMG OY AB
Mikko Haavisto
Authorised Public Accountant, KHT

Turku, May 19 2023

BALANCE SHEET

		31 March, 2023	31 March, 2022
ASSETS			
Non-current assets			
Intangible assets	(App. C1.1)	**25,84,852**	26,25,629
Tangible assets	(App. C1.1)	**1,97,162**	4,60,534
Investments	(App. C1.2)	**36,80,000**	36,80,000
Non-current assets total		**64,62,014**	67,66,164
Current assets			
Inventory	(App. C2)	**2,33,82,725**	2,23,56,970
Short-term receivables	(App. C3)	**1,36,55,716**	1,49,47,137
Cash and cash equivalents		**40,86,201**	4,61,609
Current assets total		**4,11,24,642**	3,77,65,717
ASSETS TOTAL		**4,75,86,656**	4,45,31,880
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**5,60,626**	5,60,626
Revaluation reserve		**33,00,000**	33,00,000
Invested non-restricted equity fund		**1,84,29,396**	1,10,38,896
Retained earnings		**(1,13,19,211)**	(63,36,228)
Profit/loss for the financial year		**(72,38,393)**	(49,82,984)
Shareholders' equity total	(App. C4)	**37,32,418**	35,80,311
Liabilities			
Long-term liabilities	(App. C5)		2,17,12,754
Short-term liabilities	(App. C5)	**4,38,54,238**	1,92,38,815
Liabilities total		**4,38,54,238**	4,09,51,569
EQUITY AND LIABILITIES TOTAL		**4,75,86,656**	4,45,31,880

PROFIT AND LOSS ACCOUNT

		31 March, 2023	31 March, 2022
NET SALES	(App. B1)	**5,46,31,304**	5,20,71,949
Increase(+)/decrease(-) in finished goods and WIP inventories		**(1,52,828)**	19,66,161
Production for own use		**3,23,669**	39,460
Other operating income		**2,09,856**	3,57,152
Raw materials and services	(App. B2)	**(4,26,25,342)**	(4,09,91,719)
Personnel expenses	(App. B3)	**(1,00,00,188)**	(1,00,35,467)
Depreciations	(App. B4)	**(7,68,314)**	(8,28,969)
Other operating expenses		**(79,19,837)**	(67,44,499)
NET OPERATING PROFIT/LOSS		**(63,01,680)**	(41,65,933)
Financial income and expenses	(App. B5)	**(9,36,713)**	(8,16,417)
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**(72,38,393)**	(49,82,350)
Deferred tax	(App. B6)		(634)
PROFIT/LOSS FOR THE PERIOD		**(72,38,393)**	(49,82,984)

STATEMENT OF CHANGES IN FINANCIAL POSITION

	31 March, 2023	31 March, 2022
Net operating profit/loss	**(63,01,680)**	(41,65,933)
Adjustments		
Depreciation	**7,68,314**	8,28,969
Other adjustments		(634)
Cash flow before changes in working capital	**(55,33,366)**	(33,37,598)
Change in working capital		
Increase (-) decrease (+) in short-term zero-interest receivables	**12,91,421**	46,88,555
Increase (-) decrease (+) in inventories	**(10,25,755)**	(38,95,612)
Increase (+) decrease (-) in short-term zero-interest liabilities	**(4,84,577)**	34,93,981
Cash flow from operating activities before financials and taxes	**(57,52,276)**	9,49,326
Interest and other financial expenses paid	**(9,88,981)**	(8,18,017)
Cash flow from operations (A)	**(67,41,257)**	1,31,309
Investments in intangible and tangible assets	**(4,64,165)**	(1,63,007)
Dividends received from investments	**52,268**	1,600
Cash flow from investing activities (B)	**(4,11,897)**	(1,61,407)
Cash flow from financing activities		
Proceeds from borrowings	**2,01,00,000**	2,73,993
Repayments of borrowings	**(1,67,12,754)**	(6,00,000)
Increase in reserve for invested free own capital	**73,90,500**	
Cash flow from financing activities (C)	**1,07,77,746**	(3,26,007)
CHANGE IN CASH AND CASH EQUIVALENTS	**36,24,592**	(3,56,104)

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2023

A. Basis of preparation

1. Valuation Principles

Valuation of Fixed Assets:
Fixed assets are carried at direct purchase cost with deduction of planned depreciations. Depreciation according to plan has been computed according to either the total useful lives of the fixed assets goods or with maximum reducing balance method. The depreciation principles are given in the notes in item B(4).

Valuation of Inventories:
Inventories have been entered at the amount of the acquisition cost or at a sales price if likely to be lower than the acquisition cost. Variable manufacturing expenses of goods have been included in the acquisition costs of inventories.

Receivables and Payables in Foreign Currencies:
Receivables and payables in foreign currencies have been converted into EUR using the average exchange rates of fiscal year closing date. With minor transactions, the rate of the recording date is used.

Research and Development Expenses:
The R&D expenses are entered in the year incurred.

2. Financial Statements

Sampo-Rosenlew Oy has also branch in Sweden and joint venture in Algeria. The figures for the Swedish branch have been combined with those of Sampo-Rosenlew.

B. Notes to Profit and Loss Account

1. Sales by market

	2023	2022
Market areas		
Finland	**1,08,53,622**	99,20,874
EU	**1,49,37,657**	82,64,185
Outside EU	**2,88,40,025**	3,38,86,890
Total	**5,46,31,304**	5,20,71,949

2. Materials and Services

	2023	2022
Materials and supplies		
Purchases in the fiscal year	**4,13,36,694**	4,20,23,463
Increase/decrease -/+ in stock	**1,52,828**	(19,29,451)
Materials and supplies	**4,14,89,522**	4,00,94,012
Services bought from outside	**11,35,820**	8,97,707
Total materials, supplies and services	**4,26,25,342**	4,09,91,719

3. Personnel expenses and average no of personnel

	2023	2022
Wages and salaries	**84,38,913**	83,50,058
Pension expenses	**12,42,925**	12,86,653
Other personnel expenses	**3,18,350**	3,98,756
Personnel expenses, total	**1,00,00,188**	1,00,35,467

The average number of personnel employed by the Group and the Parent Company during the fiscal year

	2023	2022
White collars	**52**	56
Blue collars	**145**	166
Personnel, total	**197**	222

4. Depreciations

Depreciation plan prepared in advance has been used for determining the depreciation of the depreciable assets. The amounts of depreciation are based on estimated useful lives as follows:

intangible rights	5 and 10 years
machinery and equipment	25% reducing-balance method
other tangible assets	10 years

Depreciations according to plan	2023	2022
Intangible rights	**2,688**	1,203
Buildings and constructions	**0**	3,571
Machinery and equipment	**2,46,001**	3,10,403
Other tangible assets	**5,19,625**	5,13,792
Depreciations according to plan, total	**7,68,314**	8,28,969

5. Financing income and expenses

Dividends received	2023	2022
From other companies	**52,268**	1,600
Dividends received, total	**52,268**	1,600
Interests and other financial income		
Other interests and financial income	**216**	34,989
Interest and other financial income, total	**216**	34,989
Interest and other financing expenses		
Interest expenses for other companies	**(8,99,701)**	(6,13,897)
Currency exchange losses	**(16,325)**	(28,854)
Other financing expenses	**(73,171)**	(2,10,255)
Interest and other financing expenses, total	**(9,89,197)**	(8,53,006)
Financing income and expenses, total	**(9,36,713)**	(8,16,417)

Exchange gains and losses are netted.

6. During financial period the company deducted 0 Euro prior year's taxes

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2023

C. Notes to Balance Sheet

1. Fixed Assets

1.1. Acquisition Costs of Fixed Assets (excluding investments)

	Intangible assets Intangible rights and other long term expenditure	Tangible assets Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition costs 31.3.2022	67,19,703	0	2,02,70,250	53,562	2,03,23,812
Increase	4,78,848	0	1,750	0	1,750
Decrease	0	0	(16,433)	0	(16,433)
Acquisition costs 31.3.2023	**71,98,551**	**0**	**2,02,55,567**	**53,562**	**2,03,09,129**
Accumulated depr. 31.3.2022	(40,94,074)	0	(1,98,11,981)	(51,297)	(1,98,63,278)
Depreciation for the fiscal year	(5,19,625)	0	(2,46,001)	(2,688)	(2,48,689)
Accumulated depr. 31.3.2023	**(46,13,699)**	**0**	**(2,00,57,982)**	**(53,985)**	**(2,01,11,967)**
Book value 31.3.2022	**25,84,852**	**0**	**1,97,585**	**(423)**	**1,97,162**

1.2 Investments

Shares	In group comp.	In associated comp.	Total
Book value 31.3.2019	0	3,80,000	3,80,000
Revaluation	0	33,00,000	33,00,000
Book value 31.3.2023	0	36,80,000	36,80,000

Associated companies	Shareholding-%
Sampo-CMA, Algeria	38%

Other shares and ownerships	Shareholding-%
Metsäliitto osuuskunta	0%
Finda Oy	0%
Other shares and ownerships total	0%

2. Inventories

	2023	2022
Materials and supplies	**1,18,92,534**	1,00,90,445
Goods in production	**62,58,920**	69,67,386
Finished goods	**52,31,271**	52,99,139
Inventories, total	**2,33,82,725**	2,23,56,970

3. Receivables

	2023	2022
Short-term receivables		
Receivables from other companies		
Accounts receivable	**88,76,787**	95,60,314
Other receivables	**13,91,157**	14,98,227
Deferred tax receivable	**30,97,060**	30,97,060
Accrued receivables	**2,90,712**	7,91,537
Short-term receivables, total	**1,36,55,716**	1,49,47,137
Receivables, total	**1,36,55,716**	1,49,47,137

The Board of Directors see that it is reasonable that the company can use the booked deferred tax from the current and previous year total of 3.097.059 against income taxes based on forthcoming years taxable results.

4. Shareholders' Equity

Restricted equity	**2023**	**2022**
Share capital	**5,60,626**	5,60,626
Revaluation reserve	**33,00,000**	33,00,000
Restricted equity total 31.3.	**38,60,626**	**38,60,626**
Unrestricted equity		
Invested unrestricted equity 1.4	**1,10,38,896**	1,10,38,896
Increases in invested equity	**73,90,500**	0
	0	0
Unrestricted equity 31.3.	**1,84,29,396**	1,10,38,896
Earnings from previous period 31.3	**(1,13,19,211)**	(63,36,228)
Results for the fiscal year	**(72,38,393)**	(49,82,984)
Unrestricted equity 31.3	**(1,28,208)**	**(2,80,315)**
Shareholders' Equity total 31.3	**37,32,418**	**35,80,311**
Capitalized R&D 31.3	**25,79,920**	**26,25,629**
Distributable funds 31.3	**11,52,498**	**9,54,682**

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2023

5. Liabilities

Short-term liabilities	2023	2022
Debts to other companies		
Loans from credit institututions	**2,51,00,000**	0
Advance payments received	**48,99,491**	41,82,019
Accounts payable	**97,55,113**	1,11,36,186
Other debts	**7,00,808**	3,05,511
Accrued expenses	**33,98,826**	36,15,099
Short-term liabilities total	**4,38,54,238**	**1,92,38,815**
Longterm liabilities		
Loans from credit institututions	**0**	**2,17,12,754**
Liabilities total	**4,38,54,238**	**4,09,51,569**

Debts that will mature after five years of time

Neither parent or group compenies have debts with maturity date after five years of time during current or previous fiscal year.

6. Related party transactions

Company operates in the rented premises owned by the related parties. The rent paid is based on average rent level in the district and the rental terms are ordinary.

7. Securities and contingent liabilities

Securities	2023	2022
Loans from credit institututions with mortgage on company assets and pledge on accounts receivable	**0**	1,04,46,754
Pledged securities and pledged accounts receivable total	**0**	1,41,39,290

Contingent liabilities	2023	2022
Rental agreement date 30.4.2012		
Rental agreement liability left in months	**37**	49
Annual rent	**13,08,000**	13,08,000
Monthly rent	**1,09,000**	1,09,000
Rent liability at the end of fiscal year	**40,33,000**	53,41,000
Lease liability at the end of fiscal year	**1,19,603**	1,64,049

In Pori, May 3rd, 2023

Jali Prihti
Member of the BoD

Olli Vaartimo
Chairman of the BoD

Kairas Vakharia
Member of the BoD

Ami Goda
Member of the BoD

Deven Kataria
CEO

Separate Auditor’s report has today been given regarding audit performed.

INDEPENDENT AUDITORS' REPORT

To the Members of
Swaraj Engines Limited

Report on the audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

KAM on Related Party Transactions	
Key Audit Matter	As a part of the business activity, the Company deals with entities which are related parties and significant revenue sources are from related parties only. The Arm's length pricing of the transactions with Related Parties, risks of material misstatement associated with related party relationships and transactions may have a significant impact on the interest of the Company, and true and fair presentation of related party relationships and transactions in the financial statements of the Company.
Principal Audit Procedures	We performed the following audit procedures relating to related party relationships and transactions. We inquired of management regarding: The identity of the Company's related parties, including changes from the prior period; The nature of the relationships between the Company and related parties; and the type and purpose of the transactions with related parties; Identify, account for, and disclose related party relationships and transactions in accordance with the applicable financial reporting framework; Confirmations obtained from related parties for an outstanding balances as part of our audit procedures; Performed appropriate substantive audit procedures relating to identified related parties and related party transactions; Evaluate the terms of the related party transactions that these are consistent with management's explanations; Ensured that all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature; Inquired that the Company has adopted a Related Party Transactions Policy approved by the Board and transactions are as per the policy.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, and the related annexures, but does not include the financial statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

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

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

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

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There was no delay in transferring the amounts to the Investor Education and Protection Fund by the Company;

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

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

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

(v) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 23040852BGURAG6802

Place: Mohali
Date: April 27, 2023

Annexure A to the Independent Auditors' Report

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

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

We have audited the internal financial controls with reference to financial statements of **Swaraj Engines Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAG6802

Place: Mohali
Date: April 27, 2023

Annexure B to the Independent Auditors' Report

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

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

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

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

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

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

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

ii. (a) According to the information and explanations given to us, the inventory comprising of finished goods, raw materials, stores & spares, components, and work-in-progress has been physically verified at reasonable intervals by the management during the year. Stock-in-transit as on March 31, 2023 has been verified by the management on subsequent receipt of the goods. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records. We have relied on confirmations and representations from third parties in case of inventory lying in their locations, wherever applicable.

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

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

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

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

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

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

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

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Statute	Nature	Forum where dispute is Pending	Period to which the Amount relates	Amount involved (In Lakhs)
Central Excise Act, 1944	Excise Duty	Appellate Authority - Tribunal Level	F.Y. 2004-05 to FY 2008-09	95.53
		Appellate Authority - Tribunal Level	F.Y. 2015-16 to FY 2017-18	90.93
Income Tax Act, 1961	Income Tax	Commissioner Income Tax (Appeal)	A.Y. 2018-19	77.78
Punjab Value Added Tax Act 2005	Sales Tax	Punjab VAT Tribunal	A.Y. 2012-13	53.39
		Dy. Excise & Taxation Commissioner (Appeal) Mohali	A.Y. 2013-14	30.77

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

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

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

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not obtained term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short-term loan is obtained by the Company during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 23040852BGURAG6802

Place: Mohali
Date: April 27, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs. in Lakhs

Particulars	Note	2023	2022
(I) ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2.1	**8720.03**	9467.18
(b) Capital work-in-progress	2.2	**209.36**	160.56
(c) Investment property	2.3	**21.54**	22.07
(d) Intangible assets	2.4	**9.68**	5.12
(e) Financial assets	2.5	**5163.39**	3247.39
(f) Income tax assets (net)		**409.48**	348.22
(g) Deferred tax assets (net)	2.13	**128.03**	–
(f) Other non-current assets	2.6	**82.08**	91.65
Total Non-Current Assets		**14743.59**	13342.19
CURRENT ASSETS			
(a) Inventories	2.7	**6960.77**	6207.04
(b) Financial assets			
(i) Investments	2.8	**2612.61**	3620.47
(ii) Trade receivables	2.9	**12808.94**	10360.99
(iii) Cash and cash equivalents	2.10	**362.75**	577.21
(iv) Bank balances other than (iii) above	2.10	**10544.12**	8517.19
(v) Other financial assets	2.5	**2464.39**	1195.34
(c) Other current assets	2.6	**3116.28**	2320.05
Total current assets		**38869.86**	32798.29
Total Assets		**53613.45**	46140.48
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.11	**1214.59**	1214.40
(b) Other equity (refer SOCE)		**33006.35**	29353.18
Total Equity		**34220.94**	30567.58
Liabilities:			
Non-Current Liabilities			
(a) Financial liabilities			
- Lease liabilities		**88.44**	–
(b) Provisions	2.12	**667.86**	606.73
(c) Deferred tax liabilities (net)	2.13	**–**	8.68
Total non-current liabilities		**756.30**	615.41
Current liabilities:			
(a) Financial liabilities			
(i) Lease liabilities		**34.19**	–
(ii) Trade Payables			
- Total outstanding dues to micro and small enterprises	2.14	**4380.58**	2784.47
- Total outstanding dues of other than micro and small enterprises	2.14	**12227.34**	10219.61
(iii) Other financial liabilities	2.15	**1444.45**	1286.25
(b) Provisions	2.12	**339.64**	502.50
(c) Other current liabilities	2.16	**210.01**	164.66
Total current liabilities		**18636.21**	14957.49
Total Equity and Liabilities		**53613.45**	46140.48
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

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

Aniruddha Joshi
Partner
Membership No. 040852

S.A.S. Nagar (Mohali), April 27, 2023

The Notes referred to above form an integral part of these financial statements

FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
(ACS: 9936)

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 27, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

Particulars	Note	2023	2022
INCOME			
Revenue from operations	2.17	**142182.14**	113815.27
Other income	2.18	**1195.49**	965.54
TOTAL INCOME		**143377.63**	114780.81
EXPENSES			
Cost of materials consumed	2.19	**113767.86**	89150.48
Changes in inventories of finished goods and work-in-progress	2.20	**(387.84)**	(129.83)
Employee benefits expense	2.21	**4371.03**	4385.36
Finance costs	2.22	**7.60**	7.64
Depreciation and amortisation expense	2.23	**1854.07**	1810.19
Other expenses	2.24	**5790.43**	4870.64
TOTAL EXPENSES		**125403.15**	100094.48
Profit before exceptional items and tax		**17974.48**	14686.33
Exceptional items		**–**	–
Profit before tax		**17974.48**	14686.33
Tax expense			
(1) Current tax	2.13	**4749.87**	3788.71
(2) Deferred tax	2.13	**(136.70)**	(49.81)
Total tax expense		**4613.17**	3738.90
Profit for the year		**13361.31**	10947.43
Other comprehensive income		**(8.77)**	(83.98)
A (i) Items that will not be reclassified to profit or loss		**(11.72)**	(112.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**2.95**	28.25
B (i) Items that may be reclassified to profit or loss		**–**	–
(ii) Income tax relating to items that will be reclassified to profit or loss		**–**	–
Total comprehensive income for the period		**13352.54**	10863.45
Earning per Equity Share (face value Rs. 10 per share):			
(1) Basic	2.26	**110.02**	90.17
(2) Diluted	2.26	**109.99**	90.13
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

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

Aniruddha Joshi
Partner
Membership No. 040852

S.A.S. Nagar (Mohali), April 27, 2023

The Notes referred to above form an integral part of these financial statements
FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
(ACS: 9936)

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 27, 2023

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED MARCH 31, 2023

A. Changes in Equity Share Capital

Rs. in Lakhs

Financial Year	Balance as at 1st April	Changes in equity share capital due to prior period errors	Restated balance as at	Changes in equity share capital during the year	Balance as at 31st March
FY 2022-23	**1214.40**	**–**	**1214.40**	**0.19**	**1214.59**
FY 2021-22	1213.84	–	1213.84	0.56	1214.40

B. Changes in Other Equity
For the year ended 31st March, 2023

Rs. in Lakhs

Particulars	Reserves and Surplus							
	Retained Earnings	General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Other Reserve-Employee Stock Option Outstanding Reserve	Other Comprehensive Income-Actuarial Gain/(Loss)	Total
As at 1st April 2022	20336.80	8922.86	201.71	0.05	29.47	19.59	(157.30)	**29353.18**
Profit for the Year	13361.31	–	–	–	–	–	(8.77)	**13352.54**
Dividend paid on equity shares	(9715.57)	–	–	–	–	–	–	**(9715.57)**
Options exercised during the period	–	–	22.29	–	–	(22.29)	–	**–**
Options expensed during the period	–	–	–	–	–	16.20	–	**16.20**
As at 31st March, 2023	**23982.54**	**8922.86**	**224.00**	**0.05**	**29.47**	**13.50**	**(166.07)**	**33006.35**

For the year ended 31st March, 2022

Rs. in Lakhs

Particulars	Reserves and Surplus							
	Retained Earnings	General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Other Reserve-Employee Stock Option Outstanding Reserve	Other Comprehensive Income-Actuarial Gain/(Loss)	Total
As at 1st April 2021	17766.40	8922.86	137.36	0.05	29.47	60.47	(73.32)	**26843.29**
Profit for the Year	10947.43	–	–	–	–	–	(83.98)	**10863.45**
Dividend paid on equity shares	(8377.03)	–	–	–	–	–	–	**(8377.03)**
Options exercised during the period	–	–	64.35	–	–	(64.35)	–	**–**
Options forfeited/lapsed during the year	–	–	–	–	–	(1.59)	–	**(1.59)**
Options expensed during the period	–	–	–	–	–	25.06	–	**25.06**
As at 31st March, 2022	**20336.80**	**8922.86**	**201.71**	**0.05**	**29.47**	**19.59**	**(157.30)**	**29353.18**

As per our report of even date attached

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

Aniruddha Joshi
Partner
Membership No. 040852

S.A.S. Nagar (Mohali), April 27, 2023

The Notes referred to above form an integral part of these financial statements
FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
(ACS: 9936)

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 27, 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

Particulars	2023	2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	**17974.48**	14686.33
Adjustments for:		
Depreciation and Amortisation	**1854.07**	1810.19
Employee Stock Compensation	**16.20**	23.47
Interest (Received) / Paid (Net)	**(1099.05)**	(780.26)
(Profit)/Loss on Mutual Fund Investment	**(144.60)**	(131.52)
(Profit)/Loss on disposal of Property, Plant and Equipment (Net)	**85.28**	(19.44)
Net gain on financial assets measured at FVTPL	**(4.99)**	(8.95)
Operating Profit Before Working Capital Changes	**18681.39**	15579.82
Movements in working capital:		
(Increase)/Decrease in Trade and Other Receivables (Non-Current/Current)	**(3519.25)**	719.54
(Increase) in Inventories	**(753.73)**	(35.87)
(Decrease)/Increase in Trade and Other Payables (Non-Current/Current)	**3682.44**	(2448.18)
Cash generated from Operations	**18090.85**	13815.31
Income taxes paid	**(4808.18)**	(3789.77)
Net cash generated from Operating Activities	**13282.67**	10025.54
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase) - Net	**1012.85**	(194.63)
Bank Deposit (Placed) / Matured - Net	**(3352.00)**	(4975.00)
Other Corporate Deposits (Placed)/Matured - Net	**(1000.00)**	–
Interest received	**1106.65**	787.90
Net Proceeds from disposal of Mutual Fund Investments	**144.60**	131.52
Purchase of Property, Plant and Equipment	**(1287.34)**	(1923.27)
Changes in earmarked balances and margin accounts with banks	**(590.93)**	1240.32
Proceeds from disposal of Property, Plant and Equipment	**203.22**	90.07
Net cash (used in) from Investing Activities	**(3762.95)**	(4843.09)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities (including interest)	**(17.29)**	–
Dividends paid to Shareholders of the Company	**(9715.57)**	(8377.03)
Equity Shares issued under ESOP	**0.19**	0.56
Interest and Finance Charges paid	**(1.51)**	(7.64)
Net cash(used in) Financing Activities	**(9734.18)**	(8384.11)
Net Increase / (Decrease) in Cash and Cash Equivalents	**(214.46)**	(3201.66)
Cash and Cash Equivalents at the beginning of the year	**577.21**	3778.87
Cash and Cash equivalents at the end of the year	**362.75**	577.21

Note: Previous year figures have been regrouped wherever found necessary.

As per our report of even date attached

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

Aniruddha Joshi
Partner
Membership No. 040852

S.A.S. Nagar (Mohali), April 27, 2023

The Notes referred to above form an integral part of these financial statements

FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
(ACS: 9936)

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 27, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company's Overview

Swaraj Engines Limited (SEL) is a public limited company incorporated and domiciled in India. SEL has its works / principal place of business at Plot No. 2, Phase-IX, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India and registered office at Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India.

SEL is in the business of manufacturing diesel engines and hi-tech engine components. Diesel Engines are specifically designed for tractor application.

The Shares of the Company are listed on both BSE Limited and National Stock Exchange of India Limited.

1.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013 as amended.

The financial statements are approved by the Company's Board of Directors and authorised for issue on 27th April, 2023.

1.3 Current and Non-Current Classification

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

i) expected to be realised or intended to be sold or consumed in normal operating cycle,

ii) held primarily for the purpose of trading,

iii) expected to be realised within twelve months after the reporting period,

iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or

v) carrying current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period,

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or

v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current

1.4 Property, Plant and Equipment

i) Property, plant and equipment are stated at cost of construction or acquisition, less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

ii) When an asset is scrapped, or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Account.

iii) Depreciation on Tangible Assets (except Land) is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed in Schedule II of the Companies Act, 2013 except for fixed assets mentioned in para (iv) below, based on the Company's expected usage Pattern supported by technical assessment

Nature of Assets	Life adopted in Accounts
a. Patterns, Blocks and Dies	4 Years
b. Vehicles	4 Years

iv) The assets' residual value, useful lives and methods of depreciation are reviewed at each financial year end, and adjustment if any, is made prospectively.

1.5 Investment Properties

Investment Properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured at cost and the same is derecognized upon disposal or when it is permanently withdrawn from use with no future economic benefits are expected from the disposal.

Depreciation is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed for Building in Schedule II of the Companies Act, 2013.

1.6 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads and is ascertained on weighted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

average basis, net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of raw materials and stores and spares are determined on weighted average basis.

1.7 Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.

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

1.8 Employee Benefit

Company's contributions paid/payable during the year to Employee's State Insurance Corporation and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

Company contributes to the appropriate authorities its share of the Members Provident Fund Account as per the Employees' Provident Fund Act, 1952.

Company contributes to a trust, which has taken Master Policy with the Life Insurance Corporation of India to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity and leave encashment are made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income.

In respect of Employee Stock Option Scheme:

The compensation cost of stock options granted to employees is measured by the Fair Value Method. The fair value, determined at the grant date of the underlying equity shares, is recognized and amortised on straight line basis over the vesting period.

1.9 Revenue Recognition

The Company's revenue recognition policy is aligned to the principles enunciated in Ind AS 115. The company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring a promised good or service to a customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, if any.

Transaction price is the amount of a consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Sale of goods

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled in exchange of goods.

Rendering of services

Revenue from rendering services is recognised when performance obligation is satisfied and customer obtains the control of the transferred services. Following criteria is required to be met for transfer of control of services:

i) the customer simultaneously receives and consumes the benefits from the services transferred.

ii) the Company has an enforceable right to payment for services transferred.

Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

Other Income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and at the interest rate settled with the Banks/ Financial Institutions.

1.10 Intangible Assets

Intangible assets are carried at cost and amortized on Straight line method, so as to reflect the pattern in which the assets economic benefits are consumed.

Intangible Asset under Development

The expenses incurred on development phase are initially recognized as Intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Other Intangible Assets

i) Development expenditure:

Development expenditure incurred on technical services and other project/product related expenses are amortized over the estimated period of benefit, not exceeding five years. Amortization commences as and when the asset is available for use.

ii) Software Expenditure:

Software Expenditure incurred is amortized on pro-rata basis over a period not exceeding four years, commencing from the year in which the expenditure is incurred.

1.11 Taxes on Income

Current tax is determined as the amount of tax payable in respect of the taxable income for the year.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.12 Financial Instruments

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts are approximate to fair value due to the short maturity of these instruments. Trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.13 Impairment of Assets

The carrying value of assets at each balance sheet date are reviewed for Impairment. If any indication exists, the recoverable amount of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount.

1.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

In respect of warranty on sale of engines, the estimated cost of warranty is accrued at the time of sale. The estimate for accounting of warranty is periodically reviewed and revisions are made as and when required.

1.15 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Depreciation / amortisation and useful lives of property plant and equipment/ intangible assets:

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Fair value measurement of financial instruments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for product warranty

The Company recognizes provision for product warranties in respect of its products that it sells. Provisions are discounted, where necessary to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current best estimates.

1.16 Earnings per share

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

1.17 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months from the date of acquisition and which are subject to an insignificant risk of change in value.

1.18 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate which is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company recognises the lease payments associated with these leases as per expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments.

1.19 Accounting Policies not specifically referred above are consistent with generally accepted Accounting practices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.1 Property, Plant and Equipment

Rs. in Lakhs

Particulars	2023	2022
(a) Property, Plant and Equipment	**8607.96**	9467.18
(b) Right of use assets	**112.07**	–
Total	**8720.03**	9467.18

(a) Property, Plant and Equipment

(Refer Note 1.4)

(i) Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		**Land**	**Buildings**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Electrical Installations**	**Vehicles**	**Total**
Gross Carrying Value as at 1st April, 2022		124.80	1674.47	23764.98	228.74	123.41	495.49	144.78	26556.67
Additions during the year		–	26.18	1,158.50	24.19	22.75	27.44	–	1259.06
Disposals/Adjustments during the year		–	93.74	2,630.92	24.75	13.38	49.82	9.00	2821.61
Gross Carrying Value as at 31st March, 2023	**(A)**	**124.80**	**1606.91**	**22292.56**	**228.18**	**132.78**	**473.11**	**135.78**	**24994.12**
Accumulated depreciation as at 1st April, 2022		–	799.00	15663.69	172.41	61.39	304.60	88.40	17089.49
Depreciation expense for the year		–	47.54	1,681.10	24.85	9.71	42.89	23.69	1829.78
Accumulated depreciation on disposals/ adjustments during the year		–	20.60	2,421.29	22.72	12.50	47.52	8.48	2533.11
Accumulated depreciation as at 31st March, 2023	**(B)**	**–**	**825.94**	**14923.50**	**174.54**	**58.60**	**299.97**	**103.61**	**16386.16**
Carrying Value as at 31st March, 2023	**(A-B)**	**124.80**	**780.97**	**7369.06**	**53.64**	**74.18**	**173.14**	**32.17**	**8607.96**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2022:

Rs. in Lakhs

Description of Assets		Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Gross Carrying Value as at 1st April, 2021		124.80	1671.62	22682.37	260.71	164.76	600.19	158.15	25662.60
Additions during the year		–	2.85	2134.75	13.23	3.64	9.95	28.44	2192.86
Disposals/Adjustments during the year		–	–	1052.14	45.20	44.99	114.65	41.81	1298.79
Gross Carrying Value as at 31st March, 2022	(A)	124.80	1674.47	23764.98	228.74	123.41	495.49	144.78	26556.67
Accumulated depreciation as at 1st April, 2021		–	751.78	15058.61	192.24	96.46	372.19	84.46	16555.74
Depreciation expense for the year		–	47.22	1612.10	23.39	8.93	41.44	31.86	1764.94
Accumulated depreciation on disposals/ adjustments during the year		–	–	1007.02	43.22	44.00	109.03	27.92	1231.19
Accumulated depreciation as at 31st March, 2022	(B)	–	799.00	15663.69	172.41	61.39	304.60	88.40	17089.49
Carrying Value as at 31st March, 2022	(A-B)	124.80	875.47	8101.29	56.33	62.02	190.89	56.38	9467.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(b) Right of use assets

(Refer Note 1.18) Rs. in Lakhs

Description of Assets		Vehicles
Gross Carrying Value as at 1st April, 2022		–
Additions during the year		133.83
Gross Carrying Value as at 31st March, 2023	**(A)**	**133.83**
Accumulated depreciation as at 1st April, 2022		–
Depreciation expense for the year		21.76
Accumulated depreciation as at 31st March, 2023	**(B)**	**21.76**
Carrying Value as at 31st March, 2023	**(A - B)**	**112.07**

(i) The following is the break-up of current and non-current lease liabilities as at March 31, 2023:

	As at 31st March, 2023		As at 31st March, 2022	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Lease Liabilities	**34.19**	**88.44**	Nil	Nil

(ii) The following is the movement in the lease liabilities for the year ended March 31, 2023:

Particulars	**Lease Liabilities**
As at 1st April, 2022	–
Additions/modifications	133.83
Finance Cost	6.09
Lease rentals paid	(17.29)
As at 31st March, 2023	**122.63**

(iii) The table provides details regarding contractual liabilities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	**As on 31st March, 2023**
Undiscounted future cash flows	
- Not later than 1 year	**36.82**
- Later than 1 year and not later than 5 years	**104.42**
- Later than 5 years	**–**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.2 Capital Work-in-progress

Ageing for capital work-in-progress as at 31st March, 2023 is as follows:

Rs. in Lakhs

	Amount in capital work-in-progress for a period of				
Particulars	**Less than 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
Project-in-Progress	**206.63**	**2.73**	**–**	**–**	**209.36**
Total	**206.63**	**2.73**	**–**	**–**	**209.36**

Ageing for capital work-in-progress as at 31st March 2022 is as follows:

Rs. in Lakhs

	Amount in capital work-in-progress for a period of				
Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Project-in-Progress	160.56	–	–	–	160.56
Total	160.56	–	–	–	160.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.3 Investment Property

(Refer Note 1.5)

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		Investment Property
Gross Carrying Value as at 1st April, 2022		**33.35**
Additions during the year		**–**
Disposals/Adjustments during the year		**–**
Gross Carrying Value as at 31st March, 2023	**(A)**	**33.35**
Accumulated depreciation as at 1st April, 2022		**11.28**
Depreciation expense for the year		**0.53**
Accumulated depreciation on disposals/adjustments during the year		**–**
Accumulated depreciation as at 31st March, 2023	**(B)**	**11.81**
Carrying Value as at 31st March, 2023	**(A-B)**	**21.54**

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2022:

Rs. in Lakhs

Description of Assets		Investment Property
Gross Carrying Value as at 1st April, 2021		33.35
Additions during the year		–
Disposals/Adjustments during the year		–
Gross Carrying Value as at 31st March, 2022	(A)	33.35
Accumulated depreciation as at 1st April, 2021		10.76
Depreciation expense for the year		0.52
Accumulated depreciation on disposals/adjustments during the year		–
Accumulated depreciation as at 31st March, 2022	(B)	11.28
Carrying Value as at 31st March, 2022	(A-B)	22.07

Fair value disclosure on Company's Investment Properties

Part of Company's administrative building/block is letted out and the same is classified as Investment Property based on the nature, characteristics and risks.

As at 31st March, 2023, the Fair Value of the property is **Rs. 107.15** Lakhs. This valuation is performed by accredited independent valuer and same is categorised at Level 2.

2.4 Intangible Assets

(Refer Note 1.10)

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		**Computer Software**	**Development Expenditure**	**Total**
Gross Carrying Value as at 1st April, 2022		**13.89**	**178.42**	**192.31**
Additions during the year		**6.56**	**–**	**6.56**
Disposals/Adjustments during the year		**–**	**–**	**–**
Gross Carrying Value as at 31st March, 2023	**(A)**	**20.45**	**178.42**	**198.87**
Accumulated Amortisation as at 1st April, 2022		**8.77**	**178.42**	**187.19**
Amortisation expense for the year		**2.00**	**–**	**2.00**
Accumulated Amortisation on disposals/adjustments during the year		**–**	**–**	**–**
Accumulated Amortisation as at 31st March, 2023	**(B)**	**10.77**	**178.42**	**189.19**
Carrying Value as at 31st March, 2023	**(A-B)**	**9.68**	**–**	**9.68**

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2022:

Rs. in Lakhs

Description of Assets		Computer Software	Development Expenditure	Total
Gross Carrying Value as at 1st April, 2021		69.47	178.42	247.89
Additions during the year		4.80	–	4.80
Disposals/Adjustments during the year		60.38	–	60.38
Gross Carrying Value as at 31st March, 2022	(A)	13.89	178.42	192.31
Accumulated Amortisation as at 1st April, 2021		65.99	133.82	199.81
Amortisation expense for the year		0.13	44.60	44.73
Accumulated Amortisation on disposals/adjustments during the year		57.35	–	57.35
Accumulated Amortisation as at 31st March, 2022	(B)	8.77	178.42	187.19
Carrying Value as at 31st March, 2022	(A-B)	5.12	–	5.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.5 Other Financial Assets

Rs. in Lakhs

Particulars	Non-Current		Current	
	2023	2022	**2023**	2022
Carried at amortised cost:				
Security Deposits-Considered Good				
Unsecured	**63.39**	63.39	**–**	–
Others				
Fixed Deposits more than 12 months	**5100.00**	3184.00	**–**	–
Interest Accrued on Deposits	**–**	–	**459.68**	188.41
Other Corporate Deposits	**–**	–	**2000.00**	1000.00
Others (including Advances to Employees)	**–**	–	**4.71**	6.93
Total	**5163.39**	3247.39	**2464.39**	1195.34

2.6 Other Current Assets

Rs. in Lakhs

Particulars	Non-Current		Current	
	2023	2022	**2023**	2022
Capital advances	**6.12**	21.71	**–**	–
Balance with Government Authorities	**–**	–	**2969.92**	2162.28
Prepaid Expenses	**15.24**	9.22	**32.05**	33.22
Others (including advances to suppliers)	**60.72**	60.72	**114.31**	124.55
Total	**82.08**	91.65	**3116.28**	2320.05

2.7 Inventories

(Refer Note 1.6)

Rs. in Lakhs

Particulars	2023	2022
Raw Materials & Components*	**4131.56**	3835.52
Work-in-Progress	**61.72**	142.93
Finished Goods	**2135.50**	1666.45
Stores and Spares	**461.98**	418.69
Loose Tools	**170.01**	143.45
Total	**6960.77**	6207.04

* including Goods-in-transit Rs. 300.00 Lakhs (2022 - Rs. 389.28 Lakhs)

2.8 Investments - Current

Rs. in Lakhs

Particulars	Face Value per unit (in Rs.)	2023		2022	
		Number	**Amounts**	Number	Amounts
Quoted Investments					
Carried at Fair Value through Profit and Loss					
Investments in Mutual Funds					
Aditya Birla Sun Life Liquid Fund- Growth- Regular Plan	100	**–**	**–**	588835	2004.61
Nippon India Liquid Fund- Growth	1000	**–**	**–**	21458	1108.16
UTI Liquid Cash Plan - Regular Plan Growth	1000	**71314**	**2612.61**	14645	507.70
Total			**2612.61**		3620.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.9 Trade Receivables

(Refer Note 2.30)

Rs. in Lakhs

Particulars	2023	2022
Billed - Unsecured, considered good	**12808.94**	10360.99
Of the above, Trade Receivables from:		
- Related Parties	**12808.33**	10359.56
- Others	**0.61**	1.43

Ageing of Trade Receivables as at 31st March, 2023 is as follows:

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
As at 31st March 2023							
Un-disputed Trade Receivables - considered good	**12802.46**	**6.48**	**–**	**–**	**–**	**–**	**12808.94**
As at 31st March 2022							
Un-disputed Trade Receivables - considered good	10272.78	88.21	–	–	–	–	10360.99

2.10 Cash & Cash Equivalents and Other Bank Balances

Rs. in Lakhs

Particulars	2023	2022
a) Cash and Cash Equivalents		
Balances with Banks	**362.08**	576.54
Cash on hand	**0.67**	0.67
Total	**362.75**	577.21
b) Other Bank balances		
Earmarked balances with Banks - Unpaid/Unclaimed Dividend	**148.12**	159.19
Balances with Bank on Margin Account	**1000.00**	398.00
Fixed Deposits with Banks	**9396.00**	7960.00
Total	**10544.12**	8517.19

2.11 Equity Share Capital

Rs. in Lakhs

Particulars	2023	2022
Authorised:		
Equity Shares, Rs. 10/- par value	**2500.00**	2500.00
2,50,00,000 (2022: 2,50,00,000) Equity Shares		
Issued, Subscribed and Paid-Up:	**1214.59**	1214.40
Equity Shares, Rs. 10/- par value		
1,21,45,916 (2022: 1,21,43,996) Equity Shares fully paid-up		
	1214.59	1214.40

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Equity Shareholder is entitled to one vote per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(i) Equity Shareholders holding more than 5% shares:

Name	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Mahindra & Mahindra Limited (M&M)	**6331141**	**52.13%**	4216792	34.72%
Kirloskar Industries Limited (KIL)	**–**	**–**	2114349	17.41%
DSP Small Cap Fund	**799266**	**6.58%**	799266	6.58%

(ii) Reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	Share Capital (Rs. in Lakhs)	Number of shares held	Share Capital (Rs. in Lakhs)
Issued, Subscribed and Paid-up:				
At the beginning of the year	**12143996**	**1214.40**	12138375	1213.84
Movement in equity during the year				
Add: Equity shares issued in pursuance to Employee Stock Option Plan	**1920**	**0.19**	5621	0.56
Number of equity shares at the closing	**12145916**	**1214.59**	12143996	1214.40

In the last 5 years, the Company has not:

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash;
- allotted any bonus shares.

(iii) Disclosure of Shareholding of Promoters:

Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding	
Mahindra & Mahindra Limited (M&M)	**6331141**	**52.13%**	4216792	34.72%	17.41%
Kirloskar Industries Limited (KIL)	**–**	**–**	2114349	17.41%	(17.41%)

Pursuant to the inter-se transfer of shares amongst the promoters of Swaraj Engines Limited (“the Company”), Mahindra & Mahindra Limited (“M&M”) acquired 21,14,349 equity shares constituting 17.41% of the paid up equity share capital of the Company from Kirloskar Industries Limited (“KIL”) on 27th September, 2022. Post this acquisition, the shareholding and voting rights of M&M in the Company has increased from 34.72% to 52.13% of the equity share capital of the Company. Consequently, the Company, which was earlier an associate of M&M, has now become a subsidiary of M&M with effect from 27th September, 2022.

(iv) Employee Stock Option

Under the Employee Stock Option Scheme - 2015 (ESOS-2015), 31,000 Equity Shares of the face value of Rs. 10/- are available for being granted to eligible employees on the recommendation of the Nomination and Remuneration Committee. Under the first cycle (Dec. 2015 - Dec. 2019), options granted were vested in four instalments on the expiry of 18 months, 30 months, 42 months and 54 months respectively. Options granted effective January 2020 & onwards are vested in 3 instalments on the expiry of 12 months, 24 months and 36 months. These options may be exercised on any day over a period of 5 years from the date of vesting. Numbers of vested options are exercisable subject to minimum of 50 or number of options vested whichever is lower.

Further to grant given till previous financial years, the Company during the current financial year has given grant of 1647 Equity Shares at face value to the eligible employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Activity in ESOS - 2015 is as follows:

No of shares

Particulars	2023	2022
Options Outstanding at the beginning	**2921**	8065
Options Granted during the year	**1647**	633
Options Forfeited/Lapsed during the year	**–**	(156)
Options Exercised during the year	**(1920)**	(5621)
Options Outstanding at the end	**2648**	2921

Information in respect of options outstanding as at 31st March 2023

Exercise Price	No. of Options	Weighted Average Remaining Life for vesting
Rs. 10	**2648**	16 Months

The fair value of Options granted during the year, calculated using the Black-Scholes Option Pricing model with the following assumptions:

Grant date	1st Dec 2022
Vesting Period	12 - 36 Months
Share price in market at the time of option grant (Rs.)	1575.50
Exercise price (Rs.)	10.00
Expected volatility (%)	30.35
Expected life of the option (years)	4.51
Expected dividends (%)	4.38
Risk-free interest rate (%)	7.05
Weighted average fair value as on grant date (Rs.)	1286.62

2.12 Provisions

Rs. in Lakhs

Particulars	Non-Current 2023	Non-Current 2022	Current 2023	Current 2022
Provision for Employee Benefits (Refer Note 1.8)				
- Provision for Leave Encashment	**563.06**	514.20	**81.54**	148.28
- Provision for Gratuity (Refer Note 2.29)	**–**	–	**77.87**	172.28
- Provision for Post Retirement Medical Benefits	**54.17**	49.90	**–**	–
Others				
- Provision for Warranty	**50.63**	42.63	**180.23**	181.94
Total	**667.86**	606.73	**339.64**	502.50

Provision for warranty relates to sale of engine, the estimated cost of which is accrued at the time of sale.

Rs. in Lakhs

Particulars	2023	2022
Balance as at 1st April	**224.57**	225.08
Add: Provision made during the year	**107.41**	89.86
Less: Utilisation during the year	**93.69**	88.91
Less: Unwinding of discount and effect of changes in the discount rate	**7.43**	1.46
Balance as at 31st March	**230.86**	224.57
Out of the above:		
Classified as Non Current	**50.63**	42.63
Classified as Current	**180.23**	181.94
	230.86	224.57

2.13 Income Taxes

(Refer Note 1.11)

(a) Deferred Tax

Rs. in Lakhs

Particulars	2023	2022
Deferred Tax Liabilities		
- On Property, Plant & Equipment (incl. Right of use assets)	**67.79**	173.16
- On Financial Assets carried at Fair Value through Profit and Loss	**1.26**	2.25
Deferred Tax Assets		
- On Employee benefits	**166.21**	166.73
- On Lease Liabilities	**30.87**	–
Deferred Tax Liabilities / (Assets) - net	**(128.03)**	8.68

(b) Income Tax recognised in Profit and Loss

Rs. in Lakhs

Particulars	2023	2022
Current Tax	**4749.87**	3788.71
Deferred Tax	**(136.70)**	(49.81)
Total Income Tax expense	**4613.17**	3738.90

(c) Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarised below:

Rs. in Lakhs

Particulars	2023	2022
Profit before tax	**17974.48**	14686.33
Income tax expense calculated at 25.17 % (2022: 25.17 % incl. Sur & Cess)	**4524.18**	3696.55
Income not considered for tax purposes	**(1.30)**	(3.48)
Effect of estimated non deductible expenses	**90.29**	54.10
Others (including permanent differences & reversals)	**–**	(8.27)
Income Tax expense recognised in profit and loss	**4613.17**	3738.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.14 Trade Payables

Rs. in Lakhs

Particulars	2023	2022
Trade payable - Micro, Small and Medium enterprises	**4380.58**	2784.47
Trade payable - Other than Micro, Small and Medium enterprises	**11911.68**	10002.76
Accruals	**315.66**	216.85
Total	**16607.92**	13004.08

Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and small enterprises, which are outstanding for more than the stipulated period and other disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below:

Rs. in Lakhs

Particulars	2023	2022
(a) Dues remaining unpaid as at 31st March		
- Principal	**0.38**	1.41
- Interest on the above	**–***	–*
(b) Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed date during the year		
- Principal paid beyond the appointed date	**129.01**	753.18
- Interest paid in terms of Section 16 of the Act	**1.39**	7.16
(c) Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	**–**	–
(d) Further interest due and payable even in succeeding year, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at 31st March	**–**	–

*interest of Rs. 21/- (F22: Rs. 98/-) only

Ageing for Trade Payables

Rs. in Lakhs

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
As at 31st March, 2023						
Micro, Small and Medium enterprises	**4380.20**	**0.38**	**–**	**–**	**–**	**4380.58**
Others	**9623.34**	**2288.25**	**0.09**	**–**	**–**	**11911.68**
	14003.54	**2288.63**	**0.09**	**–**	**–**	**16292.26**
Accurals						**315.66**
Total						**16607.92**
As at 31st March, 2022						
Micro, Small and Medium enterprises	2783.06	1.41	–	–	–	2784.47
Others	8276.59	1720.20	3.52	1.34	1.11	10002.76
	11059.65	1721.61	3.52	1.34	1.11	12787.23
Accurals						216.85
Total						13004.08

Disclosure of Struck Off Companies

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.15 Other Financial Liabilities

Rs. in Lakhs

Particulars	2023	2022
Capital Creditors	**320.67**	309.17
Deposits & Retention Money	**22.87**	23.76
Unpaid/Unclaimed Dividend*	**148.12**	159.19
Salary/Wages Payables	**920.12**	759.13
Others (including Directors' Commission)	**32.67**	35.00
Total	**1444.45**	1286.25

*There is no amount due for payment to Investor Education and Protection Fund u/s 125 of Companies Act, 2013 as on 31st March, 2023.

2.16 Other Current Liabilities

Rs. in Lakhs

Particulars	2023	2022
Advances received from customers	**29.34**	5.04
Statutory dues	**180.67**	159.62
Total	**210.01**	164.66

2.17 Revenue from Operations

(Refer Note 2.34) Rs. in Lakhs

Particulars	2023	2022
Revenue from sale of products	**141445.34**	113286.75
Revenue from rendering of services	**0.18**	0.61
Other operating revenue	**736.62**	527.91
Total	**142182.14**	113815.27

2.18 Other Income

Rs. in Lakhs

Particulars	2023	2022
Interest Income	**1106.65**	787.90
Rental income from Investment property	**17.10**	16.27
Profit on Sale of Financial Instruments	**144.60**	131.52
Net gain on financial assets measured at FVTPL	**4.99**	8.95
Profit / (Loss) on disposal of Property, Plant and Equipment	**(85.28)**	19.44
Miscellaneous Income	**7.43**	1.46
Total	**1195.49**	965.54

2.19 Cost of Materials Consumed

Rs. in Lakhs

Particulars	2023	2022
Opening stock	**3446.24**	3575.37
Add: Purchases	**114153.18**	89021.35
	117599.42	92596.72
Less:		
Closing Stock	**3831.56**	3446.24
Total	**113767.86**	89150.48

2.20 Changes in Inventories of Finished Goods and Work-in-Progress

Rs. in Lakhs

Particulars	2023	2022
Inventories at the end of the year:		
Finished Goods	**2135.50**	1666.45
Work-in-Progress	**61.72**	142.93
	2197.22	1809.38
Inventories at the beginning of the year:		
Finished Goods	**1666.45**	1478.20
Work-in-Progress	**142.93**	201.35
	1809.38	1679.55
Net (Increase) / Decrease	**(387.84)**	(129.83)

2.21 Employee Benefits Expense

(Refer Note 1.8) Rs. in Lakhs

Particulars	2023	2022
Salaries and Wages	**3589.04**	3639.38
Contribution to provident and other funds	**219.97**	240.75
Employee Stock Compensation	**16.20**	23.47
Staff welfare expenses	**545.82**	481.76
Total	**4371.03**	4385.36

2.22 Finance Cost

Rs. in Lakhs

Particulars	2023	2022
Bank Charges	**0.12**	0.13
Interest Expense	**1.39**	7.51
Interest on lease liability	**6.09**	–
Total	**7.60**	7.64

2.23 Depreciation, amortisation and impairment expense

Rs. in Lakhs

Particulars	2023	2022
(a) Depreciation on Property, Plant and Equipment	**1829.78**	1764.94
(b) Depreciation on Right-of-use asset	**21.76**	–
(c) Depreciation on Investment Property	**0.53**	0.52
(d) Amortisation on Intangible Assets	**2.00**	44.73
Total	**1854.07**	1810.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.24 Other Expenses

Rs. in Lakhs

Particulars	2023	2022
Power, Fuel & Water Charges	**656.97**	542.92
Consumption of Stores & Spares	**1463.73**	1332.67
Hire & Service Charges	**1481.21**	1156.12
Rates and Taxes	**14.41**	12.59
Insurance	**59.90**	53.01
Repairs and Maintenance		
- Buildings	**83.53**	74.47
- Machinery	**534.09**	428.77
- Others	**28.05**	37.24
Postage & Telephone	**4.30**	4.91
Printing & Stationery	**7.77**	6.93
Travelling & Conveyance Expenses	**58.59**	22.34
Auditors' Remuneration		
- Statutory Auditor's		
Audit Fee (including quarterly limited reviews)	**15.00**	15.00
Tax Audit Fee	**2.00**	2.00
Other Services	**0.75**	0.75
- Cost Auditor		
Audit Fee	**1.20**	1.20
CSR Expenses (Refer Note 2.25)	**245.62**	234.64
Research & Development Expenses	**399.21**	356.50
Other Marketing Expenses	**104.08**	104.75
Miscellaneous Expenses	**630.02**	483.83
Total	**5790.43**	4870.64

2.25 Corporate Social Responsibility Expenditure

Rs. in Lakhs

Particulars	2023	2022
1. Amount required to be spent by the company during the year	**242.95**	229.97
2. Amount of expenditure incurred on:		
(i) Construction/acquistion of any asset	**–**	–
(ii) On purposes other than (i) above	**245.62**	234.64
3. Shortfall at the end of the year	**–**	–
4. Total Previous year's shortfall	**–**	–
5. Reason for shortfall	**Not applicable**	Not applicable
6. Nature of CSR Activities	Driven by our Core purpose, our CSR vision is to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programmes designed in the domains of education, health and environment while harnessing the power of technology.	
7. Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	**–**	–

2.26 Earning per Share

(Refer Note 1.16) Rs. in Lakhs

Particulars	2023	2022
Profit for the year	**13361.31**	10947.43
Profit for the year for diluted earning per share	**13361.31**	10947.43
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	**12144548**	12140883
Effect of potential Ordinary Equity shares on employee stock options	**2900**	5573
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	**12147448**	12146456
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	**110.02**	90.17
Diluted earning per share (Rs.)	**109.99**	90.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.27 Financial Instruments

(Refer Note 1.12)

Capital management

Company's capital management objectives are to:

- ensure the company's ability to continue as a going concern

- provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

For the purposes of the Company's Capital Management, capital includes issued capital and all other equity reserves. Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Rs. in Lakhs

Particulars	2023	2022
Equity Share Capital	**1214.59**	1214.40
Other Equity Reserves	**33006.35**	29353.18
Total	**34220.94**	30567.58

Categories of Financial Assets and Financial Liabilities

As at 31st March, 2023 Rs. in Lakhs

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Non-Current Assets					
Security Deposits-Unsecured	63.39	–	–	63.39	63.39
Fixed Deposits more than 12 months	5100.00	–	–	5100.00	5100.00
Total Non-Current Financial Assets	5163.39	–	–	5163.39	5163.39
Current Assets					
Investments	–	2612.61	–	2612.61	2612.61
Trade Receivables	12808.94	–	–	12808.94	12808.94
Cash and Cash Equivalents	362.75	–	–	362.75	362.75
Other Bank Balances	10544.12	–	–	10544.12	10544.12
Other Financial Assets	2464.39	–	–	2464.39	2464.39
Total Current Financial Assets	26180.20	2612.61	0.00	28792.81	28792.81
Total Financial Assets	31343.59	2612.61	0.00	33956.20	33956.20
Non-Current Liabilities					
Financial liabilities - Lease	88.44	–	–	88.44	88.44
Total Non-Current Financial Liabilities	88.44	–	–	88.44	88.44
Current Liabilities					
Lease Liabilities	34.19	–	–	34.19	34.19
Trade Payables	16607.92	–	–	16607.92	16607.92
Other Financial Liabilities	1444.45	–	–	1444.45	1444.45
Total Current Financial Liabilities	18086.56	–	–	18086.56	18086.56
Total Financial Liabilities	18175.00	–	–	18175.00	18175.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

As at 31st March, 2022 Rs. in Lakhs

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Non-Current Assets					
Security Deposits-Unsecured	63.39	–	–	63.39	63.39
Fixed Deposits more than 12 months	3184.00	–	–	3184.00	3184.00
Total Non-Current Financial Assets	3247.39	–	–	3247.39	3247.39
Current Assets					
Investments	–	3620.47	–	3620.47	3620.47
Trade Receivables	10360.99	–	–	10360.99	10360.99
Cash and Cash Equivalents	577.21	–	–	577.21	577.21
Other Bank Balances	8517.19	–	–	8517.19	8517.19
Other Financial Assets	1195.34	–	–	1195.34	1195.34
Total Current Financial Assets	20650.73	3620.47	–	24271.20	24271.20
Total Financial Assets	23898.12	3620.47	–	27518.59	27518.59
Current Liabilities					
Trade Payables	13004.08	–	–	13004.08	13004.08
Other Financial Liabilities	1286.25	–	–	1286.25	1286.25
Total Financial Liabilities	14290.33	–	–	14290.33	14290.33

Financial Risk Management Framework

Company's activities expose it to financial risks viz credit risk and liquidity risk.

Credit Risk

Majority of Company's receivables pertain to Mahindra & Mahindra Limited, a holding company. Based on the overall credit worthiness of Receivables, coupled with their past track record, Company expect No / Minimum Risk with regard to its outstanding receivables. Also, there is mechanism in place to periodically track the outstanding amount and assess the same with regard to its realisation. Company expect all the debtors to be realised in full, accordingly no provision has been made in the books of account.

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks, high rating financial institutions & debt based Mutual Funds. Ratings are monitored periodically for re-adjustment of Portfolio , if any required. Investment as on date of financial statement are as per latest available ratings.

Liquidity Risk

(i) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast & actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of Financial Liabilities

The following tables specifies the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the tables have been drawn up based on the earliest date on which the Company can be required to pay. Financial Liabilities includes Trade Payables, Capital Purchases, Unpaid/Unclaimed Dividend etc. which are in the normal course of business having maturity plan of less than 1 year and lease liabilities having maturity more than 1 year.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31st March, 2023				
Lease Liabilities	**34.19**	**79.56**	**8.88**	**–**
Trade Payables	**16607.92**	**–**	**–**	**–**
Other Financial Liabilities	**1444.45**	**–**	**–**	**–**
Total	**18086.56**	**79.56**	**8.88**	**–**
31st March, 2022				
Trade Payables	13004.08	–	–	–
Other Financial Liabilities	1286.25	–	–	–
Total	14290.33	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

As at 31st March, 2023, the Company had a working capital of Rs. 20233.65 lakhs including cash and bank balance & bank deposits of Rs. 10758.75 lakhs and investment of Rs. 2612.61 lakhs and other corporate deposits of Rs. 2000 lakhs.

As at 31st March, 2022, the Company had a working capital of Rs. 17840.80 lakhs including cash and bank balance & bank deposits of Rs. 8935.21 lakhs and investment of Rs. 3620.47 lakhs and other corporate deposits of Rs. 1000 lakhs.

Accordingly, company do not perceive any liquidity risk.

(iii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	2023	2022
Secured Bank Overdraft facility		
- Expiring within one year	**450.00**	350.00
- Expiring beyond one year	**–**	–
Un-Secured Working Capital facility		
- Expiring within one year	**–**	2000.00
- Expiring beyond one year	**–**	–

2.28 Fair Value Measurement

The fair values of the Financial Assets and Liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

Level 2 - Other Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair Valuation Techniques and Inputs used - recurring Items

a) Financial Instruments measured at Fair value

Rs. in Lakhs

Particulars	Fair value as at 2023	Fair value as at 2022	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial Assets					
Investments in Mutual Fund	**2612.61**	3620.47	Level 1	As on Date NAV of the Quoted Fund	–
Total Financial Assets	**2612.61**	3620.47			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

b) Financial Instrument measured at Amortised Cost

As at 31st March, 2023 Rs. in Lakhs

Particulars	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Non-Current Assets					
Security Deposits-Unsecured	**63.39**	**63.39**	**–**	**63.39**	**–**
Fixed Deposits more than 12 months	**5100.00**	**5100.00**	**–**	**5100.00**	**–**
Total Non-Current Financial Assets	**5163.39**	**5163.39**	**–**	**5163.39**	**–**
Current Assets					
Trade Receivables	**12808.94**	**12808.94**	**–**	**12808.94**	**–**
Cash and Cash Equivalents	**362.75**	**362.75**	**–**	**362.75**	**–**
Other Bank Balances	**10544.12**	**10544.12**	**–**	**10544.12**	**–**
Other Financial Assets	**2464.39**	**2464.39**	**–**	**2464.39**	**–**
Total Current Financial Assets	**26180.20**	**26180.20**	**–**	**26180.20**	**–**
Total Financial Assets	**31343.59**	**31343.59**	**–**	**31343.59**	**–**
Financial Liabilities					
Non-Current Liabilities					
- Lease liabilities	**88.44**	**88.44**	**–**	**88.44**	**–**
Total Non-Current Financial Liabilities	**88.44**	**88.44**	**–**	**88.44**	**–**
Current Liabilities					
- Lease liabilities	**34.19**	**34.19**	**–**	**34.19**	**–**
Trade Payables	**16607.92**	**16607.92**	**–**	**16607.92**	**–**
Other Financial Liabilities	**1444.45**	**1,444.45**	**–**	**1444.45**	**–**
Total Current Financial Liabilities	**18086.56**	**18086.56**	**–**	**18086.56**	**–**
Total Financial Liabilities	**18175.00**	**18175.00**	**–**	**18175.00**	**–**

As at 31st March 2022 Rs. in Lakhs

Particulars	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Non-Current Assets					
Security Deposits-Unsecured	63.39	63.39	–	63.39	–
Fixed Deposits more than 12 months	3184.00	3184.00	–	3,184.00	–
Total Non-Current Financial Assets	3247.39	3247.39	–	3,247.39	–
Current Assets					
Trade Receivables	10360.99	10360.99	–	10360.99	–
Cash and Cash Equivalents	577.21	577.21	–	577.21	–
Other Bank Balances	8517.19	8517.19	–	8517.19	–
Other Financial Assets	1195.34	1195.34	–	1195.34	–
Total Current Financial Assets	20650.73	20650.73	–	20650.73	–
Total Financial Assets	23898.12	23898.12	–	23898.12	–
Financial Liabilities					
Non-Current Liabilities					
- Lease liabilities	–	–	–	–	–
Total Non-Current Financial Liabilities	–	–	–	–	–
Current Liabilities					
Trade Payables	13004.08	13004.08	–	13004.08	–
Other Financial Liabilities	1286.25	1286.25	–	1286.25	–
Total Current Financial Liabilities	14290.33	14290.33	–	14290.33	–
Total Financial Liabilities	14290.33	14290.33	–	14290.33	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.29 Employee benefits

(Refer Note 1.8)

Defined benefit plans – as per Actuarial Valuation on 31st March, 2023

Rs. in Lakhs

	Gratuity - Funded	
Particulars	**2023**	2022
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	**62.09**	62.85
2. Past Service Cost	**2.07**	–
3. Interest	**84.75**	72.54
4. Expected Return on plan assets	**(78.75)**	(71.41)
5. Total Expense	**70.16**	63.98
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**1257.51**	1285.60
2. Fair value of plan assets as at 31st March	**1179.64**	1113.32
3. Surplus/(Deficit)	**(77.87)**	(172.28)
III. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**1285.60**	1118.70
2. Expenses Recognised in Profit and Loss Account		
- Past Service Cost	**2.07**	–
- Current Service Cost	**62.09**	62.85
- Interest Expense/ (Income)	**84.75**	72.54
3. Recognised in Other Comprehensive Income		
Re-measurement gains / (losses)		
- Actuarial Gain/ (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**–**	–
iii. Experience Adjustments	**2.28**	113.36
iv. Difference in present value of obligation	**14.76**	6.23
4. Benefit payments	**(194.04)**	(88.08)
5. Present value of defined benefit obligation at the end of the year	**1257.51**	1285.60
IV. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**1113.32**	1081.31
2. Expected return on plan assets	**78.75**	71.41
3. Recognised in Other Comprehensive Income		
Re-measurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	**5.34**	7.36
4. Contributions by employer (including benefit payments recoverable)	**176.27**	41.32
5. Benefit payments	**(194.04)**	(88.08)
6. Fair value of plan assets at the end of the year	**1179.64**	1113.32
V. The Major categories of plan assets		
- Funded with LIC	**100.00%**	100.00%
VI. Actuarial assumptions		
1. Discount rate	**7.35%**	7.13%
2. Expected Return	**7.13%**	6.75%
3. In Service Mortality	**IAL 2012–14 Ultimate**	IAL 2012–14 Ultimate
4. Turnover Rate	**5.00%**	5.00%
5. Salary Rise - Officers	**9.00%**	9.00%
6. Salary Rise - Workers	**6.00%**	5.00%
7. Remaining Working Life	**15.03 Years**	14.51 Years

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

Principal assumption		Changes in assumption	Increase/(Decrease) impact on defined benefit obligation: Increase in assumption	Increase/(Decrease) impact on defined benefit obligation: Decrease in assumption
Discount rate	**2023**	**0.50%**	**(37.58)**	**39.71**
	2022	0.50%	(31.98)	33.72
Salary growth rate	**2023**	**0.50%**	**38.46**	**(36.76)**
	2022	0.50%	33.62	(32.19)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.30 Related Party Transactions

Names of the Related Parties	Relationship
Holding Company	
1. Mahindra & Mahindra Limited (M&M)	Holding Company (Associate Company upto 26th Sept. 2022)
Subsidiary of M&M	
1. Mahindra Rural Housing Finance Limited	3. Mahindra Logistics Limited
2. Mahindra & Mahindra Financial Services Limited	4. Mahindra Integrated Business Solutions Private Limited
Associate/Joint Venture of M&M	
1. Tech Mahindra Limited	Associate Company
2. Mahindra Summit Agriscience Limited	Joint Venture

Key Management Personnel

Name of KMP	Designation
Mr. Rajesh Jejurikar (became Chairman w.e.f. 31st July, 2022)	Chairman
Mr. Dileep C. Choksi	Non-Executive Independent Director
Mrs. Neera Saggi	Non-Executive Independent Director
Mr. S.Nagarajan ^	Non-Executive Independent Director
Mr. Nikhilesh Panchal ^	Non-Executive Independent Director
Mr. Harish Chavan	Non-Executive, Non-Independent Director
Mr. Puneet Renjhen ^	Non-Executive, Non-Independent Director
Mr. Giju Kurian ^	Whole Time Director & CEO
Mr. S.Durgashankar #	Non-Executive, Non-Independent Director
Mr. Sudhir Mankad #	Non-Executive Independent Director
Mr. M.S. Grewal #	Whole Time Director & CEO
Mr. R.R.Deshpande #	Non-Executive, Non-Independent Director
Mr. Vijay Varma #	Non-Executive, Non-Independent Director

^appointed / # ceased during the year

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Sr. No.	Nature of Transactions	Holding Co. (M&M)		Subsidiary/ Associates/ JV of M&M Ltd.		KMPs		Total	
		2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
1	**Purchases:**	**2053.13**	52.41	**121.24**	117.97	**–**	–	**2174.37**	170.38
	Goods	**2011.77**	29.74	**–**	–	**–**	–	**2011.77**	29.74
	Services	**41.36**	22.13	**121.24**	117.97	**–**	–	**162.60**	140.10
	Property, Plant and Equipment	**–**	0.54	**–**	–	**–**	–	**–**	0.54
2	**Sales:**	**168710.83**	134190.60	**–**	–	**–**	–	**168710.83**	134190.60
	Goods	**168710.83**	134190.60	**–**	–	**–**	–	**168710.83**	134190.60
	Services	**–**	–	**–**	–	**–**	–	**–**	–
3	**Deputation of Personnel:**								
	From related party	**824.63**	730.89	**–**	–	**–**	–	**824.63**	730.89
4	**Managerial Remuneration**	**–**	–	**–**	–	**82.33**	70.19	**82.33**	70.19
5	**Stock Options***	**–**	–	**–**	–	**–**	4.15	**–**	4.15
6	Commission and other benefits to Non-executive/independent director**	**–**	–	**–**	–	**55.50**	48.00	**55.50**	48.00
7	Interest income	**–**	–	**–**	41.27	**–**	–	**–**	41.27
8	Dividend Distributed	**3373.43**	2909.59	**–**	–	**–**	–	**3373.43**	2909.59
9	**Other Transactions:**								
	Rental Income	**17.34**	16.52	**1.22**	1.16	**–**	–	**18.56**	17.68
	Other Expenses	**273.67**	167.27	**0.55**	0.26	**–**	–	**274.22**	167.53
	Reimbursement received from Parties	**113.53**	59.56	**0.55**	0.26	**–**	–	**114.08**	59.82
	Reimbursement made to Parties	**160.14**	107.71	**–**	–	**–**	–	**160.14**	107.71
10	**Outstandings:**								
	Trade and Other Payable	**65.81**	74.04	**6.49**	0.46	**–**	–	**72.30**	74.50
	Trade and Other Receivable	**12808.11**	10359.36	**0.22**	0.20	**–**	–	**12808.33**	10359.56

*excludes stock option from Holding Company - Mahindra & Mahindra Limited.
** includes sitting fees and commission paid/payable to Khaitan & Co., in which Mr. Nikhilesh Panchal is a partner.
Transactions with related parties are at arm's length.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.31 Contingent Liabilities and Commitments

Rs. in Lakhs

Particulars	2023	2022
Contingent Liabilities		
Claims against the Company not acknowledged as debt		
- Excise matters in dispute	**234.92**	224.85
- Sales Tax matters in dispute	**96.42**	93.62
- Income Tax matters in dispute*	**77.78**	72.35
Commitments		
Estimated amount of contracts remaining to be executed	**385.77**	851.64

*Assessment of Income Tax is complete upto Assessment Year 2020-21. There is no demand which is disputed in Appeal and not provided for. For earlier Assessment Years, Company have filed appeals / references which involve an estimated liability of Rs. 77.78 Lakhs (31.03.2022 - Rs. 72.35 Lakhs)

2.32 Segment Reporting

The Company is primarily engaged in the business of diesel engines, diesel engine components and spare parts. As the basic nature of these activities are governed by the same set of risk, returns and internal business reporting system, accordingly these have been grouped as single segment in above disclosures as per Ind AS- 108 dealing with "Operating Segment".

2.33 Particulars in respect of goods manufactured:

Class of Goods	Unit of Qty	2023	2022
Production			
Engines	Nos.	**137442**	116869
Despatches			
Engines	Nos.	**137005**	116811

2.34 Particulars in respect of Revenue from Operations:

Rs. in Lakhs

Class of Goods	2023	2022
Sale of Products		
Engines	**138836.82**	111143.92
Spares	**2608.52**	2142.83
Total	**141445.34**	113286.75
Other operating revenue		
Scrap & Others	**736.80**	528.52
Total	**142182.14**	113815.27

2.35 Particulars in respect of Finished Goods:

Class of Goods	Unit of Qty	Opening Balance		Closing Balance	
	Nos.	Qty.	Rs. in Lakhs	Qty.	Rs. in Lakhs
Engines		**1537**	**1269.93**	**1927**	**1687.86**
		(1548)	(1158.85)	(1537)	(1269.93)
Engine Parts		**–**	**396.52**	–	**447.64**
		–	(319.35)	–	(396.52)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.36 Additional Regulatory Information

Ratios

Particulars	2023	2022	Variance (%)
1. Current Ratio (in times)	**2.09**	2.19	-4.6%
(Current Assets) / (Current Liabilities)			
2. Debt-Equity Ratio (in times)	**N.A.**	N.A.	–
(Total Debt) / (Total Equity)			
3. Debt service coverage Ratio (in times)	**N.A.**	N.A.	–
(Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustment) / (Debt service = Interest and lease payments + Principal repayments)			
4. Return on Equity (%)	**41.25%**	37.35%	3.9%
(Net Profit after Taxes) / (Average Shareholder's Equity)			
5. Inventory Turnover Ratio (times)	**21.60**	18.39	17.4%
(Revenue from operations) / (Average Inventory)			
6. Trade receivables turnover ratio (times)	**12.27**	10.49	17.0%
(Revenue from operations) / (Average Trade Receivables)			
7. Trade payables turnover ratio (times)	**7.71**	6.22	24.0%
(Purchases) / (Average trade payables)			
8. Net capital turnover ratio (times)	**7.47**	6.22	20.0%
(Revenue from operations) / (Average working capital)			
9. Net profit ratio (%)	**9.40%**	9.62%	-0.2%
(Net Profit after Taxes) / (Revenue from operations)			
10. Return on capital employed (%)	**52.74%**	48.06%	4.7%
(Profit before tax and finance costs) / (Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities)			
11. Return on Investments (%) - Quoted Investments	**5.03%**	3.09%	1.9%
(Income generated from Investments) / (Time Weighted Average Investments)			

There is no significant change (> 25%) in the above ratios over previous year.

2.37 Dividends

The Board of Directors, in their meeting held on 27th April, 2022, proposed a total dividend of Rs. 80/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on 25th July, 2022, this has resulted in a cash outflow of Rs. 9715.57 lakhs during 2022-23.

The Board of Directors, in their meeting held on 27th April 2023, proposed a total dividend of Rs.92/- per equity share for the financial year ended on 31st March 2023, subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 11174.24 lakhs.

2.38 Previous year's figures have been regrouped, wherever necessary, so as to correspond with those of the current year.

INDEPENDENT AUDITORS' REPORT

To The Board Of Directors

Carnot Technologies Private Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2023, its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on other Legal and Regulation requirements

1. As required by the companies (Auditor's Report) Order, 2020, as amended, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement deal with by this report are in agreement with the books of account.
4. In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
5. On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
7. With respect to the other matters to be included in the Auditor's Reporting accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   - I. The Company does not have pending litigation which would not impact its financial position.
   - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
   - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 27th April, 2023

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARNOT TECHNOLOGIES PVT LTD ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2023.

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

b) Company is maintaining proper records showing full particulars of intangible assets.

c) The Property plant and equipment have been physically verified by the management at regular intervals; as informed to us and no material discrepancies between the books records and the physical Property plant and equipment have been noticed.

d) There are no immovable properties in the name of the company during the year under report.

e) Company has not revalued its property, plant and equipment and intangible assets during the year.

f) No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibitions) Act ,1988.

(ii) a) During the year, the Inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. Also, there are no discrepancies of 10% or more in the aggregate of each class of inventory, however in our opinion the control over inventory management system needs to be strengthened.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, granted any loans, secured or unsecured guarantees to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

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

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been generally regular subject to certain delay in depositing undisputed statutory dues, including Income-Tax, Service Tax, Goods & Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(viii) According to the information and explanations given to us, no undisputed amounts are payable as on 31st March 2023.

b) According to the information and explanations given to us and based on the records of company examined by us, there are no dues of Income Tax, Service Tax, Goods & Service Tax and Cess which have not been deposited on account of any disputes.

(ix) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(x) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

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

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(xi) a) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.

b) During the year, the Company has not made any preferential allotment of preference shares.

(xii) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form

ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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

(xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiv) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xv) The company does not have any internal audit system in place and hence provisions of clause 3 (xiv) (a) and (xiv) (b) are not applicable.

(xvi) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvii) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2020) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xviii) The Company has not incurred cash losses during the year, Cash losses for the previous year (2021-22) amounted to Rs.1,14,08,871/-

(xix) There has been no resignation of statutory auditor during the year. The provisions of this clause are hence not applicable.

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

(xxi) The provisions of CSR are not applicable to the company. Hence provisions of clause 3 (XX) (a) and (b) are not applicable.

(xxii) The provisions of consolidated financials and consolidated CARO report are not applicable to the company and hence the aforementioned clause is not applicable.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 27th April, 2023

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Carnot technologies Private Limited as at the year 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 27th April, 2023

BALANCE SHEET AS AT 31ST MARCH 2023

Figures in INR Lakhs

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	**29.95**	23.41
(b) Other Intangible assets	1	**38.92**	77.84
(c) Intangible assets under development		**–**	–
(d) Deferred tax Assets (Net)	2	**13.11**	8.90
(e) Non-current financial assets		**–**	–
(i) Long-term loans		**–**	–
(ii) Other non-current financial assets	3	**3.27**	3.27
(f) Other non-current assets	4	**0.52**	0.42
		85.77	113.85
(2) Current assets			
(a) Inventories	5	**102.53**	28.65
(b) Financial Assets		**–**	–
(i) Investments		**–**	–
(ii) Trade receivables	6	**98.64**	40.54
(iii) Cash and cash equivalents	7	**196.83**	336.55
(iv) Other Bank Balances	8	**683.13**	317.58
(vi) Other current financial assets	9	**9.34**	5.19
(c) Current Tax Assets(Net)	10	**178.80**	86.29
(d) Other current assets	11	**59.53**	13.80
		1,328.80	828.61
Total Assets		**1,414.58**	942.45
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	**17.06**	17.06
(b) Other Equity	13	**1,027.75**	714.15
		1,044.81	731.21
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(b) Provisions	14	**33.77**	22.97
(c) Other Non- current liabilities			
		33.77	22.97
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**–**	88.99
(ii) Trade Payables	16	**27.32**	15.20
(iii) Other Current Financial Liabilities		**–**	–
(b) Current provisions	17	**90.77**	39.55
(c) Other current liabilities	18	**217.91**	44.53
		336.00	188.28
Total Equity and Liabilities		**1,414.58**	942.45

Notes forming part of the financial statements (all amounts in rupees)

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place: Mumbai
Date : 27th April, 2023

Pushkar Limaye
Whole Time Director & Chief Executive Officer
DIN 07270209
Place: Mumbai
Date : 27th April, 2023

Ramesh Ramachandran
Director
DIN 09562621

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023

Figures in INR Lakhs

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations	19	**2,352.22**	1,034.84
Other income	20	**29.70**	17.31
Total income		**2,381.93**	1,052.15
Expenses			
Consumption of Direct Material	21	**580.47**	231.35
Changes in inventories	22	**(73.88)**	43.15
Employee benefits expense	23	**968.67**	617.41
Finance costs	24	**2.79**	2.84
Depreciation and amortisation expense		**56.85**	52.08
Other expenses	25	**527.66**	271.48
Total expenses		**2,062.56**	1,218.31
Profit/(Loss) before exceptional items and tax		**319.36**	(166.17)
Exceptional items		**–**	–
Profit/(Loss) before tax		**319.36**	(166.17)
Tax expense			
(1) Current tax provision		**–**	–
(2) Deferred tax asset(liability)		**4.21**	2.89
Profit/(Loss) for the period/year		**323.57**	(163.28)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		**–**	–
Income tax relating to items not reclassified		**–**	–
Items that will be reclassified subsequently to profit or loss		**–**	–
Income tax relating to items that will be reclassified		**–**	–
Total comprehensive income/(expense) for the period/year		**323.57**	(163.28)
Earnings per share			
Basic earnings (loss) per share		**1,617.04**	(816.00)
Diluted earnings (loss) per share		**965.39**	(487.00)

See accompanying notes forming part of consolidated financial statements

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place: Mumbai
Date : 27th April, 2023

Pushkar Limaye
Whole Time Director & Chief Executive Officer
DIN 07270209
Place: Mumbai
Date : 27th April, 2023

Ramesh Ramachandran
Director
DIN 09562621

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

Figures in INR Lakhs

Particulars	Period ended 31st March 2023	Year ended 31st March 2022
Profit before tax	**319.36**	(166.17)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Impairment of Property, Plant and Equipment	**56.85**	52.08
Sundry Balances written back	**–**	
Sundry balances written off		
Other Comprehensive income	**(9.97)**	
Interest from security deposit	**(0.16)**	(0.15)
Preliminary expenses		
Operating profit before working capital changes	**366.08**	(114.24)
Working capital adjustments:		
(Increase)/decrease in Non current Assets	**(0.10)**	(0.07)
(Increase)/decrease in Non Current Financial Assets	**(0.00)**	0.33
(Increase)/decrease in trade receivables	**(58.10)**	76.65
(Increase)/decrease in Inventories	**(73.88)**	43.15
(Increase)/decrease in Current Assets	**(92.51)**	(39.61)
(Increase)/decrease in Current Financial Assets	**(4.16)**	(4.23)
(Increase)/decrease in other current assets	**(45.72)**	9.19
Increase/(decrease) in trade and other payables	**12.12**	(20.23)
Increase/(decrease) in other liabilities	**173.37**	10.91
Increase/(decrease) in Non Current Provisions	**10.80**	20.29
Increase/(decrease) in Provisions	**51.22**	4.78
Increase/(decrease) in Non Current liabilities	**–**	–
Net cash flows from operating activities	**339.13**	(13.09)
Investing activities		
Purchase of property, plant and equipment	**(24.47)**	(11.75)
Sale of property, plant and equipment	**–**	0.14
Net cash flows used in investing activities	**(24.47)**	(11.61)
Financing activities		
Proceeds from Share Capital	**–**	1.61
Proceeds from Share Premium	**–**	248.27
Proceeds from borrowings	**(88.99)**	88.99
Income from Secuirty deposit	**0.16**	0.15
Net cash flows from/(used in) financing activities	**(88.83)**	339.02
Net increase in cash and cash equivalents	**225.83**	314.33
Cash and cash equivalents at the beginning of the period/year	**654.14**	339.81
Cash and cash equivalents at period/year end	**879.97**	654.14

The accompanying notes form an integral part of the financial statements

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place: Mumbai
Date : 27th April, 2023

Pushkar Limaye
Whole Time Director & Chief Executive Officer
DIN 07270209
Place: Mumbai
Date : 27th April, 2023

Ramesh Ramachandran
Director
DIN 09562621

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE PERIOD ENDED MARCH 31ST 2023

1 OVERVIEW

1.1 Company overview

CARNOT Technologies Private Limited was incorporated in India as private limited company under the Companies Act , 2013 on 24th August, 2015. The company is engaged in the business of the following:

I. Service Sector- Technology enabled applications in different fields including automobiles products both in India & Overseas.

II. Trading Sector- Retail in information technology products and applications”

1.2 Basis of Preparation of financial statement

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

The financial statements up to and for the year ended March 31, 2017 were prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Act (Previous GAAP).

These are the first Ind AS financial statements of the Company prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied for the pupose of transition to Ind AS from previous GAAP

These financial statements have been prepared on a historical cost and accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non- current classification of assets and liabilities.

1.3 Use of Estimates

The preparation of the financial statements in conformity with IndAS requires the management to make estimates, judgments and assumptions.The seestimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets a nd liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the sefinancial statements have been disclosed in Note no.1.4.Accounting estimates could change from period to period.Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

1.4 Significant accounting policies

a. Property plant and equipment (including Capital Work-in-Progress)

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company provides depreciation on all assets on written down value basis over its useful life of asset which is in line with Schedule II of Comapnies Act,2013.

Gains or losses arising from the retirement or disposal of property plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the property plant and equipment and recognised as income or expense in the Statement of Profit and Loss.

Assets not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b. Intangible Assets

Intangible assets are accounted at actual cost incurred less accumulated amortisation and impairment, if any.

Intangible assets i.e. software are amortised on a straight line basis over their estimated useful life of approximately five years, so as to effectively depreciate the assets over the specified useful life.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets

c. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

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

A previosuly recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

d Investments and financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

e Inventories

The stock of raw materials and components, goods in process, finished goods and stores, spares, property under development etc. are stated at lower of cost or net realisable value (NRV).

In determining the cost of the raw materials and components FIFO method is used. Cost of goods in process and manufactured finished products includes the cost of materials, labour and other manufacturing overhead. Average cost method is used to determine cost of work in progress and finished goods.

Obsolete slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.(a) Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower. (b)Process stock: At cost or estimated realisable value, whichever is lower. (c) Finished goods: At cost or net realisable value, whichever is lower and are inclusive of input tax credit thereon.

f Revenue Recognition

Revenue is recognised based on fair value of consideration receive or receivable and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover, which represents invoiced value of goods sold is recognized net of goods and service tax, trade and volume discounts or rebates, etc. The following specific recognition criteria must also be met before revenue is recognised:

Supply contracts - Sale of products

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer. Revenue from product sales are shown as net of all applicable taxes and discounts.

Interest Income

Interest Income is accounted on accrual basis.

Dividend Income

Dividend is recognized when the right to receive the payment is established.

g Employee Benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, bonuses and performance incentives.

ii. Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the Balance Sheet date.

iii. Post-employment benefit plan

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

h Current and Deferred Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

i Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

j Provisions and Contingent Liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

k Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l Cash flow statement

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

m Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Note 1. Property Plant & Equipment

Figures in INR Lakhs

Particulars	Gross block - at cost						Depreciation/ Amortisation					Net block	
	As at 1 April 2022	GAAP Adjustments	Additions	Adjustments	Deductions	As at 31 Mar 2023	As at 1 April 2022	For the year	Adjustments	Deductions	As at 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Tangible assets													
Computers......	24.53	–	20.39	–	–	44.92	14.00	13.79	–	–	27.79	**17.13**	10.54
Furniture and fixtures...........	32.81	–	–	–	–	32.81	21.72	2.87	–	–	24.59	**8.21**	11.08
Office Equipments.....	6.33	–	4.08	–	–	10.41	5.18	1.10	–	–	6.28	**4.12**	1.15
Plant & Machinery.......	0.08	–		–	–	0.08	0.04	0.01	–	–	0.04	**0.03**	0.04
Electrical Equipments.....	1.68	–		–	–	1.68	1.07	0.16	–	–	1.23	**0.45**	0.61
Total	**65.42**	**–**	**24.47**	**–**	**–**	**89.89**	**43.01**	**17.92**	**–**	**–**	**59.94**	**29.95**	**23.41**

Figures in INR Lakhs

Particulars	Gross block - at cost						Depreciation/ Amortisation					Net block	
	As at 1 April 2022	GAAP Adjustments	Additions	Adjustments	Deductions	As at 31 Mar 2023	As at 1 April 2022	For the year	Adjustments	Deductions	As at 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Intangible Assets...........	260.23		–			260.23	182.38	38.92			221.30	**38.92**	77.84
Total	**260.23**	**–**	**–**	**–**	**–**	**260.23**	**182.38**	**38.92**	**–**	**–**	**221.30**	**38.92**	**77.84**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 Deferred tax Assets (Net)

Figures in INR Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax asset arising on account of (A)		
Opening DTA	**8.90**	6.01
Timing difference between book depreciation and depreciation as per Income Tax Act ,1961	**–**	–
Employees benefit expenses	**–**	–
Brought depreciation/Unabsorbed losses...	**–**	–
Others	**–**	–
	8.90	6.01
Deferred tax liability arising on account of (B)		
Others	4.21	2.89
Total	**13.11**	8.90

3 Other non-current financial assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposit with maturity more than 12 months from reporting date	**3.27**	3.27
Total	**3.27**	3.27

4 Other non-current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advances other than Capital advances		
i) Security Deposit	**0.20**	0.10
ii) Other advances - Deferred Notional rent expense	**0.32**	0.32
Total	**0.52**	0.42

5 Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stock in Trade	**102.53**	28.65
Total	**102.53**	28.65

6 Trade receivable

Particulars	As at 31st March, 2023 Outstanding for following period from due date of payment					
	Less Than 6M	**6M - 1 Yrs**	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
(i) Undisputed Trade Receivables						
Considered Good	**96.98**	**–**	**1.66**	**–**	**–**	**98.64**
Considered Doubtful	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Disputed Trade Receivables						
Considered Good	**–**	**–**	**–**	**–**	**–**	**–**
Considered Doubtful	**–**	**–**	**–**	**–**	**–**	**–**
Total	**96.98**	**–**	**1.66**	**–**	**–**	**98.64**

Particulars	As at 31st March, 2022 Outstanding for following period from due date of payment					
	Less Than 6M	**6M - 1 Yrs**	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
(i) Undisputed Trade Receivables						
Considered Good	38.55	–	1.99	–	–	40.54
Considered Doubtful	–	–	–	–	–	–
(ii) Disputed Trade Receivables						
Considered Good	–	–	–	–	–	–
Considered Doubtful	–	–	–	–	–	–
Total	38.55	–	1.99	–	–	40.54

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

7 Cash and cash equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks in:		
– Current accounts	**196.37**	335.13
Cash in hand	**0.47**	1.43
Total	**196.83**	336.55

8 Other bank balances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposit with Bank	**683.13**	317.58
Total	**683.13**	317.58

9 Other current financial assets

Figures in INR Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans & Advances to Employees	**9.34**	5.19
Total	**9.34**	5.19

10 Current Tax Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
TDS Receivable	**170.62**	78.02
TCS Receivable	**0.00**	0.09
MAT Receivable	**8.18**	8.18
Total	**178.80**	86.29

11 Other current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances other than capital advances-		
a) other advances	**34.27**	4.26
Others		
Balances with revenue authorithies	**11.93**	–
Prepaid expenses	**13.33**	9.54
Total	**59.53**	13.80

12 Equity share capital

Authorised

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**60,000**	6.00
Increase/(decrease) during the period	**–**	
As at 31 March 2023	**60,000**	6.00
Preference Shares of INR 100 each		
As at 01 April 2022	**16,300**	16.30
Increase/(decrease) during the period	**–**	
As at 31 March 2023	**16,300**	16.30

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2021	**60,000**	6.00
Increase/(decrease) during the year	**–**	–
As at 31 March 2022	**60,000**	6.00
Preference Shares of INR 100 each		
As at 01 April 2021	**13,441**	13.44
Increase/(decrease) during the year	**1,613**	1.61
As at 31 March 2022	**15,054**	15.05

Issued, Subscribed and fully paid up

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**20,010**	2.00
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**20,010**	2.00
Preference Shares of INR 100 each		
As at 01 April 2022	**15,054**	15.05
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**15,054**	15.05

a) Reconciliation of Equity & Preference shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**20,010**	2.00
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**20,010**	2.00
Preference Shares of INR 100 each		
As at 01 April 2022	**15,054**	15.05
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**15,054**	15.05

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2021	**20,010**	2.00
Increase/(decrease) during the year	**–**	–
As at 31 March 2022	**20,010**	2.00

Particulars	Number of Preference shares	Amount in INR
Preference Shares of INR 100 each		
As at 01 April 2021	**13,441**	13.44
Increase/(decrease) during the year	**1,613**	1.61
As at 31 March 2022	**15,054**	15.05

b). Terms/rights attached to equity shares/Preference Shares

1) The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

   In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

2) 4,480 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 6,581.51/- each in FY 2016-2017 & 6,663 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 8131.81- each during the financial year 2017-2018.

Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

3) 2,298 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 12,954.42/- IN FY 2020-21.

Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

4) 1613 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 15,391.65/- IN FY 2021-22.

Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

c). Shareholders holding more than 5% of the shares in the Company

Particulars		**2022-23**	2021-22
Equity shares of Rs 10 each, fully paid up			
Rohan Vadgaonkar			
	Number	**2,260**	2,260
	% Holding	**11.29**	11.29
Prathamesh Joshi			
	Number	**1,233**	1,233
	% Holding	**6.16**	6.16
Pushkar Limaye			
	Number	**2,115**	2,115
	% Holding	**10.57**	10.57
Urmil Shah			
	Number	**3,858**	3,858
	% Holding	**19.28**	19.28
Mahindra & Mahindra Ltd			
	Number	**10,544**	10,544
	% Holding	**52.69**	52.69

13 Other Equity

Figures in INR Lakhs

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Retained Earnings		
As per last Balance Sheet	**(669.15)**	(505.87)
Increase/(decrease) during the period/year	**323.57**	(163.28)
Other Comprehensive income/loss	**(9.97)**	–
	(356)	(669)
Share Premium		
As per last Balance Sheet	**1,383.30**	1,135.03
Increase/(decrease) during the period/year	**–**	248.27
	1,383.30	1,383.30
Total	**1,027.75**	714.15

14 Other non - current liabilities

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
a) Provisions - Gratuity	**31.60**	22.01
b) Other provision	**2.17**	0.96
Total	**33.77**	22.97

15 Current liabilities

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
a) Borrowings (OD against FD)	**–**	88.99
Total	**–**	88.99

16 Trade Payable

Particulars	**As at 31st March, 2023**				
	Outstanding for following period from due date of payment				
	Less Than 1 Yr	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
MSME	**4.84**	–	**–**	**–**	**4.84**
Others	**22.39**	0.09	**–**	**–**	**22.48**
Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**
Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**
Total	**27.23**	0.09	**–**	**–**	**27.32**

Particulars	**As at 31st March, 2022**				
	Outstanding for following period from due date of payment				
	Less Than 1 Yr	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
MSME	3.66	–	–	–	3.66
Others	11.53	0.01	–	–	11.54
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	15.19	0.01	–	–	15.20

17 Current Provisions

Figures in INR Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Provision for employee benefits	**90.77**	38.66
b) Others		
– Expenses	**–**	0.89
Total	**90.77**	39.55

18 Other Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Advance from customers	**168.51**	3.57
b) other Advances	**17.25**	1.90
c) Provision Gratutiy	**2.61**	–
d) Statutory dues payable		
– GST & VAT Payable	**–**	15.61
– TCS Payable	**0.00**	–
– TDS Payable	**25.59**	21.31
– PF Payable	**2.91**	1.89
– Profession Tax Payable	**0.16**	0.09
– ESIC payable	**0.89**	0.16
Total	**217.91**	44.53

19 Revenue from Operations

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of products	**682.16**	330.25
Sale of Services	**1,670.06**	704.59
Total	**2,352.22**	1,034.84

20 Other Income

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest income:		
– on bank deposits	**22.23**	14.54
– on security deposits	**–**	0.15
– on others	**3.68**	1.78
Sundry balances written back	**–**	0.62
Other Receipts	**3.79**	0.22
Total	**29.70**	17.31

21 Consumption of Direct Material

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Raw Material & Direct Expense	**580.47**	231.35
Total	**580.47**	231.35

22 Changes in Inventories

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Inventory	**28.65**	71.80
Less: Closing Inventory	**102.53**	28.65
Total	**(73.88)**	43.15

23 Employee Benefit Expenses

Figures in INR Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries, wages and bonus	**816.89**	467.21
Director's Remuneration	**115.33**	102.67
Less: Capitalised under Capital WIP	**–**	–
	932.22	569.88
Salary to Interns	**6.63**	8.91
Staff welfare expense	**4.63**	2.83
Gratuity	**9.77**	**–**
Employer Contribution -PF , ESIC	**15.42**	35.79
Total	**968.67**	617.41

24 Finance Cost

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on Overdraft against FD	**2.79**	2.68
Finance Charges	**–**	0.16
Total	**2.79**	2.84

25 Other Expenses

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Audit Fees	**1.53**	2.18
Legal, Design and Consultancy	**60.51**	28.59
Comission charges	**–**	0.32
Gateway fees	**1.40**	0.30
Call centre Support services	**103.19**	25.91
Electricity expenses	**0.92**	0.37
M Tto M Subscription Charges	**101.88**	100.60
Hotel and Food Expenses	**22.68**	10.94
Platform Hosting Charges	**48.78**	36.73
Software expenses	**83.82**	3.22
Hire charges	**1.39**	–
General Office Expenses	**3.05**	1.61
Repairs and maintenance	**2.13**	0.42
Printing & Stationery	**0.72**	0.35
Courier Charges	**0.48**	4.10
Interest & Late fees	**0.58**	0.26
Marketing Expenses	**17.67**	15.97
Rent Expenses	**8.14**	5.86
Telephone & Internet expenses	**3.66**	1.04
Travelling and conveyance	**32.16**	19.06
Rates & Taxes	**0.38**	1.37
Bank Charges	**1.31**	0.94
Foreign Exchange Gain/Loss	**0.14**	0.18
Advertisement	**19.77**	6.59
Training Expenses	**4.16**	0.67
Membership fees	**–**	0.55
Business promotion	**7.08**	2.33
Balances written off	**–**	0.25
Miscellaneous expenses	**0.15**	0.78
Total	**527.66**	271.48

26 Earnings per Share

Figures in INR Lakhs

	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
i)	Net profit after tax as per statement of profit and loss attributable to equity shareholders	**323.57**	(163.28)
ii)	Weighted average number of equity shares used as denominator for calculating basic ESPS	**20,010**	20,010
iii)	Weighted average potential equity shares on account of compulsory convirtible Preference Shares	**13,507**	13,507
iv)	Total weighted average number of equity shares used as denominator for calculating diluted EPS	**33,517**	33,517
v)	Net profit after tax for diluted EPS	**323.57**	(163.28)
vi)	Basic earnings per share (₹)	**1,617.04**	(815.97)
vii)	Diluted earnings per share (₹)	**965.39**	(487.14)
viii)	Face value per equity share (₹)	**10**	10

27 Foreign Exchange Expenditure

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Software expenses	**39.24**	26.62
Platform Hosting Charges	**18.18**	12.23
Hardware purchased	**2.22**	1.08
Profeesional Fees	**–**	10.51
Marketing Expenses	**–**	0.32
M2M subscription	**0.83**	–
Total	**60.46**	50.76

28 Details of related party transactions during the period ended 31 March , 2023 and 31 March, 2022

Figures in INR Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Holding Company -		
Mahindra & Mahindra ltd		
Key Mangement Personnel		
Rohan Vadgaonkar	**–**	–
Pushkar Limaye	**–**	–
Payment to key Management Personnel		
Remnuneration to Directors		
Rohan Vadgaonkar	**26.67**	51.33
Pushkar Limaye	**87.34**	51.33
Transactions during the period		
Sales/service		
Mahindra & Mahindra Ltd	**2,158.56**	907.55
Total	**2,272.57**	1,010.22

29 Auditors' Remuneration

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Audit fees	**1.53**	2.18
Total	**1.53**	2.18

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place: Mumbai
Date : 27th April, 2023

Pushkar Limaye
Whole Time Director & Chief Executive Officer
DIN 07270209
Place: Mumbai
Date : 27th April, 2023

Ramesh Ramachandran
Director
DIN 09562621

INDEPENDENT AUDITORS' REPORT

To the members of

M.I.T.R.A. Agro Equipments Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of M.I.T.R.A. Agro Equipments Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The company does not have any pending litigations which will impact its financial positions;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAT6827

Place : Mumbai
Date : April 26, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, stores and spares and stock-in-trade has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

   (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT- 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

   (c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

   (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

   (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

   (d) Based on the information and explanation given to us and the audit procedures performed by us, we report that the group has 4 core investment companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the the act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAT6827

Place : Mumbai
Date : April 26, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of M.I.T.R.A. Agro Equipments Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAT6827

Place : Mumbai
Date : April 26, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. In thousands

			Note	As at 31st March 2023	As at 31st March 2022
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a)	Property, Plant and Equipment	2	**37,185**	28,130
	(b)	Capital Work-in-Progress	3	**140**	2,245
	(c)	Other Intangible Assets	3	**35,827**	35,431
	(d)	Intangible Assets Under Development		**17,367**	16,610
	(e)	Right to Use	4	**18,289**	24,064
	(f)	Income Tax Assets (Net)		**1,749**	789
	(g)	Defered Tax Assets (Net)	28	**8,724**	31,611
	(h)	Other Assets	5	**78,369**	59,358
				1,97,650	1,98,238
	CURRENT ASSETS				
	(a)	Inventories	6	**1,55,212**	1,30,594
	(b)	Financial Assets			
		(i) Investments		**-**	-
		(ii) Trade Receivables	7	**27,937**	12,603
		(iii) Cash and Cash Equivalents	8	**15,862**	14,964
		(iv) Bank Balances other than Cash and Cash Equivalents		**-**	-
		(v) Other Financial Assets	5	**5,866**	2,311
	(c)	Other Assets	4	**23,837**	34,676
				2,28,714	1,95,147
	TOTAL ASSETS			**4,26,364**	3,93,384
II	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a)	Equity Share Capital	9	**2,631**	2,542
	(b)	Other Equity	10	**3,42,301**	2,92,911
				3,44,932	2,95,452
	LIABILITIES				
	NON-CURRENT LIABILITIES				
	(a)	Financial Liabilities			
		(i) Lease Liabilities	14	**15,367**	19,590
	(b)	Provisions	12	**6,216**	5,571
	(c)	Other Liabilities	14	**2,414**	1,758
				23,997	26,919
	CURRENT LIABILITIES				
	(a)	Financial Liabilities			
		(i) Borrowings			-
		(i) (a) Lease Liabilities	14	**5,722**	6,510
		(ii) Trade Payables			
		– Total outstanding dues of micro and small enterprises (for details refer note no - 33)	11	**1,916**	3,301
		– Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	11	**29,817**	37,359
		(iii) Other Financial Liabilities	13	**3,891**	4,334
	(b)	Other Liabilities	14	**3,224**	6,441
	(c)	Provisions	12	**12,865**	12,893
	(d)	Current Tax Liabilities (Net)		**-**	174
				57,435	71,013
	TOTAL EQUITY AND LIABILITIES			**4,26,364**	3,93,384
	Summary of Significant Accounting Policies		1		

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 26, 2023

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In thousands

Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
INCOME			
Revenue from Operations	15	**5,54,486**	4,73,571
Other Income	16	**6,116**	4,140
Total Income		**5,60,602**	4,77,711
EXPENSES			
Cost of materials consumed	17	**3,10,261**	2,72,475
Changes in inventories of finished goods, stock-in-trade and work-in-progress	18	**9,608**	(5,221)
Employee benefits expense	19	**98,769**	68,770
Finance costs	20	**1,574**	1,745
Depreciation and amortisation expense	21	**21,624**	16,962
Other expenses	22	**64,628**	55,141
Total Expenses		**5,06,465**	4,09,871
Profit/(Loss) before exceptional items and tax		**54,136**	67,840
Exceptional Items		**-**	-
Profit/(Loss) before tax		**54,136**	67,840
Tax Expense			
Current Tax	23	**-**	-
Deferred Tax	28	**22,887**	15,212
Profit/(Loss) for the year		**31,250**	52,628
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss actuarial Gain on defined Benefit Plans		**21**	(1,665)
Total other comprehensive income/ (loss)		**21**	(1,665)
Total comprehensive income/ (loss) for the year		**31,271**	50,963
Earnings per equity share : (Face Value Rs 10/- per share) (Rupees)			
Basic (Rs. In Amounts)		**118.76**	207.07
Diluted (Rs. In Amounts)		**118.76**	200.01
Summary of Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 26, 2023

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In thousands

		For the year ended 31st March 2023	For the year ended 31st March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit/(Loss) before exceptional items and tax	**54,136**	67,840
	Adjustments for :		
	Depreciation and Amortisation expenses	**15,848**	16,962
	Impairment of Fixed Assets	**-**	-
	(Gain)/Loss on foreign exchange fluctuations (Net)	**(1,312)**	(579)
	Investment and Interest Income	**(4,096)**	(2,891)
	Finance costs	**1,574**	3
	Provision for Gratuity & Warranty	**2,321**	3,514
	Employee Compensation Expenses	**18,141**	-
	Sundry Balance Written Back	**(299)**	(611)
	Sundry Balance Written Off	**448**	540
	Provision for MSME	**-**	-
	Other Income	**-**	(11)
	Operating Profit before Working Capital changes	**86,761**	84,768
	Changes in :		
	Trade and other receivables	**(15,334)**	(1,594)
	Inventories	**(24,618)**	(37,968)
	Trade and other payables	**(8,928)**	22,653
	Others Current Assets	**4,632**	(18,568)
	Others Current liabilities	**(1,939)**	19,734
		(46,188)	(15,742)
	Cash generated from operations	**40,574**	69,025
	Income Taxes paid (Net of refunds)	**-**	84
	NET CASH FROM OPERATING ACTIVITIES	**40,574**	68,941
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Payments to acquire Property, Plant and Equipment and Other Intangible Assets	**(18,176)**	(53,943)
	Proceeds from sale of investments	**(19,011)**	(13,833)
	Interest/Dividend received	**4,096**	2,891
	NET CASH USED IN INVESTING ACTIVITIES	**(33,091)**	(64,885)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Repayments of borrowings	**(5,011)**	(157)
	Equity Shares Issued for Cash		
	Interest, Commitment and Finance Charges paid	**(1,574)**	(1,745)
	NET CASH USED IN FINANCING ACTIVITIES	**(6,585)**	(1,902)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**898**	2,154
	CASH AND CASH EQUIVALENTS:		
	Opening Balance	**14,964**	12,810
	Addition/(deletion) on account of transfer of business		
	Unrealised Gain/(Loss) on foreign currency Cash and Cash Equivalents		
	Closing Balance	**15,862**	14,964

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Aniruddha Joshi
Partner
Membership No. 040852

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

Place : Mumbai
Date : April 26, 2023

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2023

A) Equity Share Capital

Current reporting period

Rs. In thousands

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year (Additions)	Balance at the end of the current reporting period	Restated balance at the beginning of the current reporting period
2,542	**90**	**2,631**	

Previous reporting period

Balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	Restated balance at the beginning of the current reporting period
2,528	13	2,542	

Current reporting period

Rs. In thousands

	Reserves and Surplus				
	Securities Premium	**Employee Stock Options Outstanding**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
Balance at the beginning of the current reporting period	**3,24,982**	**1,835**	**(32,165)**	**(1,742)**	**2,92,911**
Changes in accounting policy or prior period errors	-	-	**(2,972)**	**2,972**	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Exercise of Employee stock option	**19,976**	**(19,976)**	-	-	**0**
Option granted during the period	-	**18,141**	-	-	**18,141**
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	**31,271**	**(21)**	**31,250**
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the current reporting period	**3,44,958**	**0.00**	**(3,866)**	**1,209**	**3,42,301**

Previous reporting period

Rs. In thousands

	Reserves and Surplus				
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the current reporting period	3,24,982	1,835	(84,793)	(77)	2,41,948
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Compreh ensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	52,628	(1,665)	50,963
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the current reporting period	3,24,982	1,835	(32,165)	(1,742)	2,92,911

Description of the nature and purpose of Other Equity

i) **Securities Premium Account :** The Securities Premium is created on issue of shares at a premium.

ii) **Employee Stock Options Outstanding :** The Employee Stock Options Outstanding represents reserve in respect of equity share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 26, 2023

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1 **Significant Accounting Policies**

The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) **Basis of preparation, presentation and measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(b) **Measurement of fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for the financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows :

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included with in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) **Use of Estimates & Judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates on assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, obligations relating to employee defined benefits etc. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

(d) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

(e) **Property Plant & Equipment**

Property Plant & Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any for use.

Depreciation is provided on straight line basis for property, plant and equipments so as to expense the depreciable aamount, i.e the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(f) **Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software Expenditure:

The expenditure incurred is amortized over five financial years equally commencing from the year in which the expenditure is incurred.

Internally-generated intangible assets – Development expenditure:

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(g) **Derecognition of Intangible Assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(h) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Material and bought out components are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. In determining the cost of purchased materials, First In First Out is used.

Cost of manufactured finished goods and work-in-progress are valued on absorption costing basis and includes appropriate proportion of overheads.

Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

(j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments.

(k) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(l) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets at Fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss, The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item.

(m) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(n) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Sale of services are recognised on rendering of such services.

(o) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

(p) GST

Goods & Service Tax payable on finished goods is accounted for upon transfer of goods to the customers. GST recovered is excluded from the sale of products and services. Purchases and Expenses are accounted net of GST when GST is recoverable.

(q) Custom Duty

Custom duty payable on imported goods is accounted for when the goods enter the Indian shores.

(r) Foreign exchange transactions

Transactions in foreign currencies (Other than company’s functional currency) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognized as income or expense, as the case maybe.

(s) Employee Benefits

Providend Fund, ESIC and Labour Welfare Fund

The Group’s contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Other Benefits

The undiscounted amount of short-term employee benefit expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

Gratuity

Company’s liability towards gratuity are determined by independent actuaries, using the projected unit credit method.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Employee Stock Option

The Company accounts for compensation expense under the Employee Stock Option Plan as per the Indian Accounting Standards and as permitted by the Guidance Note on “Accounting for Employee Share-based Payments” issued by The Institute of Chartered Accountants of India. The difference between the fair value and the exercise price of option as at the date of the grant is treated as compensation expenses and charged over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(t) Taxes on Income

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(u) Warranty

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information.

(v) Segment Reporting

The Company's business activity falls within a primary business segment namely manufacturing of different kinds of agricultural machines and related components.

(w) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(x) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2 Property, Plant and Equipment

Rs. In thousands

Particulars	Buildings	Plant and Equipment	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Total
(I) Cost							
Balance as at 1st April, 2021	**269**	**18,092**	**1,305**	**4,309**	**2,228**	**8,212**	**34,417**
Additions during the year 2021-22	195	8,895	642	847	1,974	600	13,153
Disposal during the year 2021-22	–	–	8	5	8	–	21
Balance as at 31st March, 2022	**465**	**26,987**	**1,939**	**5,151**	**4,195**	**8,812**	**47,549**
Additions during the year 2022-23	–	9,706	446	1,571	977	–	12,701
Disposal during the year 2022-23	–	–	–	–	–	–	–
Balance as at 31st March, 2023	**465**	**36,693**	**2,385**	**6,722**	**5,172**	**8,812**	**60,249**
(II) Accumulated Depreciation							
Balance as at 1st April, 2021	22	4,436	1,089	3,860	1,724	5,674	16,806
Depreciation for the year 2021-22	10	1,424	129	335	282	443	2,624
Deductions/Adjustments during the year	–	–	4	4	4	–	12
Balance as at 31st March, 2022	**32**	**5,861**	**1,215**	**4,191**	**2,002**	**6,117**	**19,419**
Depreciation for the year 2022-23	15	2,054	214	571	369	422	3,646
Depreciation on Deletion 2022-23	–	–	–	–	–	–	–
Balance as at 31st March, 2023	**48**	**7,915**	**1,429**	**4,763**	**2,371**	**6,539**	**23,064**
Net Carrying amount (I-II)							
Balance as at 31st March, 2022	432	21,127	724	959	2,192	2,695	28,130
Balance as at 31st March, 2023	**417**	**28,778**	**956**	**1,959**	**2,801**	**2,273**	**37,185**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3 Other Intangible Assets

Rs. In thousands

Particulars	Development Expenditure (Internally Generated)	Computer Software	Trade Mark	Total
(I)Cost				
Balance as at 1st April, 2021	**52,135**	**1,382**	**30**	**53,547**
Additions during the year 2021-22	17,084	1,408	–	18,491
Deductions/Adjustments during the year	–	–	–	–
Other adjustments during the year	–	–	–	–
Balance as at 31st March, 2022	**69,218**	**2,790**	**30**	**72,038**
Additions during the year 2022-23	12,373	226	–	12,599
Deductions/Adjustments during the year	–	–	–	–
Other adjustments during the year	–	–	–	–
Balance as at 31st March, 2023 (Cost)	**81,591**	**3,015**	**30**	**84,637**
(II)Accumulated amortisation				
Balance as at 1st April, 2021	26,149	928	6	27,083
Amortisation expense for the year 2021-22	9,276	243	6	9,525
Balance as at 31st March, 2022	**35,425**	**1,171**	**12**	**36,607**
Amortisation expense for the year 2022-23	11,783	413	6	12,203
Balance as at 31st March, 2023	**47,208**	**1,584**	**18**	**48,810**
Net Carrying amount (I-II)				–
Balance as at 31st March, 2022	33,794	1,619	18	35,431
Balance as at 31st March, 2023	**34,383**	**1,431**	**12**	**35,827**

Capital-Work-in Progress (CWIP) - CWIP aging schedule

Rs. In thousands

Sr. No.	CWIP	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Forging Machine Die	140	–	–	–	140

Capital-Work-in Progress (CWIP) - CWIP completion schedule

Rs. In thousands

Sr. No.	Project List	To be completed in: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Forging Machine Die	140	–	–	–	140

Intangible under development aging schedule

Rs. In thousands

Intangible under development	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,534	929	58	–	9,522
Projects temporarily on Hold	–	1,921	101	5,823	7,845

Intangible under development aging schedule

Rs. In thousands

Sr. No.	Intangible under development	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Airotec 600 – 550 DF	32	73	–	–	105
2	Smart Sprayer V2	61	441	–	–	502
3	Bullet 575	434	–	–	–	434
4	Airotec 400 V2	742	–	–	–	742
5	Bullet 200 - CLASSIC	331	–	–	–	331
6	Airotec Classic 600	541	–	–	–	541
7	Airotec 600 - Compact	506	–	–	–	506
8	Low-Cost Sprayer - 200	1,055	–	–	–	1,055
9	Bullet V5	175	–	–	–	175
10	Low-Cost Boom Sprayer	129	–	–	–	129
11	Airotec 800 V2	245	–	–	–	245
12	Airotec 300 550 L	186	–	–	–	186
13	Airotec 800 616 Linear DF	60	–	–	–	60
14	Airotec 1000 815	9	–	–	–	9
15	Airotec 1500 815	286	–	–	–	286
16	Airotec 600 Compact 616 DF	22	–	–	–	22
17	Shell Development	278	141	58	–	477
18	Double Fan Gearbox Development	1,874	30	–	–	1,904
19	PRV Development	166	107	–	–	273
20	3 Way Ball Valve Development	201	64	–	–	265
21	Forging Component Development & Set Up	222	–	–	–	222
22	Suction Filter Development	47	–	–	–	47
23	LID D455 Development	38	–	–	–	38
24	LID D355 Development	5	–	–	–	5
25	Airotec 800 - 712	197	–	–	–	197
26	Lightweight Bullet	288	–	–	–	288
27	Duster Gearbox Development	15	30	–	–	44
28	Round Bumper Development for Airotec 600 V2	53	–	–	–	53
29	Airotec 700 - 616	51	–	–	–	51
30	Airotec 400 575	244	–	–	–	244
31	Pump Outlet Kit Development	35	27	–	–	62
32	Bullet Mount U Bend (FB0035)	4	17	–	–	21
33	Wheel Hub Development	2	–	–	–	2
	Total	**8,534**	**929**	**58**	**–**	**9,522**

Rs. In thousands

Sr. No.	Intangible under development	Project on Hold: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Bullet V6	–	–	7	–	7
2	Airotec 1500 Cyclone - V2	–	619	–	5,687	6,306
3	Premium Sprayer 600	–	154	–	–	154
4	Airotec 712 DF	–	892	–	–	892
5	Self Propelled	–	–	–	136	136
6	Cropmaster Reel - 200	–	–	94	–	94
7	Bullet 300	–	18	–	–	18
8	Airotec 600 + 55 Udor + 550 Conveyor	–	238	–	–	238
	Total	**–**	**1,921**	**101**	**5,823**	**7,845**

Note -

The above mentioned 8 projects were kept on hold due to other priority projects. These projects are expected to be taken up in F-24 and shall be completed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Intangible under development completion schedule

Rs. In thousands

Sr. No.	Project List	To be completed in: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Bullet V6	7	–	–	–	7
2	Airotec 1500 Cyclone - V2	6,306	–	–	–	6,306
3	Premium Sprayer 600	154	–	–	–	154
4	Airotec 712 DF	892	–	–	–	892
5	Self Propelled	136	–	–	–	136
6	Cropmaster Reel - 200	94	–	–	–	94
7	Airotec 600 – 550 DF	105	–	–	–	105
8	Smart Sprayer V2	502	–	–	–	502
9	Bullet 300	18	–	–	–	18
10	Airotec 600 + 55 Udor + 550 Conveyor	238	–	–	–	238
11	Bullet 575	434	–	–	–	434
12	Airotec 400 V2	742	–	–	–	742
13	Bullet 200 - CLASSIC	331	–	–	–	331
14	Airotec Classic 600	541	–	–	–	541
15	Airotec 600 - Compact	506	–	–	–	506
16	Low-Cost Sprayer - 200	1,055	–	–	–	1,055
17	Bullet V5	175	–	–	–	175
18	Low-Cost Boom Sprayer	129	–	–	–	129
19	Airotec 800 V2	245	–	–	–	245
20	Airotec 300 550 L	186	–	–	–	186
21	Airotec 800 616 Linear DF	60	–	–	–	60
22	Airotec 1000 815	9	–	–	–	9
23	Airotec 1500 815	286	–	–	–	286
24	Airotec 600 Compact 616 DF	22	–	–	–	22
25	Shell Development	477	–	–	–	477
26	Double Fan Gearbox Development	1,904	–	–	–	1,904
27	PRV Development	273	–	–	–	273
28	3 Way Ball Valve Development	265	–	–	–	265
29	Forging Component Development & Set Up	222	–	–	–	222
30	Suction Filter Development	47	–	–	–	47
31	LID D455 Development	38	–	–	–	38
32	LID D355 Development	5	–	–	–	5
33	Airotec 800 - 712	197	–	–	–	197
34	Lightweight Bullet	288	–	–	–	288
35	Duster Gearbox Development	44	–	–	–	44
36	Round Bumper Development for Airotec 600 V2	53	–	–	–	53
37	Airotec 700 - 616	51	–	–	–	51
38	Airotec 400 575	244	–	–	–	244
39	Pump Outlet Kit Development	62	–	–	–	62
40	Bullet Mount U Bend (FB0035)	21	–	–	–	21
41	Wheel Hub Development	2	–	–	–	2
	Total	**17,367**	**–**	**–**	**–**	**17,367**

4 a Other Assets (Non Financial)

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Right to Use		**18,289**		24,064
Balance with government authorities	**7,726**		9,019	
Prepaid expenses	**2,207**		2,527	
Advances given to Employees	**2,099**		2,112	
Advance given to suppliers	**11,798**		21,002	
Others Assets	**8**		15	
Total Other Assets (Non Financial)	**23,837**	**18,289**	34,676	24,064

4 b Income Tax Assets

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Advance Tax (net of provision)		**1,749**		789
Total Income Tax Assets	**–**	**1,749**	–	789

5 Other Assets (Financial)

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Security Deposits*		**3,387**		2,333
Fixed Deposits with Bank#		**74,982**		57,025
Other Assets**	**5,866**		2,311	
Total Other Assets (Financial)	**5,866**	**78,369**	2,311	59,358

* It consist of Govt. Deposits of Rs.1335 Thousand and Security deposits given against Factory premises of Rs.1300 Thousand.

** Other Assets consist of Interest Accrued on Fixed Deposits

Includes Rs.27.05 Lacs issued against Bank Gurantees with different state government.

6 Inventories

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Raw Materials	**1,44,535**		1,05,598	–
Work-in-Progress	**–**		4,403	–
Finished Products Produced	**10,677**		14,935	–
Stock-in-Trade	**–**		947	–
Stock in Transit	**–**		4,711	–
Total Inventories	**1,55,212**	**–**	1,30,594	–

Mode of valuation of inventories is : Lower of Cost or Net Realisable Value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

7 Trade Receivables

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Trade Receivables considered good – Secured	**27,937**		12,603	
Trade Receivables considered good – Unsecured	**–**		–	
Trade Receivables which have significant increase in Credit Risk	**–**		13	
Trade Receivables – credit impaired	**–**		(13)	
Total Trade Receivables	**27,937**		12,603	–

Trade Receivables ageing schedule

Rs. In thousands

Particulars	Outstanding for following periods from due date of payment: Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i) Undisputed Trade receivables – considered good	26,994	943	–	–	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–		
(iii) Undisputed Trade Receivables – credit impaired					
(iv) Disputed Trade Receivables– considered good					
(v) Disputed Trade Receivables – which have significant increase in credit risk					
(vi) Disputed Trade Receivables – credit impaired					

8 Cash and Bank Balances

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Cash and cash equivalents				
Balances with banks				
— In Current Accounts	**15,836**		14,935	
Cheques, drafts on hand				
Cash in hand	**26**		29	
Total Cash and Cash Equivalents as per Statement of Cashflow	**15,862**		14,964	–

9 Equity Share Capital

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Authorised:		
300,000 (P.Y.: 300,000) Equity Shares of Rs.10/- each	**3,000**	3,000
	–	–
	3,000	3,000
Issued and Subscribed and Paid Up :		
a) 263126 Equity Shares of Rs.10/- each fully paid up. b) During the F.Y. 2022-23, the entire ESOP's vested 8,970 Nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no outstanding options to be converted to equity shares.	**2,631**	2,542
Issued and Subscribed Share Capital	**2,631**	2,542

a) Reconciliation of number of Equity Shares and amount outstanding :

Rs. In thousands

Particulars	As at 31st March 2023 No. of Shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of Shares	As at 31st March 2022 Amount
Equity Shares				
Issued and Subscribed :				
Balance as at the beginning of the year	**2,54,156**	**2,542**	2,52,840	2,528
ADD : Shares Issued During the Year	**8,970**	**90**	1,316	13
Balance as at the end of the year	**2,63,126**	**2,631**	2,54,156	2,542
Issued and Subscribed Share Capital	**2,63,126**	**2,631**	2,54,156	2,542

b) Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31st March 2023 No. of Shares	As at 31st March 2023 % Share-holding	As at 31st March 2022 No. of Shares	As at 31st March 2022 % Share-holding
Equity Shares				
Devneet Bajaj	**–**	**0.00%**	41,459	16.31%
Omnivore Capital Management Advisors Pvt. Ltd.	**–**	**0.00%**	88,160	34.69%
Mahindra & Mahindra Ltd.*	**2,63,126**	**100.00%**	1,24,537	49.00%

Name of the Shareholder	No. of Shares	% of Total shares	% of Changes during the year
Devneet Bajaj	–	0.00%	-16.31%
Omnivore Capital Management Advisors Pvt. Ltd.	–	0.00%	-34.69%
Mahindra & Mahindra Ltd.*	2,63,126	100.00%	51.00%

* Out of the above shares 6 nos of shares are jointly held by Mahindra & Mahindra Ltd along with 6 other Individuals.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Employee Stock Option Plan

Particulars	31st March 2023	31st March 2022
Outstanding at the Beginning of the Year	**8,970**	10286
Granted	**–**	0
Forfeited	**NIL**	NIL
Exercised	**8970**	1316
Outstanding at the end of the Year	**–**	8970
Exercisable at the end of the Year	**–**	5583

a) The Company granted 3503 equity options on 6th june 2018 to one employee. Vesting period being 5 years with Nil in initial year and 25% distributed equally every year.

b) The Company further granted 5023 equity options on 25th Sept 2020 to Sixteen employees. Vesting period being 3 years with Nil in first year and 50% in next two consecutive years.

c) During the F.Y 2023, the entire ESOP's vested 8970 nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no Outstanding options to be converted to equity shares.

10 Other Equity

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium - Opening	**3,24,982**	3,24,982
Ind AS Adjustments	**–**	–
– Premium on equity shares issued during the year	**19,976**	–
Closing	**3,44,958**	3,24,982
Share Based Payments (ESOP) (Note 35)	**(0)**	1,835
Surplus in Statement of Profit And Loss	**–**	–
Opening Balance	**(33,906)**	(84,869)
Actuarial	**2,951**	(1,665)
Income Tax	**–**	–
Net Profit for the year as per the Statement of Profit and Loss	**28,299**	52,628
Net Surplus in the Statement of Profit and Loss	**(2,657)**	(33,906)
Total Other Equity	**3,42,301**	2,92,911

Earnings Per Share

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Profit / Loss Attributable to Equity Shareholders	**31,250**	52,628
Number of Equity Shares	**2,63,126**	2,54,126
Basic Earning Per Share	**119**	207
Potential Number of Equity Shares	**2,63,126**	2,63,126
Diluted Earning Per Share (FV Rs 10 per share)	**119**	200

11 Trade Payable

Rs. In thousands

	As at 31st March 2023		As at 31st March 2022	
Particulars	Current	Non-Current	Current	Non-Current
– Total outstanding dues of micro and small enterprises	**1,916**		3,301	
– Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	**29,817**		37,359	
Trade Receivables which have significant increase in credit Risk	**–**		–	
Less : Allowance for expected credit loss	**–**		–	
Total	**31,733**		40,661	–

Rs. In thousands

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,916	–	–	–	1,916
(ii) Others	29,817	–	–	–	29,817
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

12 Provisions

Rs. In thousands

	As at 31st March 2023		As at 31st March 2022	
Particulars	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits	**3,279**	**6,216**	2,168	5,571
Provision for Warranty	**2,400**	**–**	1,800	–
Current Tax Liabilities (Net)	**–**		174	
Provision for Expenses	**7,186**		8,924	–
Provision for Service coupon	**–**	**–**	–	–
Total Provisions	**12,865**	**6,216**	13,067	5,571

13 Other Financial Liabilities

Rs. In thousands

	As at 31st March 2023		As at 31st March 2022	
Particulars	Current	Non-Current	Current	Non-Current
Other Payables:				
Employee related liabilities	**2,528**	**–**	3,897	–
Other Liabilities	**1,363**		437	
Total Other Financial Liabilities	**3,891**	**–**	4,334	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

14 Other Non Financial Liabilities

Rs. In thousands

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Payable for capital expenditure	–	–	–	–
Current maturities of long term borrowings	–	–	–	–
Advance received from customers	1,991	–	4,968	–
Dealers deposit	–	–	–	–
Other Payables:				
Employee related liabilities		–		–
Provision for Income Tax	–	–	–	–
Lease Liability to Landlord	5,722	15,367	6,510	19,590
Statutory dues	1,233	–	1,473	–
Other Non Financial Liabilities	–	2,414	–	1,758
Total Other Non Financial Liabilities	**8,946**	**17,781**	12,951	21,348

Note No. 15 - Revenue from Operations

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Sale of products	**5,28,462**	4,50,081
Sale of Spare Parts	**19,928**	21,434
Sale of Services	**245**	151
Gross Revenue from Sale of Products and Services	**5,48,636**	4,71,666
(i) Scrap Sales	**5,850**	1,906
Total Revenue from Operations	**5,54,486**	4,73,571

Note No. 16 - Other Income

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Income	**4,251**	2,891
Sundry balances written back (net)	**299**	611
Other Income	**1,566**	638
Total Other Income	**6,116**	4,140

Note No. 17 - Cost of materials consumed

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Opening stock	**1,10,308**	77,561
Add: Purchases	**3,17,352**	2,81,060
Add: Duties, Taxes and Freight on Purchases	**27,135**	24,161
	4,54,796	3,82,783
Less: Closing stock	**1,44,535**	1,10,308
Total Cost of materials consumed	**3,10,261**	2,72,474

Note No. 18 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Stock :		
Finished goods produced	**14,935**	13,480
Work-in-progress	**4,403**	961
Stock-in-trade	**947**	623
	20,285	15,065
Less: Closing Stock :		
Finished goods Produced	**10,677**	14,935
Work-in-progress	–	4,403
Stock-in-trade	–	947
	10,677	20,285
Net (increase)/decrease in inventory	**9,608**	(5,221)

Note No. 19 - Employee Benefits Expense

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Salaries and wages, including bonus	**62,754**	53,977
Contribution to provident and other funds	**4,321**	3,508
Gratuity	**2,321**	1,403
Sales Incentive	**9,450**	8,206
Employee compensation expenses	**18,141**	–
Staff welfare expenses	**1,783**	1,675
Total Employee Benefits Expense	**98,769**	68,770

Note No. 20 - Finance Cost

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Other interest expense - RTU	**1,574**	1,741
Other borrowing costs	–	3
Total Finance Cost	**1,574**	1,745

Note No. 21 - Depreciation and Amortisation Expense

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation on Property, Plant and Equipment	**3,646**	2,624
Amortisation on Other Intangible Assets	**12,203**	9,525
Depreciation on Right to Use Assets (AS 116)	**5,775**	4,813
Total Depreciation and Amortisation Expense	**21,624**	16,962

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 22 - Other expenses

Rs. In thousands

Particulars	**As at 31st March 2023**	As at 31st March 2022
Stores and spares consumed	**–**	14
Bank Charges	**133**	169
Travelling and conveyance	**14,023**	12,991
Freight charges	**8,851**	8,065
Rent	**1,138**	1,750
Power and fuel	**1,728**	1,547
Repairs and maintenance	**2,682**	1,660
Insurance	**1,299**	1,423
Rates and taxes	**823**	327
Communication Cost	**1,386**	1,109
Professional Fees & Consultation Expenses	**5,134**	4,059
Auditors remuneration [Refer note 22(a)]	**570**	485
Brokerage and commission	**176**	1,203
Advertisment Expenses	**2,278**	3,178
Sales Promotion Expenses	**4,583**	2,923
Loss on Sales of Fixed Assets	**–**	1,521
CSR Expenses	**998**	–
Postage & Courier Expenses	**65**	83
Provision for Slow / Moving	**2,149**	–
Printing & Stationery Expenses	**230**	104
Provision for Doubtful debts	**(35)**	315
Hire & Services Charges	**10,719**	9,033
Packing and Forwarded Expenses	**203**	106
General Warranty	**4,392**	2,111
Miscellaneous expenses	**1,103**	964
Total	**64,628**	55,141

Note No. 22 a) - Auditor's remuneration

Rs. In thousands

Particulars	**31st March 2023**	31st March 2022
Payment to auditors (Excluding Service Tax/GST)		
Statutory audit	**450**	375
Audit under Income Tax Act, 1961	**75**	75
Taxation matters	**45**	35
Total	**570**	485

Note No. 23 - Income Tax recognised in profit or loss

Rs. In thousands

Particulars	**As at 31st March 2023**	As at 31st March 2022
Current Tax:		
In respect of current year	**–**	–
In respect of prior years	**–**	–
	–	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**22,887**	15,212
Others (In respect of prior years)		
	22,887	15,212
Total income tax expense	**22,887**	15,212

Note No. 24 - Capital Management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate Return to shareholders by pricing products commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. In thousands

Particulars	**As at 31st March 2023**	As at 31st March 2022
Equity	**3,44,932**	2,95,452
Less: Cash and cash equivalents	**15,862**	14,964
	3,29,070	2,80,488

Note No. 25 - Financial Risk Management Framework

In the course of its business, the Company is exposed to a certain financial risks namely interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(a) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(b) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow

Particulars	**Currency**	**As at 31st March 2023**	31st March 2022
Trade Payable	**USD**	**–**	128
	INR	**–**	9,662
	EUR	**171**	337
	INR	**15,280**	28,307

the above foreign currency exposures are not hedged by a derivative.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency fluctuation in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities is as under.

Rs. In thousands

Particulars	Currency	Change in Rate	Effect on profit/(loss) before tax
As at March 31, 2023	**EUR**	**6.08%**	929
	USD	**0%**	-
As at March 31, 2022	**EUR**	**10%**	2,831
	USD	**10%**	966

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(c) Interest rate risk

Interest rate sensitivity

Considering the fact that the interest component is insignificant, the company do not consider the interest rate as risk at all.

(d) Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults.. The Company's exposure are continuously monitored.

Rs. In thousands

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
As at March 31, 2023				
Expected loss rate	**0%**	**0%**	**0%**	
Gross carrying amount	**–**	**26,994**	**943**	**27,937**
Loss allowance provision	**–**	**–**	**–**	
As at March 31, 2022				
Expected loss rate	0%	0%	0%	
Gross carrying amount	–	12,040	549	12,589
Loss allowance provision	–	–	–	–

Compared to the size, the credit risk is insignificant and that no significant loss has has arisen during these years.

e) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company / Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. In thousands

Particulars	Less than 1 Years	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Liabilities				
As at March 31, 2023				
Non-interest bearing	**3,891**	**–**	**–**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
As at March 31, 2022				
Non-interest bearing	4,334	–	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Assets				
As at March 31, 2023				
Non-interest bearing	**27,937**	**–**	**–**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
Total	**27,937**	**–**	**–**	**–**
As at March 31, 2022				
Non-interest bearing	12,316	273	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	12,316	273	–	–

f) Fair Value Disclosures

Rs. In thousands

Particulars	Fair Value		
	As at March 31, 2023	As at March 31, 2022	Fair Value hierarchy
Financial assets			
a) Investments			
i) Mutual Fund investments	**–**	–	Level–1

Fair value of financial assets and financial liabilities that are not measured at fair value, are considered to be their Fair Value and are assessed as Level 3 valuation technique and the Carrying amount is the same as the Fair Value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In thousands

Particulars	As at :- Level	March 31, 2023 Carrying Amount and Fair Value	March 31, 2022 Carrying Amount and Fair Value
Cash and cash equivalents	Level-1	**15,862**	14,964
Bank balances	Level-1	**–**	–
Other Financial Assets			
- Non Derivative Financial Asset	Level-3		
b) Financial liabilities			
Financial liabilities held at amortised cost			
Borrowings	Level-3	**–**	–
Trade Payables	Level-3	**31,733**	51,343
Other Financial Liabilities			
- Non Derivative Financial Liabilities	Level-3		

Note No. 26) - Employee Benefits

a) Defined Contribution Plan:

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

c) Liability Risks

a. Asset-Liability Mismatch Risk:

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuations wings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk:

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk:

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Details of defined benefit plans as per Actuarial Valuation are as below.

Rs. In thousands

	Particulars	Unfunded Plan as at March 31, Gratuity — As at March 31st, 2023	As at March 31st, 2022
I	**Change in the present value of defined benefit obligation**		
1	Present value of defined benefit obligation at the beginning of year	**7,056**	4,186
2	Current service cost	**1,844**	1,121
3	Interest cost/income	**435**	282
4	Remeasurements (gains)/ losses		
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	**(21)**	1,665
	(II) Actuarial (gains)/ losses arising from changes in financial assumption		
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment		
5	Past Service cost		
6	Benefits paid	**(296)**	(198)
7	Liabilities assumed/(settled)		
8	Present value of defined benefit obligation at the end of the year	**9,018**	7,056
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	**–**	–
2	Interest income	**–**	–
3	Contribution by employer	**–**	–
4	Benefits paid	**–**	–
5	return on plan assets excluding interest income	**–**	–
6	Fair value of plan assets at the end of the year	**–**	–
III	**Net Asset/(Liability) recognised in the Balance Sheet as at**		
1	Present value of defined benefit obligation as at 31st March	**9,018**	7,056
2	Fair value of plan assets as at 31st March	**–**	–
3	Surplus/(Deficit)	**(9,018)**	(7,056)
4	Current portion of the above	**2,802**	1,485
5	Non-current portion of the above	**6,216**	5,571
IV	**Actuarial assumptions**		
1	Discount rate	**6.30%**	6.30%
2	Expected rate of return on plan assets	**–**	–
3	Attrition rate	**34.00%**	22.00%
4	Medical premium inflation		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	Unfunded Plan as at March 31, Gratuity As at March 31st, 2023	As at March 31st, 2022
V	**Quantitative sensitivity analysis for significant assumption is as below**		
1	One percentage point increase in discount rate	**6.30%**	6.30%
2	One percentage point decrease in discount rate	**6.30%**	6.30%
3	One percentage point increase in Salary growth rate	**10.00%**	10.00%
4	One percentage point decrease in Salary growth rate	**10.00%**	10.00%
5	One percentage point increase in attrition rate	**34.00%**	22.00%
6	One percentage point decrease attrition rate	**34.00%**	22.00%
7	One percentage point increase in medical inflation rate		
8	One percentage point decrease in medical inflation rate		
VI	**Maturity profile of defined benefit obligation**		
	Year Ending March 31,	**Expected Payment**	Expected Payment
1	2024	**2,802**	1,485
2	2025	**2,087**	1,149
3	2026	**1,837**	1,230
4	2027	**1,571**	1,303
5	2028	**1,367**	1,348
6	2029 - 2033	**4,570**	6,659
VII	**Expense recognised in the Statement of Profit and Loss for the year ended**		
1.	Current service cost	**1,844**	1,121
2.	Interest cost on benefit obligation (Net)	**–**	–
3.	Total expenses included in employee benefits expense	**1,844**	1,121
4.	Past Service Cost	**–**	–
5.	Net Interest (Income)/Expenses	**435**	282
	Net Periodic Benefit Cost Recognised in the statement of Profit & Loss at end of period	**2,279**	1,403
VIII	**Recognised in other comprehensive income for the year**		
1	Actuarial (gains)/ losses arising from changes in financial assumption		
2	Actuarial (gains)/ losses arising from changes in experience adjustment		
3	Return on plan asset		
4	Recognised in other comprehensive income	**21**	(1,665)

27 Ratios

Rs. In thousands

		As at March 31st, 2023	As at March 31st, 2022	% change
(a)	Current Ratio, = Current Assets / Current Liabilities	**3.98**	2.95	45%
(b)	Debt-Equity Ratio, = (Short Term Debt + Long Term Debt + Other Fixed Payments)/ Share holders Equity	**–**	0%	0%
(c)	Debt Service Coverage Ratio, = EBITDA / Total Debt Outstanding	**–**	–	0%
(d)	Return on Equity Ratio, * = Net Income / Share holders Equity	**213.05**	187.96	13%
(e)	Inventory turnover ratio, = Cost of Goods Sold / Average Inventory	**22%**	22%	-16%
(f)	Trade Receivables turnover ratio, = Net Credit Sales / Average Accounts Receivable	**–**	–	0%
(g)	Trade payables turnover ratio, = Credit Purchases / Average Accounts Payable	**8.81**	8.59	3%
(h)	Net capital turnover ratio, = Net Sales / Average Total Assets	**1.30**	1.20	8%
(i)	Net profit ratio, = Net Profit / Net Sales	**10%**	14%	-32%
(j)	Return on Capital employed, = Earning before Interest & Tax / (Total Assets - Current Liabilities)	**15%**	21%	-30%
(k)	Return on investment = Net Profit / Cost of Investment	**57%**	91%	-87%

Note

* Increase in sales by 17%

Note No. 28 - Tax expense recognised in P&L

Rs. In thousands

Particulars	As at March 31st 2023	As at March 31st 2022
Current tax	**–**	–
Deferred tax	**22,887**	15,212
	22,887	15,212

28.1 Tax reconciliation (for profit and loss)

Particulars	As at March 31st 2023	As at March 31st 2022
Profit/(loss) before income tax expense	**54,136**	67,840
Tax at the rate of	**27.82%**	24.48%
Income tax expense calculated	**22,887**	15,212
Tax impact of not deductible expenses for tax purpose		
Tax impact of deduction allowed separately under Income Tax Act, 1961		
Income tax expense	**22,887**	15,212

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

28.2 Deferred tax assets (net)

Particulars	As at March 31st 2023	As at March 31st 2022
Deferred tax on account of :		
Depreciation Diff- FA	**4,238**	(947.30)
Gratuity Payable	**390**	344
Bonus payable	**339**	298
Incentive payable	**2,283**	2,009
Provision for doubtful debts	**88**	77
Provision for Warranty Provisions	**587**	517
Actuarial gains & losses on Defined Benefit	**(6)**	(408)
Unabsorbed Depreciation	**806**	6,760
B/F Loss -	**–**	22,962
Net deferred tax Assets	**8,724**	31,611

Deferred tax related to the following:

Particulars	March 31st 2023	Recognised through profit & loss	Recognised through OCI	March 31st 2022	Recognised through profit & loss	Recognised through OCI
Preliminary Expenses	**4,237.54**	**(4,237.54)**	**–**	–	–	–
Provision for Gratuity Payable	**390.31**	**–**	**–**	7,056.23	–	–
Provision for Leave Encashment Payable	**338.57**	**(338.57)**	**–**	–	–	–
Financial assets measured at amortised cost	**2,282.91**	**(2,282.91)**	**–**	–	–	–
Impairment allowance on financial assets	**87.63**	**(87.63)**	**–**	–	–	–
Expenses disallowed for Income tax	**587.28**	**(587.28)**	**–**	–	–	–
Depreciation of property, plant and equipment	**(5.84)**	**2,630.30**	**–**	2,624.46	(903.01)	–
Total deferred tax Assets (net)	**7,918.41**	**(4,903.64)**	**–**	9,680.69	(903.01)	–

Note No. - 29 Related Party Disclosures

A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
Mahindra & Mahindra Limited	Entity having significant Influence w.e.f.12.02.2018 & Entity has entire control w.e.f. 17.03.2023

B) Related Party Transactions:

Rs. In thousands

Name of Related Party	Nature of Transactions	As at 31st March 2023	As at 31st March 2022
Mahindra and Mahindra Ltd.	Purchase of Services by MITRA from M&M Ltd.	**2,578**	2,464
	Sales & Services provided by MITRA to M&M Ltd.	**13,190**	6,967
Mohit Malhotra (Key Management Person)	Directors remuneration	**36,743**	9,043
	Reimbursement of expenses	**161**	279

C) Related Party Balances:

Name of Related Party	Nature of Balance	As at 31st March 2023	As at 31st March 2022
Mohit Malhotra (Key Management Person)	Receivable against advance paid for expenses.	**25**	(12)
Mahindra and Mahindra Ltd.	Payables	**3,362**	5,109
	Receivable	**1,614**	774

Notes:

1 Related Party Transactions for the period are at arm's length.

2 The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.

Note No. - 30 Contingent liabilities and commitments

1) Contingent Liabilities

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Claims against the company not acknowledged as debt :		
(i) Liability towards rejection of Insurance	**450**	–
(ii) TDS Liability (as per Traces)	**11**	–
(iii) GST Liability against FY 2017-18 and 2018-19	**–**	1,949
(iv) Income U/s 148	**1,015**	–
(v) Gurantees	**2705**	

2) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided:

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on capital account & not provided	**–**	–
Advance paid	**–**	–
Estimated amount of contracts remaining to be executed on capital account and not provided (Net)	**–**	–
(ii) Other commitment:	**NIL**	NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. - 31 Segment Reporting

The Company's business activity falls within a single business segment viz. manufacturing of different kinds of agricultural machines and related components. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments.

Note No. - 32 Lease

(I) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023

Rs. In thousands

	Category of ROU Asset: Office Premises and Factory Premises
Balance as at March 31, 2022	**24,064**
Additions during the year	**–**
Deletions during the year	**–**
Depreciation for the year	**5,775**
Balance as at March 31, 2023	**18,289**

(II) The following is the break-up of current and non-current lease liabilities as at March 31, 2023

Rs. In thousands

	As at 31st March 2023	As at 31st March 2022
Current lease liabilities	**5,722**	6,510
Non-current lease liabilities	**15,367**	19,590
	21,089	26,100

(III) The following is the movement in lease liabilities during the year ended March 31, 2023

Rs. In thousands

	As at 31st March 2023	As at 31st March 2022
Balance at the Beginning of the year	**26,100**	–
Additions on amalgamation	**–**	–
Additions during the year	**–**	28,877
Finance cost accrued during the year	**1,655**	1,741
Deletions during the year	**–**	–
Payment of lease liabilities	**6,666**	4,518
Translation difference		
Balance at the end of the year	**21,089**	26,100

Note No. - 33 Disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

Rs. In thousands

Particulars	As at 31st March 2023	As at 31st March 2022
Amounts remaining unpaid to micro and small suppliers as at the end of the year		
- principal	**–**	–
- Interest	**–**	–
The amount of interest (other than interest under section 16) paid along with the amounts of the payment made to the supplier beyond the appointed day.	**Nil**	Nil
Interest paid under section 16 to suppliers registered under MSMED Act, beyond the appointed day during the year.	**Nil**	Nil
The amount of interest due and payable for the year.	**–**	–
The amount of interest accrued and remaining unpaid at the end of the accounting year	**–**	–
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	**Nil**	Nil

Dues of the Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected y the Management. This has been relied upon by the auditors.

Note No. - 34 Employee Share-based Payment Plan - ESOP

Employee Stock Option Plan 2017 (ESOP 2017)

Pursuant to Members approval in Annual General Meeting held on 2nd February, 2017, the Board was authorised to grant up to 10,286 (Ten Thousand Two Hundred Eighty Six) Options to its employees exercisable at the face value of equity share and to be converted into equivalent number of equity shares of the company. In terms of the same, the Board during the year has granted following options under the ESOP 2017.

1. In terms of the above, the Board granted 1760 equity options on 18th April, 2017 and same has been vested one employee. Vesting period being one year, if they continue the service as on that date.
2. The Company further granted 3503 equity options on 6th june 2018 to one employee. Vesting period being 5 years with Nil in initial year and 25% distributed equally every year.
3. The Company further granted 5023 equity options on 25th Sept 2020 to Sixteen employees. Vesting period being 3 years with Nil in first year and 50% in next two consecutive years.
4. During the F.Y 2022-23, the entire ESOP's vested 8970 Nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no Outstanding options to be converted to equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

5. Further details of the ESOP 2017 is as follows:

Outstanding at the Beginning of the Year	8,970
Granted	–
Forfeited	NIL
Exercised	8970
Outstanding at the end of the Year	–
Exercisable at the end of the Year	–

6. Other information regarding employee share-based payment plans is as below:

Particulars	**As at 31st March 2023**	As at 31st March 2022
Expense arising from employee share-based payment plans	**NIL**	NIL
Expense arising from share and stock option plans	**18,141**	NIL

35 Events Occurring after the date of balance sheet : No material events have occurred after the balance sheet date and up to the approval of the financial statements.

36 The financial statements were approved for issue by the Board of Directors on April 26, 2023

37 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 37

As per our report of even date

For B K Khare and Co.

Chartered Accountants
Firm's Registration No: 105102W

Aniruddha Joshi
Partner
Membership Number : 040852

Place : Mumbai
Date : April 26, 2023

For and on behalf of the Board of Directors of

M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

Independent Auditors' Report

To the Members of
Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra & Mahindra Financial Services Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit , total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	Auditor's Response
1	Allowances for Expected Credit Losses ("ECL"): As at 31 March 2023, the carrying value of loan assets measured at amortized cost, aggregated ₹79,454.73 crore (net of allowance of expected credit loss ₹3,287.83 crore) constituting approximately 83% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortized cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Standalone Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortized cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends;	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortized cost. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;

Sr. No.	Key audit matter	Auditor's Response
	• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer Note 2.5 (ii), 2.11 (h), 7 and 49.2 to the Standalone Financial Statements)	• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. Test of details on a sample in respect of the following: • accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • the mathematical accuracy of the ECL computation by using the same input data as used by the Company; • completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed; • evaluating the adequacy of the adjustment made to the output as per the ECL Model to ensure that the adjustment was in conformity with the policy approved by the Audit Committee of the Company.
2	Information Technology and General Controls: The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility and sustainability report and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information"), but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of our auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Company's or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in respect of Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e. On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over standalone financial statements reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
      - In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         (b) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed with respect to previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable.

As stated in Note no. 23(ii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with the section 123 of the Act, as applicable.

vi. Proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 23014054BGSXGQ6278)

Place: Mumbai
Date: April 28, 2023

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: April 28, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the Internal Financial Controls with reference to Standalone financial statements of Mahindra & Mahindra Financial Services Limited (the "Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's Internal Financial Controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to

Standalone Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for Internal Financial Controls with reference to Standalone Financial Statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 23014054BGSXGQ6278)

Place: Mumbai
Date: April 28, 2023

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: April 28, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra & Mahindra Financial Services Limited on the financial statements as at and for the year ended March 31, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, were physically verified during the year by the management, in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on the examination of the documents provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at points of time during the year, from banks on the basis of security of loans (assets). We have observed reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences / reconciliation items are given in note no. 17 of the standalone financial statements of the Company.

(iii) As explained in note 1 to the standalone financial statements, the Company is a deposit-taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and as a part of its business activities is engaged in the business of lending across various types of customers which include retail and SMEs.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/ security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;

(c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5(ii) and 2.11(h) to the standalone financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31 March 2023, aggregating ₹3,717.10 crore were categorised as credit impaired ("Stage 3") and ₹4,928.18 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 62 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at 31 March 2023 aggregating ₹74,124.59 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of principal and payment of interest aggregating ₹7,391.24 crore were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular as at 31 March 2023. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at 31 March 2023 is ₹1,721 crore. Reasonable steps are been taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guaranty or security to parties covered by section 185 of the Act and the provisions of Section 186 of the Act are not applicable to the Company. Hence reporting under clause 3 (iv) of the Order is not applicable.

(v) In our opinion, the Company had complied with the directives issued by the Reserve Bank of India with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being Non-banking finance company registered with RBI, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 & the Companies (Acceptance of deposits) Rules, 2014, as amended, are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2023, for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Value Added Tax and Service Tax Act which have not been deposited as on 31st March, 2023, on account of disputes are given below:

Rs. in crores

Name of the statute	Nature of dues	Amount Involved	Amount Unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	71.26	71.26	For FY 2002-03; 2013-14; 2014-15; 2015-16; 2016-17; 2017-18; 2018-19	Commissioner of Income Tax (Appeals)
Andhra Pradesh VAT	Value Added Tax	1.24	1.24	April 2008-October 2013	Andhra Pradesh High Court
Madhya Pradesh VAT	Value Added Tax	0.09	0.06	FY 2013-14; 2014-15; 2015-16; 2016-17	Appellate Authority of Commercial Taxes, Bhopal
Maharashtra VAT	Value Added Tax	5.24	0.87	2010-11	Maharashtra Sales Tax Tribunal
Maharashtra VAT	Value Added Tax	38.26	7.08	FY 2011-12; 2012-13; 2013-14; 2014-15; 2015-16	Dy Comm. of Sales Tax (Appeal)
Rajasthan VAT	Value Added Tax	1.16	–	FY 2007-2013; 2013-14; 2014-15	Supreme Court
Maharashtra - Service Tax	Service Tax	86.92	85.24	FY 2008-2015	CESTAT, Mumbai

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, paragraph 3 (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no material fraud on the Company and no fraud by the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The company needs to enhance the coverage / scope of the internal audit in certain areas.

(b) We have taken into consideration, the reports of the Internal Auditors received by the company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined under Master Direction DNBR. PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has more than one CIC as part of the group. There are 4 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, the provisions of clause 3(xviii) of the Order are not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 23014054BGSXGQ6278)

Place: Mumbai
Date: April 28, 2023

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: April 28, 2023

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

Rs. in crores

	Particulars	Note	As at 31 March 2023	As at 31 March 2022
	ASSETS			
	Financial Assets			
a)	Cash and cash equivalents	3	**249.75**	327.87
b)	Bank balance other than (a) above	4	**2,582.31**	3,822.82
c)	Derivative financial instruments	5	**–**	26.63
d)	Receivables			
	– Trade receivables	6	**21.84**	9.09
e)	Loans	7	**79,454.73**	60,444.64
f)	Investments	8	**9,988.62**	8,440.27
g)	Other financial assets	9	**1,589.28**	223.13
			93,886.53	73,294.45
	Non-financial Assets			
a)	Current tax assets (Net)		**504.36**	462.40
b)	Deferred tax assets (Net)	10 (i)	**637.24**	836.42
c)	Property, plant and equipment	11	**681.20**	383.10
d)	Other Intangible assets	12	**14.35**	9.77
e)	Other non-financial assets	13	**492.87**	302.59
			2,330.02	1,994.28
	Total Assets		**96,216.55**	75,288.73
	LIABILITIES AND EQUITY			
	LIABILITIES			
	Financial Liabilities			
a)	Derivative financial instruments	14	**180.70**	182.22
b)	Payables	15		
	I) Trade payables			
	i) total outstanding dues of micro enterprises and small enterprises		**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**1,126.57**	954.88
	II) Other payables			
	i) total outstanding dues of micro enterprises and small enterprises		**2.62**	3.53
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**37.12**	46.87
c)	Debt securities	16	**24,745.07**	18,252.71
d)	Borrowings (Other than debt securities)	17	**41,234.06**	26,005.17
e)	Deposits	18	**5,524.60**	8,426.19
f)	Subordinated liabilities	19	**3,442.13**	3,129.85
g)	Other financial liabilities	20	**2,384.28**	2,316.17
			78,677.15	59,317.59

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023 (CONTD...)

Rs. in crores

	Particulars	Note	As at 31 March 2023	As at 31 March 2022
	Non-Financial Liabilities			
a)	Current tax liabilities (net)		**65.67**	13.92
b)	Provisions	21	**260.74**	221.35
c)	Other non-financial liabilities	22	**124.08**	107.78
			450.49	343.05
	EQUITY	23		
a)	Equity share capital		**246.72**	246.60
b)	Other equity		**16,842.19**	15,381.49
			17,088.91	15,628.09
	Total Liabilities and Equity		**96,216.55**	75,288.73

The accompanying notes form an integral part of the standalone financial statements. 1 to 65

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
28 April 2023

Mumbai
28 April 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

Rs. in crores

	Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
	Revenue from operations			
i)	Interest income	24	**10,682.57**	9,475.61
ii)	Dividend income		**–**	–
iii)	Rental income		**72.68**	26.31
iv)	Fees and commission income	25	**167.96**	105.29
v)	Net gain on fair value changes	26	**5.59**	50.76
I	**Total revenue from operations**		**10,928.80**	9,657.97
II	Other income	27	**127.29**	60.83
III	**Total income (I+II)**		**11,056.09**	9,718.80
	Expenses			
i)	Finance costs	28	**4,576.72**	3,920.18
ii)	Fees and commission expense		**80.24**	44.91
iii)	Impairment on financial instruments	29	**999.23**	2,368.30
iv)	Employee benefits expenses	30	**1,584.27**	1,171.40
v)	Depreciation, amortization and impairment	31	**187.23**	126.83
vi)	Others expenses	32	**875.82**	730.27
IV	**Total expenses**		**8,303.51**	8,361.89
V	**Profit before exceptional items and tax (III-IV)**		**2,752.58**	1,356.91
VI	Exceptional items	33	**(54.51)**	–
VII	**Profit before tax (V+VI)**		**2,698.07**	1,356.91
VIII	**Tax expense:**	10 (ii)		
	(i) Current tax		**486.28**	348.16
	(ii) Deferred tax		**227.47**	20.00
			713.75	368.16
IX	**Profit for the year (VII-VIII)**		**1,984.32**	988.75
X	**Other Comprehensive Income (OCI)**			
	(A)(i) Items that will not be reclassified to profit or loss			
	– Remeasurement gain/(loss) on defined benefit plans		**(17.27)**	(3.10)
	– Net gain/(loss) on equity instruments through OCI		**–**	26.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	**4.35**	(5.77)
	Subtotal (A)		**(12.92)**	17.14
	(B)(i) Items that will be reclassified to profit or loss			
	– Net gain/(loss) on debt instruments through OCI		**(88.82)**	0.70
	– Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**(6.34)**	–
	(ii) Income tax relating to items that will be reclassified to profit or loss	10 (iii)	**23.95**	(0.18)
	Subtotal (B)		**(71.20)**	0.52
	Other Comprehensive Income (A+B)		**(84.12)**	17.67
XI	**Total Comprehensive Income for the year (IX+X)**		**1,900.20**	1,006.42
XII	**Earnings per equity share (face value Rs. 2/- per equity share)**	34		
	Basic (Rupees)		**16.09**	8.02
	Diluted (Rupees)		**16.08**	8.01

The accompanying notes form an integral part of the standalone financial statements. 1 to 65

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
28 April 2023

Mumbai
28 April 2023

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

Particulars	Rs. in crores Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2021	246.40
Changes due to prior period errors	–
Restated balance as at 1 April 2021	246.40
Changes during the year:	
Add : Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.20
Balance as at 31 March 2022	246.60
Balance as at 1 April 2022	246.60
Changes due to prior period errors	–
Restated balance as at 1 April 2022	246.60
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.12
Balance as at 31 March 2023	**246.72**

B. Other Equity

Rs. in crores

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedges	Total
Balance as at 1 April 2021	1,935.35	50.00	7,137.14	797.29	42.76	4,558.40	(57.82)	1.99	–	14,465.11
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2021	1,935.35	50.00	7,137.14	797.29	42.76	4,558.40	(57.82)	1.99	–	14,465.11
Profit/(loss) for the year						988.75				988.75
Other Comprehensive Income/ (loss)						(2.32)	0.52	19.47		17.67
Total Comprehensive Income for the year	–	–	–	–	–	986.43	0.52	19.47		1,006.42
Dividend paid on equity shares (including tax thereon)						(98.84)				(98.84)
Transfers to Securities premium on exercise of employee stock options			17.85		(17.85)					–
Securities premium on shares allotted to ESOP Trust through Rights Issue			2.30							2.30
Employee stock options expired				0.12	(0.12)					–
Share based payment expense					6.50					6.50
Transfers to Statutory reserves	198.00					(198.00)				–
Balance as at 31 March 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	–	15,381.49

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

Rs. in crores

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedges	Total
Balance as at 1 April 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	–	15,381.49
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	–	15,381.49
Profit/(loss) for the year						1,984.32			–	1,984.32
Other Comprehensive Income/ (loss)						(12.92)	(66.46)	–	(4.74)	(84.12)
Total Comprehensive Income for the year	–	–	–	–	–	1,971.40	(66.46)	–	(4.74)	1,900.20
Dividend paid on equity shares (including tax thereon)						(444.79)				(444.79)
Transfers to Securities premium on exercise of employee stock options			11.18		(11.18)					–
Securities premium on transfer of ESOP Shares to employees			1.57							1.57
Employee stock options expired				0.54	(0.54)					–
Share based payment expense					3.72		–			3.72
Transfers to Statutory reserves	398.00					(398.00)				–
Balance as at 31 March 2023	2,531.35	50.00	7,170.04	797.94	23.30	6,376.60	(123.76)	21.46	(4.74)	16,842.19

The accompanying notes 1 to 65 form an integral part of the Standalone financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
28 April 2023

Mumbai
28 April 2023

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

Rs. in crores

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	**2,752.58**	1,356.91
	Adjustments for:		
	Depreciation, amortization and impairment	**187.23**	126.83
	Impairment on financial instruments (excluding bad debts and write offs)	**(1,214.13)**	(144.77)
	Bad debts and write offs	**2,213.36**	2,513.07
	Interest expense	**4,535.85**	3,866.50
	Interest income from loans	**(9,949.25)**	(8,909.59)
	Interest income from other deposits with banks	**(210.08)**	(181.36)
	Net (Gain) / loss on fair value of derivative financial instruments	**(10.77)**	7.99
	Unrealized foreign exchange gain/loss	**(96.85)**	(90.38)
	Share based payments to employees	**4.55**	9.20
	Net gain on fair value changes	**26.74**	(11.70)
	Interest income on investments	**(523.24)**	(384.66)
	Dividend income	**(4.12)**	(2.47)
	Net gain on derecognition of property, plant and equipment	**(2.89)**	(1.27)
	Net (gain) / loss on sale of investments	**(5.59)**	64.80
	Operating profit / (loss) before working capital changes	**(2,296.61)**	(1,780.90)
	Adjustments for changes in working capital -		
	Loans	**(21,125.42)**	(4,610.88)
	Trade receivables	**(11.71)**	(0.43)
	Other financial assets	**(129.52)**	(8.92)
	Other financial liabilities	**31.78**	125.09
	Other non-financial assets	**(107.16)**	(11.08)
	Trade Payables	**161.03**	362.19
	Other non-financial liabilities	**16.30**	8.88
	Derivative financial instruments	**35.88**	0.14
	Provisions	**21.87**	4.35
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(23,403.57)**	(5,911.56)
	Interest paid	**(4,668.87)**	(4,234.25)
	Interest received from loans	**11,063.93**	10,654.89
	Cash generated from / (used in) operations	**(17,008.51)**	509.08
	Income taxes paid (net of refunds)	**(476.49)**	(509.40)
	NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	**(17,485.00)**	(0.32)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(362.55)**	(275.45)
	Proceeds from sale of Property, plant and equipment	**13.55**	5.26
	Purchase of investments measured at amortized cost	**(400.42)**	(223.76)
	Proceeds from sale of investments measured at amortized cost	**496.35**	77.44
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	**–**	2,404.00
	Purchase of investments measured at FVOCI	**(915.95)**	(17.75)
	Proceeds from sale of investments measured at FVOCI	**345.34**	39.06
	Purchase of investments measured at FVTPL	**(4,404.44)**	(9,939.03)
	Proceeds from sale of investments measured at FVTPL	**3,177.54**	10,941.90
	Purchase of investments measured at cost	**(0.00)**	(33.99)
	Proceeds from / (Investments in) term deposits with banks (net)	**(8.44)**	(871.82)
	Dividend income received	**4.12**	2.47

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

Rs. in crores

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Interest received from other deposits with banks	**221.59**	128.74
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	**512.64**	375.78
	Change in Earmarked balances with banks	**(0.02)**	0.02
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	**(1,320.68)**	2,612.88
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	**16,501.95**	6,425.50
	Repayment of borrowings through Debt Securities	**(10,005.95)**	(5,019.80)
	Proceeds from Borrowings (Other than Debt Securities)	**33,521.08**	39,444.31
	Repayment of Borrowings (Other than Debt Securities)	**(18,362.66)**	(42,505.96)
	Proceeds from borrowings through Subordinated Liabilities	**380.00**	132.91
	Repayment of borrowings through Subordinated Liabilities	**(70.01)**	(155.16)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	**169.97**	–
	Increase / (decrease) in Public deposits (net)	**(2,905.23)**	(1,034.09)
	Payments for principal portion of lease liability	**(56.80)**	(44.14)
	Dividend paid	**(444.79)**	(98.84)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**18,727.56**	(2,855.27)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(78.12)**	(242.71)
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**327.87**	570.58
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**249.75**	327.87
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**32.91**	40.58
	– Cheques and drafts on hand	**17.65**	36.30
	– Balances with banks in current accounts	**199.19**	250.99
	Total	**249.75**	327.87

Notes:

The above Statement of Standalone Cash Flow has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm’s Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm’s Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
28 April 2023

Mumbai
28 April 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1 January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorized for issue on 28 April 2023.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

The Company's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/ expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

– The Company's criteria for assessing if there has been a significant increase in credit risk

– The segmentation of financial assets when their ECL is assessed on a collective basis

– Development of ECL model, including the various formulae and the choice of inputs

– Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model

– Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 49).

iii) Provisions and contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

`

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario:

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance during the prior years until the year ended 31 March 2022, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world and as a result the economies around the world have returned to normalcy which had a favourable impact on business and financial performance of the Company during the current financial year ended 31 March 2023.

Economic forecasts are still subject to a varied degree of uncertainty in the current environment which directly / indirectly linked to long lasting disruptions caused by outbreak of COVID-19. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

– the selection and weightage of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic would occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;

– estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and

– the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays, if any) in relation to credit impairments and the impact of macro-economic risks on the credit environment, including those long lasting adverse impact arising from the COVID-19 pandemic, are continuously subjected to review throughout the year. The management focused on the key assumption, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their use was considered necessary, where applicable, during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support / relief measures implemented during previous years, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied certain parameter driven adjustments to modelled outputs to reflect the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2023 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

vii) Going Concern

Although COVID 19 has had an adverse impact on the functioning of the financial sector companies until the year ended 31 March 2022, the financial statements of the Company are prepared on a going concern basis for the year ended 31 March 2023.

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future (refer note 49 and note 49.3).

2.6 Revenue recognition:

a) Recognition of interest income on loans

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

b) Recognition of interest income on securitized loans

The Company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognized in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Fees, charges and commission income:

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognized as and when they are due.

f) Dividend and interest income on investments:

– Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

– Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Cost of acquisition consists of purchase price or construction cost which is the amount paid and the fair value of any other consideration issued, if any, to acquire the asset.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

– Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

– Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.8 Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortization is calculated using the straight line method to write down the cost of intangible assets over their amortization period. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Investments in subsidiaries, associate and joint ventures :

Investments in subsidiaries, associate and joint ventures are measured at cost less accumulated impairment, if any.

The Company reviews the carrying amounts of its investments in subsidiaries, associate and joint ventures at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any).

2.10 Foreign exchange transactions and translations:

a) Initial recognition

Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments :

a) Initial Recognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

– Amortized cost;

– FVOCI - debt instruments;

– FVOCI - equity instruments;

– FVTPL

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortized cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company elects to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

– the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

– the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

g) Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and principal & interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

h) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. (refer note 49).

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

The Company recognizes lifetime ECL for trade advances, lease and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under the Company's ECL policy.

i) Collateral repossessed -

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalization at their fair market value.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

j) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off as per the Company's policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund, Superannuation fund, ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Company has no obligation to the scheme beyond its contributions.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognized immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognized in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options:

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.13 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, associated liabilities in respect of securitization transactions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Securities issue expenses:

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium.

2.16 Impairment of assets other than financial assets:

The Company reviews the carrying amounts of its tangible (including assets given on operating lease) and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and the impairment loss is recognized in the Statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

2.17 Provisions and contingent liabilities:

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

2.18 Leases:

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Company is the lessor -

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 41.

2.19 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends, if any, for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.21 Dividend:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 New standards or amendments to the existing standards and other pronouncements:

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

3 Cash and cash equivalents

Rs. in crores

	31 March 2023	31 March 2022
Cash on hand	**32.91**	40.58
Cheques and drafts on hand	**17.65**	36.30
Balances with banks in current accounts	**199.19**	250.99
	249.75	327.87

4 Bank balances other than cash and cash equivalents

Rs. in crores

	31 March 2023	31 March 3022
Earmarked balances with banks -		
– Unclaimed dividend accounts	**0.60**	0.58
Term deposits with maturity less than 12 months -		
– Free	**2,232.45**	3,241.13
– Under lien #	**243.01**	471.19
Interest accrued on Term deposits	**106.25**	109.92
	2,582.31	3,822.82

 # Details of Term deposits - Under lien

Rs. in crores

	As at 31 March 2023			As at 31 March 2022		
Particulars	**Bank balances other than cash and cash equivalents (Note 4)**	**Other financial assets (Note 9)**	**Total**	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total
For Statutory Liquidity Ratio	**100.00**	**–**	**100.00**	135.00	100.00	235.00
For securitization transactions	**120.28**	**2.47**	**122.75**	305.42	–	305.42
Legal deposits	**0.21**	**–**	**0.21**	0.21	–	0.21
For Constituent Subsidiary General Ledger (CSGL) account	**20.90**	**10.00**	**30.90**	30.00	–	30.00
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	**1.62**	**–**	**1.62**	0.56	1.00	1.56
Total	**243.01**	**12.47**	**255.48**	471.19	101.00	572.19

5 Derivative financial instruments

Rs. in crores

	31 March 2023		31 March 2022	
	Notional amounts	**Fair value of Assets**	Notional amounts	Fair value of Assets
Currency derivatives:				
Options	–	–	645.01	26.63
Total derivative financial instruments	–	–	645.01	26.63

6 Receivables

Rs. in crores

	31 March 2023	31 March 2022
Trade receivables		
i) Secured, considered good		
– Lease rental receivable on operating lease transactions	**6.85**	**3.36**
Less: Impairment loss allowance	**(4.67)**	**(2.14)**
	2.18	**1.22**
ii) Unsecured, considered good:		
– Subvention and other income receivables	**19.66**	7.87
iii) Credit impaired:		
– Subvention and other income receivables	**0.80**	4.37
	0.80	**4.37**
Less: Impairment loss allowance	**(0.80)**	(4.37)
	–	–
	21.84	9.09

There is no due by directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule
As at 31 March 2023

Rs. in crores

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
i) Undisputed Trade receivables –						
– considered good	**20.48**	**–**	**–**	**–**	**–**	**20.48**
– which have significant increase in credit risk	**1.68**	**–**	**–**	**–**	**–**	**1.68**
– credit impaired	**1.63**	**0.55**	**0.51**	**0.15**	**–**	**2.84**
ii) Disputed Trade Receivables –						
– considered good	**–**	**–**	**–**	**–**	**–**	**–**
– which have significant increase in credit risk	**0.93**	**0.93**	**0.45**	**–**	**–**	**2.31**
– credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
Total	**24.72**	**1.48**	**0.96**	**0.15**	**–**	**27.31**

There is neither an instance where due date is not specified nor unbilled due.
As at 31 March 2022

Rs. in crores

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	Total
i) Undisputed Trade receivables –						
– considered good	8.87	–	–	–	–	8.87
– which have significant increase in credit risk	0.27	–	–	–	–	0.27
– credit impaired	1.24	4.63	0.45	–	0.14	6.46
ii) Disputed Trade Receivables –						
– considered good	–	–	–	–	–	–
– which have significant increase in credit risk	–	–	–	–	–	–
– credit impaired	–	–	–	–	–	–
Total	**10.38**	**4.63**	**0.45**	**–**	**0.14**	**15.60**

There is neither an instance where due date is not specified nor unbilled due.

7 Loans

				31 March 2023	31 March 2022
				Rs. in crores	
A)	**Loans (at amortized cost):**				
	Term loans:				
	- Retail loans			**75,524.51**	60,970.46
	- Small and Medium Enterprise (SME) financing			**3,481.07**	1,196.15
	Bills of exchange			**975.61**	944.33
	Trade advances			**2,540.42**	1,807.42
	Finance lease			**220.95**	26.82
	Total (Gross)			**82,742.56**	64,945.18
	Less: Impairment loss allowance			**(3,287.83)**	(4,500.54)
	Total (Net)			**79,454.73**	60,444.64
B)	i)	Secured by tangible assets		**77,784.42**	61,088.34
	ii)	Secured by intangible assets		**–**	–
	iii)	Covered by bank/Government guarantees		**319.16**	493.49
	iv)	Unsecured		**4,638.98**	3,363.35
	Total (Gross)			**82,742.56**	64,945.18
	Less: Impairment loss allowance			**(3,287.83)**	(4,500.54)
	Total (Net)			**79,454.73**	60,444.64
C)	**i)**	**Loans in India**			
		a)	Public Sector	**–**	–
		b)	Others	**82,742.56**	64,945.18
	Total (Gross)			**82,742.56**	64,945.18
	Less: Impairment loss allowance			**(3,287.83)**	(4,500.54)
	Total (Net) – C (i)			**79,454.73**	60,444.64
	ii)	**Loans outside India**		**–**	–
	Less: Impairment loss allowance			**–**	–
	Total (Net) – C (ii)			**–**	–
	Total (Net) – C (i+ii)			**79,454.73**	60,444.64

Notes:

– There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

– Refer note no. 49 for information related to stage-wise classification of loan assets and ECL movement.

8 Investments

Rs. in crores

Investments	31 March 2023 Amortized cost	At Fair Value Through OCI	At Fair Value Through profit or loss	At Fair Value Sub–total	Others (at cost)	Total	31 March 2022 Amortized cost	At Fair Value Through OCI	At Fair Value Through profit or loss	At Fair Value Sub–total	Others (at cost)	Total
Units of mutual funds	–	–	–	–	–	–		–	834.47	834.47	–	834.47
Government securities #	1,263.94	4,766.46		4,766.46		6,030.40	1,305.64	4,402.39	–	4,402.39	–	5,708.03
Debt securities –												
i) Investments in Pass Through Certificates under securitization transactions	123.42	–	–	–	–	123.42	177.52	–	–	–	–	177.52
ii) Commercial Papers	–	–	94.12	94.12	–	94.12	–	–	–	–	–	–
iii) Certificate of deposits with banks	–		1,973.02	1,973.02		1,973.02			–	–		–
iv) Investment in Bonds #	25.97	351.43		351.43	–	377.40	26.10	260.45		260.45		286.55
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)		1.59		1.59		1.59	–	1.59	–	1.59	–	1.59
Equity instruments –												
i) Equity investment in Smartshift Logistics Solutions Private Limited	–	35.24	–	35.24	–	35.24	–	35.24	–	35.24	–	35.24
ii) New Democratic Electoral Trust		–	–	–	0.02	0.02	–	–	–	–	0.02	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)			0.06	0.06		0.06			0.24	0.24		0.24
Subsidiaries												
i) Mahindra Insurance Brokers Limited (82,47,424 equity shares of face value of Rs.10/– each)	–	–	–	–	0.45	0.45	–	–	–	–	0.45	0.45
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of Rs.10/– each)	–	–	–	–	799.30	799.30		–	–	–	799.30	799.30
iii) Mahindra Finance CSR Foundation **(1,000 equity shares of face value of Rs.10/– each)**	–	–	–	–	–	–					–	–
iv) Mahindra Ideal Finance Limited, Sri Lanka (58.20% of equity share capital)	–	–	–	–	77.97	77.97					77.97	77.97
Associates												
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	–	–	–	–	210.55	210.55	–	–	–	–	210.55	210.55
Joint Venture												
i) Mahindra Manulife Investment Management Private Ltd. (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of Rs.10/- each)	–	–	–	–	195.30	195.30	–	–	–	–	195.30	195.30
iii) Mahindra Manulife Trustee Private Ltd (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of Rs.10/– each)	–	–	–	–	0.50	0.50	–	–	–	–	0.50	0.50
Others												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited	–	7.15	–	7.15	–	7.15		7.15		7.15		7.15
ii) Interest accrued on Government securities	22.33	85.98	–	85.98		108.31	22.42	77.64	–	77.64	–	100.06
iii) Interest accrued on Bonds	0.06	8.86	–	8.86		8.92	0.06	6.80	–	6.80	–	6.86
iv) Interest accrued on Pass Through Certificates under securitization transactions	0.39	–	–	–		0.39	0.08	–	–	–	–	0.08
Total – Gross (A)	1,436.11	5,256.71	2,067.20	7,323.91	1,284.09	10,044.11	1,531.82	4,791.26	834.71	5,625.97	1,284.09	8,441.88
i) Investments outside India	–	–	–	–	288.52	288.52	–	–	–	–	288.52	288.52
ii) Investments in India	1,436.11	5,256.71	2,067.20	7,323.91	995.57	9,755.59	1,531.82	4,791.26	834.71	5,625.97	995.57	8,153.36
Total – Gross (B)	1,436.11	5,256.71	2,067.20	7,323.91	1,284.09	10,044.11	1,531.82	4,791.26	834.71	5,625.97	1,284.09	8,441.88
Less: Allowance for Impairment loss (C)	0.98	–	–	–	54.51	55.49	1.61	–	–	–	–	1.61
Total – Net D (A–C)	1,435.13	5,256.71	2,067.20	7,323.91	1,229.58	9,988.62	1,530.21	4,791.26	834.71	5,625.97	1,284.09	8,440.27

The investments in Government securities for Rs.1,263.94 crore (31 March 2022: Rs. 1,305.64 crore) and investments in Bonds for Rs. 25.97 crore (31 March 2022: Rs. 26.10 crore) as shown under Amortized cost category are Statutory Liquid Assets as required under section 45 - IB of the Reserve Bank of India Act, 1934, with a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent Trust.

9 Other financial assets

		Rs. in crores
	31 March 2023	31 March 2022
Security Deposits	**61.52**	32.33
Term deposits with banks (remaining maturity more than 12 months):		
– Free	**1,349.75**	15.92
– Under lien (refer note 4)	**12.47**	101.00
Interest accrued on Term deposits	**9.74**	17.58
Others #	**155.80**	56.30
	1,589.28	223.13

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Rs. in crores

	Balance as at 1 April 2021	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to equity**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2022**	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2023**
Tax effect of items constituting deferred tax liabilities:								
– Application of EIR on financial assets	(76.27)	(8.70)	–	–	(84.97)	4.87		**(80.10)**
– Application of EIR on financial liabilities	(19.17)	6.75	–	–	(12.42)	3.74		**(8.68)**
– Share based payments	(0.39)	–	–	–	(0.39)	(4.35)		**(4.74)**
– FVTPL financial asset	(10.71)	(2.97)	–	–	(13.68)	13.98		**0.30**
– Others #	(110.34)	(21.25)	–	–	(131.59)	–		**(131.59)**
	(216.88)	**(26.17)**	**–**	**–**	**(243.05)**	**18.24**	**–**	**(224.82)**
Tax effect of items constituting deferred tax assets:								
– Provision for employee benefits	18.93	(0.04)	–	0.78	19.67	2.19	4.35	**26.21**
– Derivatives	32.79	19.45	–		52.24	(0.28)	–	**51.96**
– Allowance for ECL	944.44	(102.84)	–		841.60	(277.16)	22.35	**586.79**
– Provision on standard assets	62.91	90.01	–	–	152.92	–	–	**152.92**
– Other provisions	20.18	(0.41)	–	(6.72)	13.05	29.54	1.60	**44.18**
	1,079.25	6.17	–	(5.94)	1,079.48	(245.71)	28.30	**862.06**
Net deferred tax assets	**862.36**	**(20.00)**	**–**	**(5.94)**	**836.42**	**(227.47)**	**28.30**	**637.24**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

		Rs. in crores
	31 March 2023	31 March 2022
(a) Current tax:		
In respect of current year	**480.00**	321.90
In respect of prior years	**6.28**	26.26
	486.28	348.16
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	**227.47**	28.99
In respect of prior years	**–**	(8.99)
	227.47	20.00
Total Income tax recognized in Statement of profit and loss	**713.75**	368.16

(iii) Income tax recognized in Other Comprehensive Income

Rs. in crores

	31 March 2023	31 March 2022
Deferred tax related to items recognized in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	**4.35**	0.79
Net gain / (loss) on equity instruments through OCI	–	(6.55)
Net gain / (loss) on debt instruments through OCI	**22.35**	(0.18)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	**1.60**	–
Total Income tax recognized in Other Comprehensive Income	**28.30**	(5.94)

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:

Rs. in crores

	As at 31 March 2023	As at 31 March 2022
Profit before tax	**2,698.07**	1,356.91
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**679.05**	341.51
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	**(1.04)**	(0.65)
Effect of expenses / provisions not deductible in determining taxable profit	**26.93**	8.57
Effect of changes in estimates related to prior years	**–**	1.39
Adjustment related to tax of prior years	**6.28**	17.27
Others	**2.53**	0.07
Reported income tax expense	**713.75**	368.16
Effective tax rate	**26.45%**	27.13%

11 Property, plant and equipments

Rs. in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT										
Balance as at 1 April 2021	0.81	1.09	102.86	92.99	87.18	84.01	74.15	0.19	272.51	715.79
Additions during the year	–	–	40.97	2.63	8.86	22.68	76.14	–	46.24	197.52
Disposals/deductions during the year	–	–	15.47	3.97	15.68	14.25	3.14	–	52.76	105.27
Balance as at 31 March 2022	**0.81**	**1.09**	**128.36**	**91.65**	**80.36**	**92.44**	**147.15**	**0.19**	**265.99**	**808.04**
Balance as at 1 April 2022	0.81	1.09	128.36	91.65	80.36	92.44	147.15	0.19	265.99	808.04
Additions during the year	–	–	26.74	3.20	10.33	35.05	187.06	–	227.34	489.72
Disposals/deductions during the year	–	–	29.47	5.12	12.67	18.36	10.38	–	34.65	110.65
Balance as at 31 March 2023	**0.81**	**1.09**	**125.63**	**89.73**	**78.02**	**109.13**	**323.83**	**0.19**	**458.68**	**1,187.11**

Rs. in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Right-Of-Use Assets (Leasehold premises)	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 1 April 2021	–	0.31	87.62	70.78	72.64	60.07	13.95	0.02	98.92	404.30
Additions during the year	–	0.02	14.99	5.46	7.89	13.47	25.57	0.11	47.47	114.98
Disposals/deductions during the year	–	–	15.41	3.83	15.49	13.19	0.59	–	45.83	94.34
Balance as at 31 March 2022	**–**	**0.33**	**87.20**	**72.41**	**65.04**	**60.35**	**38.93**	**0.13**	**100.56**	**424.94**
Balance as at 1 April 2022	–	0.33	87.20	72.41	65.04	60.35	38.92	0.13	100.56	424.94
Additions during the year	–	0.02	23.86	5.25	8.20	17.12	50.20	0.00	70.11	174.76
Disposals/deductions during the year	–	–	29.44	4.83	12.49	16.22	2.36	–	28.46	93.80
Balance as at 31 March 2023	**–**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**0.13**	**142.21**	**505.91**
NET CARRYING AMOUNT										
As at 31 March 2022	**0.81**	**0.76**	**41.16**	**19.24**	**15.32**	**32.09**	**108.23**	**0.06**	**165.43**	**383.10**
As at 31 March 2023	**0.81**	**0.74**	**44.01**	**16.90**	**17.27**	**47.88**	**237.07**	**0.06**	**316.47**	**681.20**

Secured Non–convertible debentures (NCDs) have an exclusive pari-passu charges on Buildings.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right–of–Use Assets)

12 Other Intangible assets

Rs. in crores

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1 April 2021	99.73
Additions during the year	2.99
Deductions during the year	–
Balance as at 31 March 2022	**102.72**
Balance as at 1 April 2022	102.72
Additions during the year	17.05
Deductions during the year	–
Balance as at 31 March 2023	**119.77**

Rs. in crores

Particulars	Computer Software
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1 April 2021	81.10
Additions during the year	11.85
Deductions during the year	–
Balance as at 31 March 2022	**92.95**
Balance as at 1 April 2022	92.95
Additions during the year	12.47
Deductions during the year	–
Balance as at 31 March 2023	**105.42**
NET CARRYING AMOUNT	
As at 31 March 2022	**9.77**
As at 31 March 2023	**14.35**

The Company has not revalued its Intangible Assets.

13 Other non-financial assets

		Rs. in crores
	31 March 2023	31 March 2022
Capital advances	**216.01**	132.89
Prepaid expenses	**52.71**	51.45
Balances with Government Authorities	**208.41**	100.49
Unamortized placement and arrangement fees paid on borrowing instruments	**–**	1.00
Insurance advances	**5.94**	2.01
Other advances	**9.80**	14.75
	492.87	302.59

14 Derivative financial instruments

				Rs. in crores
	31 March 2023		31 March 2022	
	Notional amounts	**Fair value of Liabilities**	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 53 (III))				
Forward contracts	**–**	**–**	549.99	36.03
Currency swaps/Options	**1,063.50**	**144.83**	1,600.19	146.19
Total (A)	**1,063.50**	**144.83**	2,150.18	182.22
Currency / interest rate derivatives hedged: (refer note 53 (III))				
Forward contracts	**839.91**	**16.92**	–	–
Currency swaps/Options	**827.70**	**18.95**	–	–
Total (B)	**1,667.61**	**35.87**	–	–
Total derivative financial instruments (A+B)	**2,731.11**	**180.70**	2,150.18	182.22

Movement in Cash Flow Hedge Reserve

		Rs. in crores
	31 March 2023	31 March 2022
Balance at the beginning of the year	**–**	–
Recognised on Cash Flow Hedge Reserve	**(6.34)**	–
Reclassified to profit or loss	**–**	–
Income Tax relating to gain/ loss on the OCI	**1.60**	–
	(4.74)	–

15 Payables

		Rs. in crores
	31 March 2023	31 March 2022
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1,126.57**	954.88
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	**2.62**	3.53
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**37.12**	46.87
	1,166.31	1,005.28

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		31 March 2023	31 March 2022
			Rs. in crores
a)	Dues remaining unpaid to any supplier at the year end		
	– Principal	**2.62**	3.53
	– Interest on the above		
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
	– Principal paid beyond the appointed date	**–**	–
	– Interest paid in terms of Section 16 of the MSMED Act		
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d)	Amount of interest accrued and remaining unpaid		
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
		2.62	3.53

Trade Payables aging schedule

As at 31 March 2023 — Rs. in crores

	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	2.62	–	–	–	2.62
ii)	Others	1,094.44	17.64	7.11	44.50	1,163.69
	Total	**1,097.06**	**17.64**	**7.11**	**44.50**	1,166.31
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**	**0.59**	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31 March 2022 — Rs. in crores

	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	3.53	–	–	–	3.53
ii)	Others	890.49	22.34	28.43	60.49	1,001.75
	Total	**894.02**	**22.34**	**28.43**	**60.49**	1,005.28
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**	**0.59**	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

16 Debt Securities

	31 March 2023	31 March 2022
		Rs. in crores
At Amortized cost		
Non–convertible debentures (Secured)	**19,464.32**	16,610.55
Non–convertible debentures (Unsecured)	**994.95**	795.82
Commercial Papers (Unsecured)	**3,936.00**	496.56
Rupee Denominated Secured Bonds overseas (Masala Bonds)	**349.80**	349.78
Total	**24,745.07**	18,252.71
Debt securities in India	**24,395.27**	17,902.93
Debt securities outside India	**349.80**	349.78
Total	**24,745.07**	18,252.71

Note: There is no debt securities measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by pari-passu charges on Buildings (forming part of PPE) and exclusive charges on receivables under loan contracts having carrying value of Rs. 22,363.93 crore (March 2022: Rs. 21,093.21 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non-convertible debentures (Secured):

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis (wholesale) –				
Repayable on maturity:				
Maturing within 1 years	**5.25%-8.75%**	**3,969.70**	4.80%-8.95%	3,677.90
Maturing between 1 years to 3 years	**6.25%-9.00%**	**8,203.00**	4.93%-8.95%	6,383.00
Maturing between 3 years to 5 years	**7.90%-8.25%**	**752.25**	6.25%-9.00%	1,565.00
Maturing beyond 5 years	**7.45%-8.48%**	**4,978.00**	7.75%-8.48%	2,978.00
Sub–total at face value		**17,902.95**		14,603.90
Repayable in Half yearly instalments:				
Maturing between 1 year to 3 years	**6.35%**	**168.75**	6.35%	56.25
Maturing between 3 years to 5 years	**6.35%**	**56.25**	6.35%	168.75
Sub-total at face value		**225.00**		225.00
Total at face value (A)		**18,127.95**		14,828.90
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year	**9.10%-9.15%**	**535.56**	9.00%-9.05%	405.41
Maturing between 1 year to 3 years	**–**	**–**	9.10%-9.15%	535.56
Maturing between 3 years to 5 years	**9.20%-9.30%**	**869.15**	9.20%-9.30%	869.15
Sub-total at face value (B)		**1,404.71**		1,810.12
Total at face value (A+B)		**19,532.66**		16,639.02
Less: Unamortized discounting charges		**68.34**		28.47
Total amortized cost		**19,464.32**		16,610.55

Details of Non-convertible debentures (Unsecured) –:

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing beyond 5 years	**8.53%**	**1,000.00**	8.53%	800.00
Total at face value		**1,000.00**		800.00
Less: Unamortized discounting charges		**5.05**		4.18
Total amortized cost		**994.95**		795.82

Details of Commercial Papers (Unsecured):

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**5.50%-8.26%**	**4,075.00**	4.70%	500.00
Total at face value		**4,075.00**		500.00
Less: Unamortized discounting charges		**139.00**		3.44
Total amortized cost		**3,936.00**		496.56

Rupee Denominated Secured Bonds overseas (Masala Bonds)

Rs. in crores

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing between 1 year to 3 years	**7.40%**	**350.00**	7.40%	350.00
Total at face value		**350.00**		350.00
Less: Unamortized discounting charges		**0.20**		0.22
Total amortized cost		**349.80**		349.78

17 Borrowings (Other than Debt Securities)

Rs. in crores

	31 March 2023	31 March 2022
At Amortized cost		
a) Term loans		
i) Secured –		
– from banks	**30,622.15**	15,305.19
– External Commercial Borrowings	**2,550.71**	2,177.52
– Associated liabilities in respect of securitization transactions	**6,718.60**	8,089.20
ii) Unsecured –		
– from banks	**85.00**	85.00
– from other parties	**150.01**	–
b) Loans from related parties		
Unsecured –		
– Inter–corporate deposits (ICDs)	**437.00**	348.26
c) Loans repayable on demand		
Secured –		
– Cash credit facilities with banks	**169.97**	–
d) Other loans and advances		
Unsecured –		
– Inter-corporate deposits (ICDs) other than related parties	**500.62**	–
Total	**41,234.06**	26,005.17
Borrowings in India	**38,683.35**	23,827.65
Borrowings outside India	**2,550.71**	2,177.52
Total	**41,234.06**	26,005.17

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

The secured term loans from banks and External Commercial Borrowings are secured by exclusive charges on receivables under loan contracts having carrying amount of Rs 30,645.34 crore (March 2022: Rs 21,830.92 crore).

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

Rs. in crores

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**5.98%-8.85%**	**3,020.00**	4.40%-6.95%	821.00
Maturing between 1 year to 3 years	**–**	**–**	5.25%-6.10%	1,100.00
Total for repayable on maturity		**3,020.00**		1,921.00

Rs. in crores

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
2) Repayable in installments:				
i) Quarterly –				
Maturing within 1 year	**5.15%-8.89%**	**4,820.25**	4.50%-7.35%	3,502.99
Maturing between 1 year to 3 years	**5.15%-8.62%**	**6,767.00**	4.50%-6.95%	3,768.70
Maturing between 3 years to 5 years	**5.75%-8.62%**	**1,833.35**	4.50%-5.80%	451.00
Sub-Total		**13,420.60**		7,722.69
ii) Half yearly –				
Maturing within 1 year	**6.25%-10.50%**	**3,267.11**	4.47%-10.50%	1,431.99
Maturing between 1 year to 3 years	**6.25%-8.40%**	**5,238.56**	4.47%-10.50%	3,063.58
Maturing beyond 3 years to 5 years	**7.45%-8.40%**	**2,689.03**	4.47%-4.90%	249.13
Sub-Total		**11,194.70**		4,744.70
iii) Yearly –				
Maturing within 1 year	**7.49%-8.72%**	**460.00**	5.40%-6.85%	380.00
Maturing between 1 year to 3 years	**7.49%-8.72%**	**1,649.17**	4.46%-6.00%	395.00
Maturing between 3 years to 5 years	**8.35%-8.72%**	**877.50**	4.46%-6.00%	141.67
Sub-Total		**2,986.67**		916.67
Total for repayable in instalments		**27,601.97**		13,384.06
Total (1+2) (As per contractual terms)		**30,621.97**		15,305.06
Add / Less Unamortized Finance Cost		**0.18**		(0.13)
Total Amortized Cost		**30,622.15**		15,305.19

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate) and Treasury bills plus spread.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company except for certain differences which has been duly reconciled and presented here below.

Summary of reconciliation

Year ended 31 March 2023

Rs. in crores

	Quarter ended			
	June 2022	**September 2022**	December 2022	March 2023
Value as per quarterly returns / statements filed with Banks	3,289.51	3,289.57	2,464.49	**2,352.97**
Difference due to future interest considered in Book debt statements	–	–	–	**–**
Difference in Overdue balance due to credits not considered in returns	36.43	32.61	22.51	**9.55**
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	13.81	13.75	8.60	**6.58**
Value as per Ind AS books of account	3,339.75	3,335.93	2,495.60	**2,369.10**

Year ended 31 March 2022

Rs. in crores

	Quarter ended			
	June 2021	**September 2021**	December 2021	March 2022
Value as per quarterly returns / statements filed with Banks	2,739.54	2,739.48	2,739.57	2,739.50
Difference due to future interest considered in Book debt statements	(100.13)	(97.18)	(95.66)	(83.58)
Difference in Overdue balance due to credits not considered in returns	70.59	58.28	44.75	29.38
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	4.07	4.53	5.03	5.29
Value as per Ind AS books of account	2,714.07	2,705.11	2,693.69	2,690.59

Details of External Commercial Borrowings (USD, Euro & JPY)

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing within 1 year	**6.91%**	**309.00**	8.15%-8.36%	1,250.82
Maturing between 1 year to 3 years	**6.61%-8.11%**	**2,251.17**	6.61%-6.91%	721.87
Maturing beyond 3 years to 5 years	**–**	**–**	6.61%	211.58
		2,560.17		2,184.27
Less Unamortized Finance Cost		**9.46**		6.75
		2,550.71		2,177.52

Details of associated liabilities related to Securitization transactions

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing within 1 year	**3.70%-7.55%**	**3,467.94**	3.70%-8.10%	4,051.07
Maturing between 1 year to 3 years	**3.76%-7.55%**	**2,921.26**	3.70%-8.10%	3,681.57
Maturing between 3 years to 5 years	**3.70%-7.55%**	**329.40**	3.70%-4.76%	356.45
Maturing beyond 5 years	**–**	**–**	4.76%	0.11
		6,718.60		8,089.20
Less Unamortized Finance Cost		**–**		–
		6,718.60		8,089.20

Details of Unsecured term loans from banks

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**8.05%**	**85.00**	4.98%	85.00
Total		**85.00**		85.00
Less Unamortized Finance Cost		**–**		–
Total Amortized Cost		**85.00**		85.00

Details of Unsecured term loans from others

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing between 1 year to 3 years	**8.10%**	**150.00**		–
Total		**150.00**		–
Add Unamortized Finance Cost		**0.01**		–
Total Amortized Cost		**150.01**		–

Details of Loans from related parties (Unsecured) – Inter–corporate deposits (ICDs)

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**5.40%-7.85%**	**915.12**	–	–
Maturing between 1 year to 3 years	**6.25%**	**22.50**	5.40%-6.25%	348.26
Total		**937.62**		348.26
Less Unamortized Finance Cost		**–**		–
Total Amortized Cost		**937.62**		348.26

Details of Loans repayable on demand (Secured) - Cash credit facilities with banks

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**8.45%**	**169.97**	–	–
Total		**169.97**		–

18 Deposits

Rs. in crores

	31 March 2023	31 March 2022
At amortized cost		
Deposits (Unsecured)		
– Public deposits*	**5,524.60**	8,426.19
Total	**5,524.60**	8,426.19

Note: There is no deposits measured at FVTPL or designated at FVTPL.

*as defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Details of Deposits (Unsecured) – Public deposits

Rs. in crores

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**4.95% - 9.15%**	**1,836.02**	4.95% - 9.15%	4,769.74
Maturing between 1 year to 3 years	**5.65% - 9.15%**	**3,269.40**	5.30% - 9.15%	3,141.74
Maturing beyond 3 years	**5.90% - 9.15%**	**436.41**	5.90% - 8.45%	535.58
Total at face value		**5,541.83**		8,447.06
Less: Unamortized discounting charges		**17.23**		20.87
Total amortized cost		**5,524.60**		8,426.19

19 Subordinated liabilities

Rs. in crores

	31 March 2023	31 March 2022
At Amortized cost (Unsecured)		
Subordinated redeemable non–convertible debentures – private placement	**1,028.73**	719.08
Subordinated redeemable non–convertible debentures – retail public issue	**2,413.40**	2,410.77
Total	**3,442.13**	3,129.85
Subordinated liabilities in India	**3,442.13**	3,129.85
Subordinated liabilities outside India	**–**	–
Total	**3,442.13**	3,129.85

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortized cost) – Unsecured subordinated redeemable non–convertible debentures

Rs. in crores

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis –				
Repayable on maturity:				
Maturing within 1 year	**9.50%-9.70%**	**127.80**	9.80%-10.15%	70.00
Maturing between 1 year to 3 years	**8.90%-9.60%**	**390.00**	9.18%-9.70%	342.80
Maturing between 3 years to 5 years		**–**	8.90%-9.10%	175.00
Maturing beyond 5 years	**7.35%-8.20%**	**512.90**	7.35%	132.90
Sub–total at face value (A)		**1,030.70**		720.70
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year	**8.44%-8.80%**	**12.34**	–	–
Maturing between 1 year to 3 years	**7.75%-7.85%**	**59.32**	7.75%-8.80%	71.66
Maturing between 3 years to 5 years	**7.90%-9.00%**	**1,380.25**	8.53%-9.00%	933.01
Maturing beyond 5 years	**7.95%-9.50%**	**980.84**	7.90%-9.50%	1,428.08
Sub–total at face value (B)		**2,432.75**		2,432.75
Total at face value (A+B)		**3,463.45**		3,153.45
Less: Unamortized discounting charges		**21.32**		23.60
Total amortized cost		**3,442.13**		3,129.85

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 19 for the specific purpose for which these were availed.

In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

20 Other financial liabilities

		Rs. in crores
	31 March 2023	31 March 2022
Interest accrued but not due on borrowings	**1,730.03**	1,863.05
Unclaimed dividends #	**0.60**	0.58
Unclaimed matured deposits and interest accrued thereon #	**4.88**	11.23
Deposits / advances received against loan agreements	**88.79**	89.54
Insurance premium payable	**3.78**	3.21
Salary, Bonus and performance payable	**7.35**	8.14
Provision for expenses	**175.79**	128.73
Lease liabilities (refer note 41)	**349.61**	185.26
Others	**23.45**	26.43
Total	**2,384.28**	2,316.17

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

21 Provisions

		Rs. in crores
	31 March 2023	31 March 2022
Provision for employee benefits		
– Gratuity (refer note 37)	**22.15**	39.21
– Leave encashment	**84.00**	75.32
– Bonus, incentives and performance pay	**154.16**	106.65
Provision for loan commitment	**0.43**	0.17
Total	**260.74**	221.35

22 Other non–financial liabilities

		Rs. in crores
	31 March 2023	31 March 2022
Deferred subvention income	**22.49**	12.81
Statutory dues and taxes payable	**89.88**	84.50
Others*	**11.71**	10.47
Total	**124.08**	107.78

* Others include monies adjusted from share capital and other equity on account of shares held by MMFSL ESOP Trust pending transfer to the eligible employees and lease rental advances.

23 Equity Share capital

		Rs. in crores
	31 March 2023	31 March 2022
Authorized:		
250,00,00,000 (31 March 2022: 250,00,00,000) Equity shares of Rs. 2/- each	**500.00**	500.00
50,00,000 (31 March 2022: 50,00,000) Redeemable preference shares of Rs. 100/- each	**50.00**	50.00
Issued, Subscribed and paid–up:		
123,55,29,920 (31 March 2022: 123,55,29,920) Equity shares of Rs. 2/- each fully paid up	**247.11**	247.11
Less : 19,31,449 (31 March 2022: 25,74,163) Equity shares of Rs. 2/- each fully paid up issued to ESOS Trust but not yet allotted to employees, including fresh equity shares allotted to ESOS Trust under rights issue during the year	**0.39**	0.51
Adjusted Issued, Subscribed and paid–up Share capital	**246.72**	246.60

		As at 31 March 2023		As at 31 March 2022	
		No. of shares	**Rs. in crores**	No. of shares	Rs. in crores
a)	**Reconciliation of number of equity shares and amount outstanding:**				
	Issued, Subscribed and paid-up:				
	Balance at the beginning of the year	**1,23,55,29,920**	**247.11**	1,23,55,29,920	247.10
	Add: Fresh allotment of shares:	–	–	–	–
	Balance at the end of the year	**1,23,55,29,920**	**247.11**	1,23,55,29,920	247.10
	Less: Shares issued to ESOS Trust but not yet allotted to employees	**1,931,449**	**0.39**	25,74,163	0.50
	Adjusted Issued, Subscribed and paid–up Share capital	**1,23,35,98,471**	**246.72**	1,23,29,55,757	246.60
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding company: Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
	Percentage of holding (%)	**52.16%**		52.16%	
c)	**Shareholders holding more than 5 percent of the aggregate shares:**				
	Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
	Percentage of holding (%)	**52.16%**		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

	Shares held by promoters as at 31 March 2023			Shares held by promoters as at 31 March 2022		
Name of the Promoter	**No. of Shares**	**%of total shares**	**% Change during the year**	No. of Shares	%of total shares	% Change during the year
Mahindra & Mahindra Limited	**644,399,987**	**52.16%**	**–**	644,399,987	52.16%	–

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve as per Section 45–IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

Rs. in crores

	31 March 2023	31 March 2022
Dividend paid	**444.79**	98.84
Profit for the relevant year	**988.75**	335.15
Dividend as a percentage of profit for the relevant year	**45.0%**	29.5%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Rs. in crores

	31 March 2023	31 March 2022
Face value per share (Rupees)	**2.00**	2.00
Dividend percentage	**300%**	180%
Dividend per share (Rupees)	**6.00**	3.60
Total Dividend on Equity shares (a)	**741.32**	444.79
Profit after tax for the relevant year (b)	**1,984.32**	988.75
Dividend proposed as a percentage of profit after tax (a/b)	**37.4%**	45.0%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

24 Interest income

Rs. in crores

	31 March 2023	31 March 2022
On financial instruments measured at Amortized cost (refer note 2.6)		
Interest on loans	**9,847.25**	8,831.98
Income from bill discounting	**102.00**	77.61
Interest income from investments	**231.64**	142.49
Interest on term deposits with banks	**210.08**	181.36
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	**291.60**	242.17
Total	**10,682.57**	9,475.61

Note: There is no loan asset measured at FVTPL.

25 Fees, charges and commission income

Rs. in crores

	31 March 2023	31 March 2022
Service charges and other fees income	**139.22**	72.74
Fees, commission / brokerage received from mutual fund distribution/other products	**10.90**	13.46
Collection fees related to transferred assets under securitization transactions	**17.84**	19.09
Total	**167.96**	105.29

26 Net gain/(loss) on fair value changes

Rs. in crores

	31 March 2023	31 March 2022
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
– Investments	**(1.37)**	0.09
Others – Mutual fund units	**6.96**	50.67
Total Net gain / (loss) on financial instruments at FVTPL	**5.59**	50.76
Fair value changes:		
– Realized	**5.59**	39.06
– Unrealized	**–**	11.70
Total Net gain / (loss) on financial instruments at FVTPL	**5.59**	50.76

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

27 Other income

Rs. in crores

	31 March 2023	31 March 2022
Net gain on derecognition of property, plant and equipment	**2.89**	1.27
Net gain on sale investments measured at amortized cost	**0.73**	–
Dividend income from Equity investments in subsidiaries	**4.12**	2.47
Income from shared services	**119.29**	56.90
Others	**0.26**	0.19
Total	**127.29**	60.83

28 Finance costs

		Rs. in crores
	31 March 2023	31 March 2022
On financial liabilities measured at Amortized cost		
Interest on deposits	**524.74**	766.91
Interest on borrowings	**2,135.60**	1,421.33
Interest on debt securities	**1,584.36**	1,394.91
Interest on subordinated liabilities	**291.15**	283.35
Net loss / (gain) in fair value of derivative financial instruments	**(10.77)**	7.99
Interest expense on lease liabilities (refer note 41)	**21.79**	14.36
Others	**29.85**	31.33
Total	**4,576.72**	3,920.18

Note: There are no financial liabilities measured at FVTPL.

29 Impairment on financial instruments

		Rs. in crores
	31 March 2023	31 March 2022
On financial instruments measured at Amortized cost		
Bad debts and write offs	**2,213.36**	2,513.07
Loans	**(1,212.71)**	(144.71)
Investments	**(0.64)**	1.21
Loan commitment	**0.26**	(1.01)
Trade receivables and other contracts	**(1.04)**	(0.26)
Total	**999.23**	2,368.30

Note: There are no financial instruments measured at FVOCI.

30 Employee benefits expenses

		Rs. in crores
	31 March 2023	31 March 2022
Salaries and wages	**1,457.60**	1,057.11
Contribution to provident funds and other funds	**94.43**	83.26
Share based payments to employees	**4.55**	9.20
Staff welfare expenses	**27.69**	21.83
Total	**1,584.27**	1,171.40

31 Depreciation, amortization and impairment

		Rs. in crores
	31 March 2023	31 March 2022
Depreciation on Property, Plant and Equipment # (refer note 11)	**104.65**	67.51
Amortization and impairment of intangible assets (refer note 12)	**12.47**	11.85
Depreciation on Right of Use Asset (refer note 11 and 41)	**70.11**	47.47
Total	**187.23**	126.83

During the year ended 31 March 2022, the Company has revised the estimate of useful life considered for depreciating the vehicles under operating lease from useful life as specified in Schedule II of the Companies Act, 2013, as amended, to useful life representing the lease period of respective lease agreements. The resultant change had an additional depreciation charge of Rs. 12.20 crore which was included above under the head "Depreciation on Property, Plant and Equipment" for the year ended 31 March 2022.

32 Other expenses

		Rs. in crores
	31 March 2023	31 March 2022
Rent	**14.32**	17.13
Rates and taxes, excluding taxes on income	**6.67**	4.82
Electricity charges	**16.14**	13.46
Repairs and maintenance	**9.83**	5.05
Communication costs	**33.92**	29.37
Printing and stationery	**12.58**	9.25
Advertisement and publicity	**26.78**	15.36
Directors' fees, allowances and expenses	**2.97**	2.29
Auditor's fees and expenses –		
– Audit fees	**1.41**	1.33
– Other services	**0.36**	0.41
– Reimbursement of expenses	**0.04**	0.05
Legal and professional charges	**112.18**	119.78
Insurance	**51.03**	37.79
Manpower outsourcing cost	**182.07**	159.81
Donations	**0.39**	–
Corporate Social Responsibility (CSR) expenses (refer note 45)	**44.50**	29.48
Conveyance and travel expenses	**123.51**	82.39
Other expenses	**237.12**	202.50
Total	**875.82**	730.27

33 Exceptional items

		Rs. in crores
	31 March 2023	31 March 2022
Impairment loss provision on equity investment in Mahindra Ideal Finance Limited (MIFL), a subsidiary in Sri Lanka (refer note 61)	**(54.51)**	–
Total	**(54.51)**	–

34 Earning Per Share (EPS)

		Rs. in crores
	31 March 2023	31 March 2022
Profit for the year (Rs in crore)	**1,984.32**	988.75
Weighted average number of Equity Shares used in computing basic EPS	**1,23,31,47,111**	1,23,22,87,519
Effect of potential dilutive Equity Shares	**12,09,941**	14,58,085
Weighted average number of Equity Shares used in computing diluted EPS	**1,23,43,57,052**	1,23,37,45,604
Basic Earnings per share (Rs.) (Face value of Rs. 2/– per share)	**16.09**	8.02
Diluted Earnings per share (Rs.)	**16.08**	8.01

35 Accumulated Other Comprehensive Income

Rs. in crores

	31 March 2023	31 March 2022
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	**21.46**	1.99
– Net gain / (loss) on equity instruments through OCI	**–**	26.01
– Income tax relating to items that will not be reclassified to profit or loss	**–**	(6.54)
Balance at the end of the year: Subtotal (A)	**21.46**	21.46
B) Items that will be reclassified to profit or loss		
Balance at the beginning of the year	**(57.30)**	(57.82)
– Net gain / (loss) on debt instruments through OCI	**(88.82)**	0.70
– The effective portion of gains and loss on hedging instruments in a cash flow hedge;	**(6.34)**	–
– Income tax relating to items that will be reclassified to profit or loss	**23.95**	(0.18)
Balance at the end of the year: Subtotal (B)	**(128.50)**	(57.30)
Accumulated Other Comprehensive Income (A + B)	**(107.04)**	(35.84)

36 Employee Stock Option Plan

The Company had allotted 48,45,025 Equity shares (face value of Rs. 2/- each) under Employee Stock Option Scheme 2010 at par on 3 February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of Rs. 50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17 August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at Rs. 50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue shall remain same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 57,62,513 equity shares to employees up to 31 March 2023 (31 March 2022: 51,19,799 equity shares), of which 6,42,714 equity shares (31 March 2022: 9,90,139 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by Rs. 0.13 crore for the year ended 31 March 2023 (31 March 2022 : Rs. 0.20 crore).

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under:

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	20% on expiry of 12 months from the date of grant
	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant
	20% on expiry of 48 months from the date of grant
	20% on expiry of 60 months from the date of grant

b) Options granted during the year:

During the year ended 31 March 2023, the Company has not granted any stock options (31 March 2022: nil) to the employees under the Employees' Stock Option Scheme 2010.

c) Summary of stock options:

Particulars	As at 31 March 2023 No. of stock options	As at 31 March 2023 Weighted average exercise price (Rs.) #	As at 31 March 2022 No. of stock options	As at 31 March 2022 Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	**2,167,340**	**26.91**	3,354,484	2.00
Options granted during the year	**–**	**–**	–	–
Adjustment pertaining to Rights Issue	**–**	**–**	–	–
Options forfeited / lapsed during the year	**47,783**	**26.46**	189,050	26.00
Options expired during the year	**41,860**	**31.62**	7,955	28.37
Options exercised during the year	**642,714**	**26.63**	990,139	25.20
Options outstanding at the end of the year	**1,434,983**	**26.91**	2,167,340	26.91
Options vested but not exercised at the end of the year	**696,553**	**27.87**	611,688	29.21

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at Rs. 2/- per option and adjustment options issued under Rights issue are exercisable at Rs. 50/- each, including premium of Rs. 48/- per option (being the issue price under Rights allotment).

d) Information in respect of options outstanding:

Exercise price	As at 31 March 2023 No. of stock options	As at 31 March 2023 Weighted average remaining life	As at 31 March 2022 No. of stock options	As at 31 March 2022 Weighted average remaining life
i) At Rs. 2.00 per option	**690,412**	35 months	1,042,783	43 months
ii) At Rs. 50.00 per option	**744,571**	34 months	1,124,557	42 months
	1,434,983		2,167,340	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended 31 March 2023 Date of Exercise	Year ended 31 March 2023 Weighted average share price (Rs.) #	Year ended 31 March 2022 Date of Exercise	Year ended 31 March 2022 Weighted Average share price (Rs.)
01 April 2022 to 31 March 2023	**215.21**	01 April 2021 to 31 March 2022	158.78

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, Rs. 4.55 crore (31 March 2022: Rs. 9.20 crore) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements to the holding company of Rs. 1.05 crore (31 March 2022: Rs. 2.70 crore) in respect of options granted to employees of the Company and excludes net recovery of Rs. 0.22 crore (31 March 2022: Rs. 0.30 crore) from its subsidiaries for options granted to their employees.

37 Employee benefits

General description of defined benefit plans

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility –

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields –

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates –

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk –

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk –

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy –

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

		Funded Plan Gratuity Year ended 31 March	
Particulars		**2023**	2022
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	**13.21**	11.21
	Net Interest cost	**2.47**	1.92
	Past service cost	**–**	–
	Adjustment due to change in opening balance of Plan assets	**(5.51)**	(5.04)
	Total expenses included in employee benefits expense	**10.17**	8.09
II.	**Amount recognized in Other Comprehensive income**		
	Remeasurement (gains)/losses:		
	a) Actuarial (gains)/losses arising from changes in –		
	– financial assumptions	**(17.27)**	(3.10)
	– experience adjustments	**–**	–
	b) Return on plan assets, excluding amount included in net interest expense/ (income)	**–**	–
	Total amount recognized in other comprehensive income	**(17.27)**	(3.10)
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	**104.26**	95.44
	Add/(less) on account of business combination/transfers		
	Current service cost	**13.21**	11.21
	Past service cost	**–**	–
	Interest expense	**7.63**	6.59
	Remeasurement (gains)/losses arising from changes in –		
	– demographic assumptions	**0.19**	0.56
	– financial assumptions	**(1.52)**	(5.36)
	– experience adjustments	**13.44**	3.23
	Benefits paid	**(11.48)**	(7.41)
	Closing defined benefit obligation	**125.73**	104.26
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	**65.06**	62.62
	Interest income	**5.16**	4.67
	Expected return on plan assets	**(5.16)**	(4.67)
	Contributions by employer	**44.50**	4.81
	Adjustment due to change in opening balance of Plan assets	**5.51**	5.04
	Actual Benefits paid	**(11.48)**	(7.41)
	Closing Fair value of plan assets	**103.59**	65.06
V.	**Net defined benefit obligation**		
	Defined benefit obligation	**125.73**	104.26
	Fair value of plan assets	**103.58**	65.05
	Surplus/(Deficit)	**(22.15)**	(39.21)
	Current portion of the above	**–**	–
	Non current portion of the above	**(22.15)**	(39.21)
VI.	**Expected contribution for the next reporting year**	**16.31**	19.85

Actuarial assumptions and Sensitivity

Particulars	Funded Plan Gratuity Year ended 31 March 2023	2022
I. Actuarial assumptions		
Discount Rate (p.a.)	**7.50%**	7.32%
Attrition rate	**22.00 for age up to 30, 16.00for age 31-44, 8.00 for 45 and above**	25.52 for age up to 30, 16.17 for age 31-44, 5.98 for 45 and above
Expected rate of return on plan assets (p.a.)	**7.32%**	6.91%
Rate of Salary increase (p.a.)	**7.00%**	7.00%
In–service Mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	**(7.04)**	(8.47)
One percentage point decrease in discount rate	**7.16**	5.65
One percentage point increase in Salary growth rate	**7.16**	5.60
One percentage point decrease in Salary growth rate	**(7.14)**	(8.55)
III. Maturity profile of defined benefit obligation		
Within 1 year	**24.23**	19.24
Between 1 and 5 years	**120.21**	95.92

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to Rs 70.23 crore (31 March 2022: Rs. 59.17 crore) has been recognized in the Statement of profit and loss under the head Employee benefits expense.

38 Additional disclosures

i) During the financial years ended 31 March 2023 and 31 March 2022, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31 March 2023

Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2023 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1 ASHWANI ENTERPRISES PRIVATE LIMITED	Receivables	0.04	External
2 COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.03	External
3 MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	0.01	External
4 SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.06	External
5 BRILLIANT RISIE PRIVATE LIMITED	Receivables	0.07	External
6 ALCROOKS AND COOK PRIVATE LIMITED	Receivables	–	External
7 OM DHAR ENGINEERING PRIVATE LIMITED	Receivables	–	External
8 KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.02	External
9 M_S GARHWAL AIRCON SERVICES PRIVATE LIMITED	Receivables	0.07	External
10 IGI CORPORATION PVT LTD	Receivables	–	External
11 MRA REFINO PRIVATE LIMITED	Receivables	0.02	External
12 GR AUDITYA RENEWABLE ENERGIES PRIVATE LIMITED	Receivables	0.06	External
13 JCR INFRABUILT PRIVATE LIMITED	Receivables	0.04	External
14 NOVOCON SOLUTION PVT LTD	Receivables	0.00	External
15 DEVINE DEVBUILD PRIVATE LIMITED	Receivables	–	External
16 ENGINEERS REALTY PRIVATE LIMITED	Receivables	–	External
17 PUNEETH TECHNO PROJECTS PRIVATE LIMITED	Receivables	0.03	External
18 PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
19 ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.04	External
20 GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.02	External
21 SSNG BUSINESS PRIVATE LIMITED	Receivables	–	External
22 NAVADHARA SUPER MARKET PRIVATE LIMITED	Receivables	–	External
23 NIRBAN LOGISTICS PRIVATE LIMITED	Receivables	–	External
24 ASVRJ LOGISTIC PVT LTD	Receivables	0.01	External
25 SPXPRESS LOGISTICS PRIVATE LIMITED	Receivables	0.07	External
26 SLTT INDIA PRIVATE LIMITED	Receivables	0.03	External
27 DHARAA MOBILITY PVT LTD	Receivables	–	External
28 AUTO WORLD PRIVATE LIMITED	Receivables	0.83	External
29 RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	–	External
30 ARSH BUILDWELL PRIVATE LIMITED	Receivables	–	External

Name of Struck off Company	**Nature of transactions with struck–off Company**	**Balance outstanding as at 31 March 2023 (Rs. in crore)**	**Relationship with the Struck off company, if any, to be disclosed**
31 ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	–	External
32 VENHAN TECHNOLOGIES PRIVATE LIMITED	Receivables	0.18	External
33 SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.13	External
34 CZONE ENGINEERS PRIVATE LIMITED	Receivables	0.05	External
35 M/S. ASHWA ARTS PRIVATE LIMITED	Receivables	0.01	External
36 CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.07	External
37 ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.04	External
38 XPERTO MARKETING SOLUTION PVT LTD	Receivables	–	External
39 RAMA TENT HOUSE PRIVATE LIMITED	Receivables	0.09	External
40 MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.06	External
41 4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.02	External
42 PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	0.01	External
43 SHIRIDI SRISAI SOLUTIONS PVT LTD	Receivables	0.06	External
44 DEVBHUMI AVIATION PVT LTD	Receivables	–	External
45 VH SQUARE HEALTHCARE PVT LTD	Receivables	0.08	External
46 SHREE BIO CROP INDIA PRIVATE LIMITED	Receivables	–	External
47 LIANCE CONSULTANT&ENGINEERS PRIVATE LIMITED	Payables	0.00	External
48 DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
49 UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

As at 31 March 2022

Name of Struck off Company		Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2022 (Rs. in crores)	Relationship with the Struck off company, if any, to be disclosed
1	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.09	External
2	ANUSHREE CONSTROTECH PRIVATE LIMITED	Receivables	–	External
3	SHAN STRATEGIC SOLUTIONS PRIVATE LIMITED	Receivables	–	External
4	HIMHYDRO CONSTRUCTION PRIVATE LIMITED	Receivables	–	External
5	G. V. FOODS PRIVATE LIMITED	Receivables	–	External
6	SINGHAL BRICKS PRIVATE LIMITED	Receivables	–	External
7	MODESTY INDUSTRIES PRIVATE LIMITED	Receivables	0.01	External
8	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	(0.00)	External
9	GRACIOUS BOTTLES PRIVATE LIMITED	Receivables	0.01	External
10	SARASWATIPUR TEA AND INDUSTRIES PVT.LTD.	Receivables	0.00	External
11	FAST BUSINESS CENTRE LIMITED	Receivables	0.02	External
12	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.03	External
13	ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	0.01	External
14	SATKAR SECURITY PROVIDER PRIVATE LIMITED	Receivables	0.01	External
15	ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.08	External
16	GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.07	External
17	M.Y. TRANSPORT COMPANY PRIVATE LIMITED	Receivables	0.32	External
18	GOMATESHWAR INVESTMENTS PVT LTD	Shares held by stuck off Company	50*	External
19	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
20	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) Utilisation of Borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

ix) All the secured non-convertible debentures of the Company including those issued during the year ended 31 March 2023 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet/ Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon.

The asset cover available as on 31 March 2023 in respect of listed secured debt securities is 1.09 (March 2022: 1.09).

39 Transactions in the nature of change in ownership in other entities

Transactions pertaining to previous year ended 31 March 2022:

Pursuant to the Share Subscription, Share Purchase and Shareholders' Agreement dated 20 August, 2019 with Ideal Finance Limited, Sri Lanka ("Ideal Finance") and its existing shareholders for investment of the third and final tranche for acquisition of shares of Ideal Finance from its existing shareholders, the Company had completed the acquisition of the balance 20% of the Equity Share Capital aggregating 2,91,29,032 Equity Shares of Ideal Finance from its existing shareholders for Rs. 33.97 crore on 8 July 2021, resulting in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20% with a cumulative investment of Rs. 77.97 Crore. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8 July, 2021 and the name was changed to Mahindra Ideal Finance Limited.

40 Capital management

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31 March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Regulatory capital

		Rs. in crores
	As at 31 March 2023	As at 31 March 2022
Tier – I capital	**15,307.93**	13,694.10
Tier – II capital	**2,045.12**	1,982.55
Total Capital	**17,353.05**	15,676.65
Aggregate of Risk Weighted Assets	**77,061.91**	56,482.56
Tier – I capital ratio	**19.87%**	24.24%
Tier - II capital ratio	**2.65%**	3.51%
Total Capital ratio	**22.52%**	27.75%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following –

(a) preference shares other than those which are compulsorily convertible into equity;

(b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on–balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

41 Leases

I) In the cases where assets are taken on operating lease (as lessee) –

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognized at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The weighted average incremental borrowing rate of 7.85% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

a) Maturity Analysis – Contractual Undiscounted Cash Flow:

Rs. in crores

	As at 31 March 2023	As at 31 March 2022
Less than 1 year	**86.22**	54.53
1 – 3 years	**126.98**	84.02
3 – 5 years	**105.37**	51.87
More than 5 years	**129.18**	34.17
Total undiscounted lease liabilities	**447.75**	224.59

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Rs. in crores

		Amount for the year ended/ As at	
		31 March 2023	31 March 2022
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 “Depreciation, amortization and impairment”)	**70.11**	47.47
ii)	Interest expense on lease liabilities (presented under note - 28 “Finance costs”)	**21.79**	14.36
iii)	Expense relating to short-term leases (included in Rent expenses under note 32 “Other expenses”)	**5.74**	10.83
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 32 “Other expenses”)	**8.73**	8.99
v)	Payments for principal portion of lease liability	**55.57**	40.45
vi)	Additions to right-of-use assets during the year (refer note 11)	**227.34**	46.24
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset - - Property taken on lease for office premises (presented under note - 11 “Property, plant and equipments”)	**316.47**	165.43
viii)	Lease liabilities (presented under note - 20 “Other financial liabilities”)	**349.61**	185.26

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18 June 2021, Ind AS 116 - Leases paragraph 46B was amended to extend the application of practical expedient related to Covid-19-Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31 March 2023 (up to 30 June 2022) from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognized in the statement of profit or loss for the year ended 31 March 2023 is Rs. 0.15 crore.

II) In the cases where assets are given on operating lease (as lessor) –

Key terms of the lease are as below:

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value–added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick–up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight–line basis over the lease terms and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Other details are as follows:

Rs. in crores

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
i) New vehicles to retail customers on operating lease –		
Gross carrying amount	**321.13**	144.44
Depreciation for the year	**49.25**	23.42
Accumulated Depreciation	**73.91**	36.60
ii) Used and refurbished vehicles to travel operators/taxi aggregators –		
Gross carrying amount	**2.71**	2.71
Depreciation for the year	**0.24**	1.56
Accumulated Depreciation	**1.38**	2.32

The total future minimum lease rentals receivable for the non–cancellable lease period as at the Balance sheet date is as under:

Rs. in crores

Particulars	**As at 31 March 2023**	As at 31 March 2022
i) New vehicles to retail customers on operating lease –		
Not later than one year	**87.95**	43.20
Later than one year but not later than five years	**169.72**	89.15
	257.67	**132.35**
ii) Used and refurbished vehicles to travel operators/taxi aggregators –		
Not later than one year	**0.20**	**0.20**
Later than one year but not later than five years	**0.12**	**0.12**
	0.32	0.32

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognized any income as contingent income during the year.

III) In the cases where assets are given on finance lease (as lessor) –

Rentals receivable on finance lease:

Particulars	**As at 31 March 2023**	As at 31 March 2022
Gross Rental Receivable	**297.95**	33.88
Less: Unearned Income	**77.00**	7.18
Net Receivable before charging allowance for Impairment loss	**220.95**	26.70
Less: Allowance for Impairment losses	**6.48**	0.25
Total Net Receivables	**214.47**	26.45

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	98.62	199.33	–	297.95
Less: Unearned Income	23.23	53.77	–	77.00
Net Receivable before charging allowance for Impairment loss	75.39	145.56	–	220.95

42(i) Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2023 or 31 March 2022.

42(ii) Frauds reported during the year

There were 91 cases (31 March 2022: 178 cases) of frauds amounting to Rs. 2.68 crore (31 March 2022: Rs. 5.13 crore) reported during the year. The Company has recovered an amount of Rs. 0.65 crore (31 March 2022: Rs. 2.24 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

43 Contingent liabilities and commitments (to the extent not provided for)

Rs. in crores

		31 March 2023	31 March 2022
i)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts	**179.31**	170.99
	Guarantees	**1,983.72**	1,720.34
		2,163.03	1,891.33
ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**201.00**	**58.17**
	Commitment towards Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL)	**206.39**	**–**
	Other commitments - loan sanctioned but not disbursed	**154.30**	**44.77**
		561.69	102.94
Total		**2,724.72**	1,994.27

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, Sales Tax / VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

44 Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" under Note no. 17.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Securitizations –		
Carrying amount of transferred assets measured at amortized cost	**6,726.19**	8,319.61
Carrying amount of associated liabilities	**6,718.60**	8,089.20
	–	
Fair value of transferred assets (A)	**6,511.34**	8,120.33
Fair value of associated liabilities (B)	**6,781.18**	8,209.70
Net position (A–B)	**(269.84)**	(89.37)

45 Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council ('FSS CSR Council') and to monitor the CSR Policy periodically.

Funding and Allocation: For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from FSS CSR Council.

Any unspent amount at the end of the financial year will be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has set up the Mahindra Finance CSR Foundation (incorporated on 2nd April, 2019) as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its subsidiary companies. The Company implements its CSR programs through the Mahindra Finance CSR Foundation.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Gram panchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses, in the statement of Profit and Loss.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/ activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year ended 31 March 2023, the Company has incurred an expenditure of Rs. 41 crore (31 March 2022: Rs. 28.69 crore) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 3.50 crore (31 March 2022: Rs. 0.79 crore) towards the CSR activities undertaken by the Company. The amount includes Rs. 7.79 crore towards unspent amount of the previous financial year

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/ activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs. 37.13 crore (31 March 2022: Rs. 37.51 crore).

b) Amount spent by the Company during the year :

Rs. in crores

Particulars		For the year ended 31 March 2023			For the year ended 31 March 2022	
		In cash	**Yet to be paid in cash**	**Total**	Yet to be paid in In cash	Total
i)	Construction/acquisition of any asset	**–**	**–**	**–**	–	–
ii)	On purpose other than (i) above*	**45.07**	**–**	**45.07**	29.72	29.72

* The above expenditure includes **Rs. 7.79 crore** of unspent amount for previous financial year.

The current year expenditure includes **Rs. 0.57 crore** (31 March 2022: Rs. 0.24 crore) as salary cost in respect of certain employees who have been exclusively engaged in CSR administrative activities which qualifies as CSR expenditure under section 135 of the Companies Act, 2013.

c) Amount of shortfall at the end of the year: Nil

d) Nature of CSR activities: Contributions / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

e) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

46 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

47 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

48 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31 March 2023 **Rs. in crores**

Particulars	**1 April 2022**	**Cash flows (net)**	**Exchange difference**	**Amortization of loan origination costs**	**New leases**	**31 March 2023**
Debt securities	18,252.71	6,496.00	–	(3.64)	–	**24,745.07**
Borrowings (Other than debt securities)	26,005.17	15,328.39	(96.85)	(2.65)	–	**41,234.06**
Deposits	8,426.19	(2,905.23)	–	3.64	–	**5,524.60**
Subordinated liabilities	3,129.85	309.99	–	2.29	–	**3,442.13**
Lease liabilities	185.26	(56.80)	–	–	221.15	**349.61**
Total	55,999.18	19,172.35	(96.85)	(0.36)	221.15	**75,295.47**

Year ended 31 March 2022

Particulars	1 April 2021	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2022
Debt securities	16,834.57	1,405.70	–	12.44	–	18,252.71
Borrowings (Other than debt securities)	29,142.08	(3,061.65)	(90.38)	15.11	–	26,005.17
Deposits	9,450.66	(1,034.09)	–	9.62	–	8,426.19
Subordinated liabilities	3,149.37	(22.25)	–	2.73	–	3,129.85
Lease liabilities	190.10	(44.14)	–	–	39.30	185.26
Total	58,766.77	(2,756.43)	(90.38)	39.90	39.30	55,999.18

49 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

49.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's Investments in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in market price would increase profit before tax by approximately Rs 103.36 crore (31 March 2022 : Rs 41.72 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract, cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Rs. in crores

	JPY	US Dollar	Total
As at 31 March 2023			
Financial Assets	**–**	**–**	**–**
Financial Liabilities	**1732.32**	**818.39**	**2,550.71**
As at 31 March 2022			
Financial Assets	–	–	–
Financial Liabilities	928.75	1,248.77	2,177.52

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Rs. in crores

	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31 March 2023	**INR/JPY**	**(+/-) 1.00%**	**(+/-) 17.38**
	INR/USD	**(+/-) 1.00%**	**(+/-) 8.22**
Year ended 31 March 2022	INR/JPY	(+/-) 1.00%	(+/-) 9.29
	INR/USD	(+/-) 1.00%	(+/-) 12.49

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. in crores

	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31 March 2023	**INR**	**100**	**228.78**
Year ended 31 March 2022	INR	100	123.29

d) Off-setting of balances

The table below summarizes the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet:

Financial assets subject to offsetting

Rs. in crores

Particulars	Offsetting recognized on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognized in balance sheet
Loan assets			
At 31 March' 2023	**79,557.32**	**102.59**	**79,454.73**
At 31 March' 2022	60,542.37	97.73	60,444.64

Financial liabilities subject to offsetting

Rs. in crores

Particulars	Offsetting recognized on the balance sheet		
	Gross liabilities before offset	Financial assets netted	Liabilities recognized in balance sheet
Other financial liabilities			
At 31 March' 2023	**2,486.87**	**102.59**	**2,384.28**
At 31 March' 2022	2,413.90	97.73	2,316.17

49.2 Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit Quality of Financial Loans and Investments

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Rs. in crores

Particulars	31 March 2023	31 March 2022
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	**62,401.65**	42,798.40
Past Due but not impaired:		
- 1-30 days past due	**4,835.98**	4,222.47
- 31-90 days past due	**4,852.73**	9,112.22
Impaired (more than 90 days)	**3,655.10**	4,864.19
Total Gross carrying value as at reporting date	**75,745.46**	60,997.28

Rs. in crores

Particulars	31 March 2023	31 March 2022
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	**4,331.40**	1,912.31
Past Due but not impaired:		
- 1-30 days past due	**55.05**	102.78
- 31-90 days past due	**20.54**	80.42
Impaired (more than 90 days)	**49.69**	44.97
Total Gross carrying value as at reporting date	**4,456.68**	2,140.48

Rs. in crores

Particulars	31 March 2023	31 March 2022
Gross carrying value of Trade Advances		
Less than 60 days past due	**2,480.06**	1,682.21
61-90 days past due	**53.43**	64.55
Impaired (more than 90 days)	**6.93**	60.66
Total Gross carrying value as at reporting date	**2,540.42**	1,807.42

Rs. in crores

Particulars	31 March 2023	31 March 2022
Gross carrying value of Financial Investments measured at amortized cost		
Neither Past due nor impaired	**1,436.11**	1,531.82
Past Due but not impaired:		
- 1-30 days past due	**–**	–
- 31-90 days past due	**–**	–
Impaired (more than 90 days)	**–**	–
Total Gross carrying value as at reporting date	**1,436.11**	1,531.82

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets (except Trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due
Stage 2 : 31- 90 days past due
Stage 3 : More than 90 days

The Company categorizes Trade advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due
Stage 2 : 61- 90 days past due
Stage 3 : More than 90 days

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances, lease and other receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

(i) RBI measures to relieve COVID-19 related stress - Resolution Frameworks Assessment of loan modifications on credit risk:

During the previous years ended 31 March 2021 and year ended 31 March 2022, the Company had implemented resolution plans in order to provide relief to borrowers adversely impacted due to onslaught of multiple waves / variants of COVID-19 Pandemic under the resolution framework 1.0 vide circular no. RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 for personal loan customers and resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5 May 2021. The loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Company continues to monitor the recoverability of loans granted in accordance with these circulars and is continue to carry higher provisioning over and above the model provisioning based on the repayment behaviour on these loan accounts. (refer Note 57 for detailed disclosure as per formats provided by the RBI).

(ii) Impact of COVID-19 related uncertainties

The outbreak of COVID-19 led to nationwide lockdown from March 2020, which gradually phased out over the next few months basis the local level spread of the pandemic. The nation was impacted by the second wave of the pandemic in the first half of the fiscal year 2022 which again slowed down the economic activities to a limited extent. Despite the successful roll out of vaccines around the world, a varying degree of uncertainty remained through out the year ended 31 March 2022. This was caused by new variants of COVID -19, varying vaccine effectiveness and the need for reimposing of government - imposed restrictions. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro economic outlook and its associated impact on the impairment calculations.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial results for the year ended 31 March 2022. The Company has been updating the ECL model with the latest set of data on reasonable periodic intervals and continued the same for the year ended 31 March 2023, to capture the significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. Output of ECL model refresh is also factored in computation of provisions. The Company holds provision towards expected credit loss on financial assets as at 31 March 2023 aggregating to Rs.3,294.71 crore (as at 31 March 2022: Rs. 4,508.83 crore).

(iii) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes more than 90 days past due on its contractual payments.

(iv) Exposure at default

"Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(v) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default occurred.

Generally, common LGD is applied on the exposures in all the three stages.

While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation;
- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

\# Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/ reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

b) Probability of Default (PD):

- It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- The measurement of risk of defaults is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles.The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.
- For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- For Stage 2 assets , life time PD is considered which represents default events that are possible over the expected life / tenor of the financial instrument.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

(vi) Measurement of ECL

ECL is measured as follows:

- **Financial assets that are not credit impaired at the reporting date:**

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- **Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:**

  ECL for Stage 2: Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- **Financial assets that are credit impaired at the reporting date:**

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

  - Stage 3 assets with ageing up to 18 months (< =540 DPD) ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

  - Stage 3 assets with ageing more than 18 months (>540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

  - Undrawn loan commitments:

  ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists."

(vii) Forward Looking Information

Historical PDs has been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable. Agriculture (real change % p.a.) stands for Percentage change in real agricultural value-added, including livestock, forestry and fishing, over previous year). In case of SME and Bills Discounting portfolio, Real GDP (% change p.a.) is used as the macroeconomic variable.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

(viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

Based on the assessment by the Company, the RBI resolution framework for loan restructuring and moratorium relaxation announced in previous years to the borrowers recognising the detrimental impact of COVID-19 has not been deemed to be automatically triggering significant increase in credit risk. The Company continued to recognize interest income during the current and previous year on such cases and in the absence of other credit risk indicators, the granting of a stress resolution framework and moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include:

- A Stage 3 customer having other loans which are in Stage 1 or 2.
- Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
- Retail vehicle loans, where asset has been repossessed.
- Cases where Company suspects fraud and legal proceedings are initiated.
- SME loans where the Company has resorted to its rights under the SARFAESI Act.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision up to 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis. The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) Analysis of inputs to the ECL model with respect to macro economic variable

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source of Economist Intelligence Unit. The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

ECL scenario for Macro Economic Variable	Year	Upside %	Base %	Downside %
Probability Assigned		0	85	15
Agriculture (% real change p.a)	**2023**	**6.9**	**4.7**	**1.6**
	2024	**7.7**	**5.3**	**2.4**
	2025	**7.1**	**4.8**	**1.8**
	2026	**7.6**	**5.2**	**2.3**
	2027	**6.7**	**4.5**	**1.4**
Real GDP (% change p.a)	**2023**	**10.9**	**6.0**	**1.1**
	2024	**11.1**	**6.2**	**1.3**
	2025	**11.4**	**6.5**	**1.6**
	2026	**11.5**	**6.6**	**1.7**
	2027	**11.0**	**6.1**	**1.2**

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2023	**67,237.63**	**4,852.73**	**3,655.10**	**75,745.46**
Expected credit loss rate	**0.79%**	**10.69%**	**59.12%**	
Carrying amount as at 31 March 2023 (net of impairment provision)	**66,704.76**	**4,334.15**	**1,494.32**	**72,533.23**
Gross Balance as at 31 March 2022	47,020.87	9,112.22	4,864.19	60,997.28
Expected credit loss rate	0.91%	12.72%	57.56%	
Carrying amount as at 31 March 2022 (net of impairment provision)	46,592.65	7,953.28	2,064.33	56,610.26

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2023	**4,386.46**	**20.53**	**49.69**	**4,456.68**
Expected credit loss rate	**0.36%**	**9.58%**	**57.10%**	
Carrying amount as at 31 March 2023 (net of impairment provision)	**4,370.63**	**18.56**	**21.32**	**4,410.51**
Gross Balance as at 31 March 2022	2,015.09	80.42	44.97	2,140.48
Expected credit loss rate	0.37%	13.70%	51.93%	
Carrying amount as at 31 March 2022 (net of impairment provision)	2,007.67	69.40	21.62	2,098.69

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

Rs. in crores

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31 March 2023	**2,480.06**	**53.43**	**6.93**	**2,540.42**
Expected credit loss rate	**0.40%**	**5.96%**	**100.00%**	
Carrying amount as at 31 March 2023 (net of impairment provision)	**2,470.14**	**50.25**	**–**	**2,520.39**
Gross Balance as at 31 March 2022	1,682.21	64.55	60.66	1,807.42
Expected credit loss rate	0.40%	6.73%	100.00%	
Carrying amount as at 31 March 2022 (net of impairment provision)	1,675.48	60.21	–	1,735.68

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was Rs 56.64 crore (31 March 2022: Nil).

The expected credit loss allowance provision for **Financial Investments measured at amortized cost** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2023	**1,436.11**	**–**	**–**	**1,436.11**
Expected credit loss rate	**0.07%**			
Carrying amount as at 31 March 2023 (net of impairment provision)	**1,435.13**	**–**	**–**	**1,435.13**
Gross Balance as at 31 March 2022	1,531.82	–	–	1,531.82
Expected credit loss rate	0.11%			
Carrying amount as at 31 March 2022 (net of impairment provision)	1,530.21	–	–	1,530.21

Level of Assessment - Aggregation Criteria

The Company recognizes the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration (e.g. vehicle loans in unorganized sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows :

Gross exposure reconciliation

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	48,010.22	7,947.59	5,681.06	61,638.86
Changes due to loans recognized in the opening balance that have:	0.40%	5.96%	100.00%	
- Transfers to Stage 1	1,780.81	(1,366.89)	(413.92)	–
- Transfers to Stage 2	(4,850.04)	5,070.06	(220.02)	0.00
- Transfers to Stage 3	(1,178.97)	(1,125.45)	2,304.42	–
- Loans that have been derecognized during the period	(7,638.99)	(3,087.39)	(1,370.07)	(12,096.45)
New loans originated during the year	23,809.27	3,865.09	505.56	28,179.92
Write-offs	(4.61)	(52.89)	(1,495.37)	(1,552.87)
Impact of changes on items within the same stage	(12,906.81)	(2,137.90)	(127.47)	(15,172.18)
Gross carrying amount balance as at 31 March 2022	47,020.88	9,112.22	4,864.19	60,997.28

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	**47,020.88**	**9,112.22**	**4,864.19**	**60,997.28**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**2,547.61**	**(2,325.74)**	**(221.86)**	**–**
- Transfers to Stage 2	**(2,472.22)**	**2,579.47**	**(107.24)**	**–**
- Transfers to Stage 3	**(797.21)**	**(1,205.08)**	**2,002.29**	**–**
- Loans that have been derecognized during the period	**(6,854.18)**	**(2,183.64)**	**(1,580.34)**	**(10,618.16)**
New loans originated during the year	**40,659.66**	**665.40**	**216.59**	**41,541.65**
Write-offs	**(8.49)**	**(29.73)**	**(1,356.62)**	**(1,394.84)**
Impact of changes on items within the same stage	**(12,858.42)**	**(1,760.15)**	**(161.90)**	**(14,780.47)**
Gross carrying amount balance as at 31 March 2023	**67,237.62**	**4,852.75**	**3,655.11**	**75,745.46**

Reconciliation of ECL balance

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	410.72	864.91	3,268.98	4,544.61
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	386.93	(148.75)	(238.18)	–
- Transfers to Stage 2	(41.49)	168.10	(126.61)	–
- Transfers to Stage 3	(10.09)	(122.48)	132.57	–
- Loans that have been derecognized during the period	(65.35)	(335.99)	(788.36)	(1,189.70)
New loans originated during the year	216.84	491.58	291.00	999.42
Write-offs	(0.04)	(5.76)	(860.46)	(866.26)
Impact of changes on items within the same stage	(469.30)	247.33	1,120.92	898.95
ECL allowance balance as at 31 March 2022	428.22	1,158.94	2,799.86	4,387.02

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	**428.22**	**1,158.94**	**2,799.86**	**4,387.02**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**423.51**	**(295.80)**	**(127.71)**	**–**
- Transfers to Stage 2	**(22.51)**	**84.24**	**(61.73)**	**–**
- Transfers to Stage 3	**(7.26)**	**(153.27)**	**160.53**	**–**
- Loans that have been derecognized during the period	**(62.42)**	**(277.73)**	**(909.65)**	**(1,249.80)**
New loans originated during the year	**322.20**	**71.09**	**135.69**	**528.98**
Write-offs	**(0.08)**	**(3.78)**	**(780.88)**	**(784.74)**
Impact of changes on items within the same stage	**(547.84)**	**(65.27)**	**953.23**	**340.12**
ECL allowance balance as at 31 March 2023	**533.82**	**518.42**	**2,169.34**	**3,221.58**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was **Rs 1395.13** crore (31 March 2022: Rs 1638.80 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows :

Gross exposure reconciliation

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	1,580.83	138.98	38.02	1,757.84
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	30.73	(30.03)	(0.70)	–
- Transfers to Stage 2	(38.10)	38.67	(0.57)	–
- Transfers to Stage 3	(13.23)	(11.68)	24.91	–
- Loans that have been derecognised during the period	(1,041.81)	(38.27)	(1.33)	(1,081.41)
New loans originated during the year	1,705.78	8.84	0.22	1,714.84
Write-offs	(0.03)	–	(13.28)	(13.31)
Impact of changes on items within the same stage	(209.09)	(26.09)	(2.30)	(237.48)
Gross carrying amount balance as at 31 March 2022	2,015.08	80.42	44.97	2,140.48

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	**2,015.08**	**80.42**	**44.97**	**2,140.48**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**53.12**	**(52.62)**	**(0.50)**	**–**
- Transfers to Stage 2	**(14.93)**	**15.36**	**(0.43)**	**–**
- Transfers to Stage 3	**(8.22)**	**(6.08)**	**14.30**	**–**
- Loans that have been derecognised during the period	**(1,237.62)**	**(14.15)**	**(3.34)**	**(1,255.11)**
New loans originated during the year	**3,871.70**	**4.70**	**2.17**	**3,878.56**
Write-offs	**–**	**(1.69)**	**(5.16)**	**(6.85)**
Impact of changes on items within the same stage	**(292.67)**	**(5.41)**	**(2.32)**	**(300.40)**
Gross carrying amount balance as at 31 March 2023	**4,386.46**	**20.53**	**49.69**	**4,456.68**

Reconciliation of ECL balance

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	5.76	12.60	16.24	34.60
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	2.98	(2.57)	(0.41)	–
- Transfers to Stage 2	(0.20)	0.53	(0.33)	–
- Transfers to Stage 3	(0.10)	(1.12)	1.22	–
- Loans that have been derecognised during the period	(2.12)	(3.51)	(0.95)	(6.58)
New loans originated during the year	5.49	0.61	0.15	6.25
Write-offs	–	–	(5.89)	(5.89)
Impact of changes on items within the same stage	(4.38)	4.49	13.31	13.42
ECL allowance balance as at 31 March 2022	7.43	11.03	23.34	41.80

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	**7.43**	**11.03**	**23.34**	**41.80**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**7.33**	**(6.93)**	**(0.40)**	**–**
- Transfers to Stage 2	**(0.11)**	**0.46**	**(0.35)**	**–**
- Transfers to Stage 3	**(0.06)**	**(1.39)**	**1.45**	**–**
- Loans that have been derecognized during the period	**(2.08)**	**(1.62)**	**(2.43)**	**(6.13)**
New loans originated during the year	**13.78**	**0.35**	**1.37**	**15.50**
Write-offs	**–**	**(0.23)**	**(3.28)**	**(3.51)**
Impact of changes on items within the same stage	**(10.44)**	**0.32**	**8.67**	**(1.45)**
ECL allowance balance as at 31 March 2023	**15.85**	**1.99**	**28.37**	**46.21**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was **Rs. 7.46 crore** (31 March 2022: Rs.14.72 crore).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

An analysis of changes in the outstanding exposure and the corresponding ECLs in relation to other undrawn commitments is as follows:

Gross exposure reconciliation

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 April 2021	61.62	–	–	61.62
New Exposures	44.77	–	–	44.77
Exposure derecognized or matured/ lapsed (excluding write-offs)	(61.62)	–	–	(61.62)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
Write-offs	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
Closing balance of outstanding exposure as at 31 March 2022	44.77	–	–	44.77

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 April 2022	**44.77**	**–**	**–**	**44.77**
New Exposures	**154.30**	**–**	**–**	**154.30**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(44.77)**	**–**	**–**	**(44.77)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
Closing balance of outstanding exposure as at 31 March 2023	**154.30**	**–**	**–**	**154.30**

Reconciliation of ECL balance

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	1.18	–	–	1.18
New Exposures	0.17	–	–	0.17
Exposure derecognized or matured/ lapsed (excluding write-offs)	(1.18)	–	–	(1.18)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Loans that have been derecognized during the period	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
ECL allowance balance as at 31 March 2022	0.17	–	–	0.17

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	**0.17**	**–**	**–**	**0.17**
New Exposures	**0.43**	**–**	**–**	**0.43**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(0.17)**	**–**	**–**	**(0.17)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Loans that have been derecognized during the period	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2023	**0.43**	**–**	**–**	**0.43**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows:

Gross exposure reconciliation

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	3,787.25	–	–	3,787.25
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(2,481.44)	–	–	(2,481.44)
New Investments originated during the year	230.86	–	–	230.86
Write-offs	–	–	–	–
Impact of changes on items within the same stage	(4.85)	–	–	(4.85)
Gross carrying amount balance as at 31 March 2022	1,531.81	–	–	1,531.81

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	**1,531.81**	**–**	**–**	**1,531.81**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(496.66)**	**–**	**–**	**(496.66)**
New Investments originated during the year	**408.29**	**–**	**–**	**408.29**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**(7.33)**	**–**	**–**	**(7.33)**
Gross carrying amount balance as at 31 March 2023	**1,436.11**	**–**	**–**	**1,436.11**

Reconciliation of ECL balance

As at 31 March 2022

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	0.41	–	–	0.41
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(0.41)	–	–	(0.41)
New Investments originated during the year	1.61	–	–	1.61
Write-offs	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
ECL allowance balance as at 31 March 2022	1.61	–	–	1.61

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	**1.61**	**–**	**–**	**1.61**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(1.61)**	**–**	**–**	**(1.61)**
New Investments originated during the year	**55.49**	**–**	**–**	**55.49**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2023	**55.49**	**–**	**–**	**55.49**

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was nil (31 March 2022 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

The Company's loan portfolio is predominantly to finance retail automobile loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

Rs. in crores

Particulars	31 March 2023	31 March 2022
Concentration by Geographical region in India:		
North	**25,317.81**	19,268.21
East	**17,970.43**	16,293.45
West	**23,496.90**	16,784.94
South	**15,957.42**	12,598.58
Total Gross Carrying Value	**82,742.56**	64,945.18

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Upton 50%	**5,552.29**	5,209.78	**1,088.20**	606.87
51 - 70%	**11,237.76**	9,540.86	**724.50**	229.98
71 - 100%	**43,909.81**	32,258.89	**1,014.19**	51.12
Above 100%	**14,176.26**	13,161.38	**81.41**	29.46
	74,876.12	60,170.91	**2,908.30**	917.43

Gross value of credit impaired loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Upto 50%	**53.62**	185.68	**14.92**	13.60
51 - 70%	**67.32**	176.51	**0.89**	22.23
71 - 100%	**263.31**	504.33	**21.71**	0.26
Above 100%	**3,270.85**	3,997.67	**12.17**	8.88
	3,655.10	4,864.19	**49.69**	44.97

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognizing the loss allowances.

Fair value of collateral held against Credit Impaired assets

Rs. in crores

31 March 2023	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	**3,655.10**	**2,162.13**	**–**	**–**	**–**	**(220.15)**	**1,941.98**	**1,713.12**	**2,169.34**
SME Loans	**49.69**	**1.00**	**37.45**	**109.41**	**0.76**	**(109.10)**	**39.52**	**10.17**	**28.37**

31 March 2022	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	4,864.19	3,818.05	–	–	–	(694.56)	3,123.49	1,740.70	2,799.86
SME Loans	44.97	1.80	40.90	76.47	1.85	(83.07)	37.94	7.03	23.34

49.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Non-derivative financial liabilities

Rs. in crores

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
As at 31 March 2023				
Trade Payable :	**1,166.31**	**–**	**–**	**–**
Debt Securities :				
- Principal	**8,930.26**	**8,371.75**	**1,677.65**	**5,978.00**
- Interest	**1,918.22**	**2,229.15**	**1,253.08**	**1,931.27**
Borrowings (Other than Debt Securities):				
- Principal	**16,514.38**	**18,999.66**	**5,728.83**	**0.45**
- Interest	**2,344.83**	**2,198.32**	**349.08**	**–**
Deposit :				
- Principal	**1,836.02**	**3,269.40**	**436.41**	**–**
- Interest	**395.60**	**675.37**	**140.48**	**–**
Subordinated liabilities:				
- Principal	**140.14**	**449.32**	**1,380.25**	**1,493.73**
- Interest	**294.46**	**541.38**	**449.18**	**527.86**
Other financial liabilities:	**1,867.54**	**288.90**	**112.95**	**114.89**
Total	**35,407.76**	**37,023.25**	**11,527.91**	**10,046.20**

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
As at 31 March 2022				
Trade Payable :	1,005.28	–	–	–
Debt Securities :				
- Principal	4,583.31	7,324.81	2,602.90	3,778.00
- Interest	1,334.02	1,879.26	935.55	1,403.35
Borrowings (Other than Debt Securities):				
- Principal	11,522.87	13,078.99	1,409.82	0.11
- Interest	861.31	845.99	40.86	0.00
Deposit :				
- Principal	4,769.74	3,141.74	535.58	–
- Interest	733.25	597.90	101.26	–
Subordinated liabilities:				
- Principal	70.00	414.46	1,108.01	1,560.98
- Interest	271.42	517.52	533.55	480.56
Other financial liabilities:	1,816.73	388.94	78.97	31.51
Total	26,967.93	28,189.61	7,346.50	7,254.51

b) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Rs. in crores

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2023				
Gross settled:				
Foreign exchange forward contracts				
- Payable	**0.13**	**20.65**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Interest Rate swaps				
- Payable	**–**	**23.61**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Currency swaps				
- Payable	**50.09**	**101.83**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Total Payable	**50.22**	**146.09**	**–**	**–**
Total Receivable	**–**	**–**	**–**	**–**

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2022				
Gross settled:				
Foreign exchange forward contracts				
- Payable	37.17	–	–	–
- Receivable	–	–	–	–
Interest Rate swaps				
- Payable	2.67	–	–	–
- Receivable	–	–	–	–
Currency swaps				
- Payable	–	48.93	102.62	–
- Receivable	27.43	–	–	–
Total Payable	39.84	48.93	102.62	–
Total Receivable	27.43	–	–	–

49.4 a) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in crores

Type of instrument	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets / financial liabilities	Category	As at 31 March 2023	As at 31 March 2022					
1) Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(35.87)	(38.70)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2) Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(144.83)	(116.90)	Level 2	Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate		
3) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	–	834.47	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	94.12	–	Level 1	Quoted market price			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	1,973.02	–	Level 1	Quoted market price			
6) Investment in equity instruments-Quoted	Financial Assets	Financial instrument measured at FVTPL	0.06	0.24	Level 1	Quoted market price			

Type of instrument	Fair Value: Financial assets / financial liabilities	Category	As at 31 March 2023	As at 31 March 2022	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
7) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	42.39	42.39	Level 3	Discounted Cash Flow	The discounted cash flow method used the future free cash flows of the Company discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	5,117.89	4,662.84	Level 1	Quoted market price			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

49.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Year ended 31 March 2023			
Opening balance	**42.38**	**–**	**42.38**
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss	**–**	**–**	**–**
b) in other comprehensive income	**–**	**–**	**–**
Fair value of -			
Purchases made during the year	**–**	**–**	**–**
Disposals made during the year	**–**	**–**	**–**
Transfers into Level 3	**–**	**–**	**–**
Transfers out of Level 3	**–**	**–**	**–**
Closing balance	**42.38**	**–**	**42.38**
Year ended 31 March 2022			
Opening balance	**16.37**	**–**	**16.37**
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss	**–**	**–**	**–**
b) in other comprehensive income	**26.01**	**–**	**26.01**

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Fair value of -			
Purchases made during the year	–	–	–
Issues made during the year	–	–	–
Disposals made during the year	–	–	–
Transfers into Level 3	–	–	
Transfers out of Level 3	–	–	–
Closing balance	**42.38**	**–**	**42.38**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

Rs. in crores

Particulars	31 March 2023	31 March 2022
Equity investment in Smartshift Logistic Solutions Private Limited (formerly Known as Orizonte Business Solutions Limited)		
Fair Value of Investments	**42.38**	42.38

There are no disposal of investment during the year ended 31 March 2023 and 2022 respectively.

49.4 d) Financial Instruments measured at amortized cost

Rs. in crores

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	**249.75**	**249.75**	**249.75**	**–**	**–**
b) Bank balances other than cash and cash equivalent	**2,582.31**	**2,582.31**	**2,582.31**	**–**	**–**
c) Trade Receivables	**21.84**	**21.02**	**–**	**21.02**	**–**
d) Loans and advances to customers	**79,454.73**	**78,968.47**	**–**	**–**	**78,968.47**
e) Financial investments - at amortized cost	**1,435.13**	**1,444.62**	**1,299.40**	**145.22**	**–**
f) Other financial assets	**1,589.28**	**1,645.04**	**–**	**1,645.04**	**–**
Total	**85,333.04**	**84,911.21**	**4,131.46**	**1,811.28**	**78,968.47**
Financial liabilities					
a) Trade Payables	**1,166.31**	**1,166.31**	**–**	**1,166.31**	**–**
b) Debt securities	**24,745.07**	**25,365.56**	**25,365.56**	**–**	**–**
c) Borrowings other than debt securities	**41,234.06**	**41,412.52**	**–**	**41,412.52**	**–**
d) Deposits	**5,524.60**	**5,943.63**	**–**	**5,943.63**	**–**
e) Subordinated Liabilities	**3,442.13**	**3,764.28**	**3,764.28**	**–**	**–**
f) Other financial liability	**2,384.28**	**2,376.74**	**–**	**2,376.74**	**–**
Total	**78,496.45**	**80,029.04**	**29,129.84**	**50,899.20**	**–**
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	327.87	327.87	327.87	–	–
b) Bank balances other than cash and cash equivalent	3,822.82	3,822.82	3,822.82	–	–
c) Trade Receivables	9.09	9.09	–	9.09	–
d) Loans and advances to customers	60,444.64	60,767.89	–	–	60,767.89
e) Financial investments - at amortized cost	1,530.21	1,583.85	1,358.47	225.38	–
f) Other financial assets	223.13	226.63	–	226.63	–
Total	66,357.76	66,738.15	5,509.16	461.10	60,767.89
Financial liabilities					
a) Trade Payables	1,005.28	1,005.28	–	1,005.28	–
b) Debt securities	18,252.71	19,771.64	19,771.64	–	–
c) Borrowings other than debt securities	26,005.17	26,054.92	–	26,054.92	–
d) Deposits	8,426.19	9,318.36	–	9,318.36	–
e) Subordinated Liabilities	3,129.85	3,570.69	3,570.69	–	–
f) Other financial liability	2,316.17	2,318.77	–	2,318.77	–
Total	59,135.37	62,039.66	23,342.33	38,697.33	–

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and investment & borrowings in commercial papers. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Financial Investments

For Government Securities, the market value of the respective Government Stock as on date of reporting has been considered for fair value computations. Since market quotes are not available in the absence of any trades, the carrying amount of Secured redeemable non-convertible debentures is considered as the fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure and cumulative/ non-cumulative scheme.

Except for the above, carrying value of other financial assets/liabilities represent reasonable estimate of fair value.

50 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Rs. in crores

	As at 31 March 2023			As at 31 March 2022		
Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	**249.75**	**–**	**249.75**	327.87	–	327.87
Bank balance	**2,582.31**	**–**	**2,582.31**	3,822.82	–	3,822.82
Derivative financial instruments	**–**	**–**	**–**	26.63	–	26.63
Trade receivables	**21.84**	**–**	**21.84**	9.09	–	9.09
Loans	**32,000.40**	**47,454.33**	**79,454.73**	26,878.84	33,565.80	60,444.64
Investments	**2,784.59**	**7,204.03**	**9,988.62**	1,472.42	6,967.85	8,440.27
Other financial assets	**170.95**	**1,418.33**	**1,589.28**	63.90	159.23	223.13
Current tax assets (Net)	**–**	**504.36**	**504.36**	–	462.40	462.40
Deferred tax Assets (Net)	**–**	**637.24**	**637.24**	–	836.42	836.42
Property, plant and equipment	**–**	**681.20**	**681.20**	–	383.10	383.10
Other Intangible assets	**–**	**14.35**	**14.35**	–	9.77	9.77
Other non-financial assets	**271.18**	**221.69**	**492.87**	152.24	150.35	302.59
Total Assets	**38,081.02**	**58,135.53**	**96,216.55**	32,753.81	42,534.92	75,288.73
Liabilities						
Financial Liabilities						
Derivative financial instruments	**49.36**	**131.34**	**180.70**	38.70	143.52	182.22
Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1,166.31**	**–**	**1,166.31**	1,005.28	–	1,005.28
Debt Securities	**8,775.60**	**15,969.47**	**24,745.07**	4,575.71	13,677.00	18,252.71
Borrowings (Other than Debt Securities)	**16,514.37**	**24,719.69**	**41,234.06**	11,520.88	14,484.29	26,005.17
Deposits	**1,834.08**	**3,690.52**	**5,524.60**	4,764.54	3,661.65	8,426.19
Subordinated Liabilities	**140.12**	**3,302.01**	**3,442.13**	69.94	3,059.91	3,129.85
Other financial liabilities	**1,867.54**	**516.74**	**2,384.28**	1,826.51	489.66	2,316.17
Non-Financial Liabilities						
Current tax liabilities (Net)	**51.75**	**13.92**	**65.67**	–	13.92	13.92
Provisions	**167.25**	**93.49**	**260.74**	118.27	103.08	221.35
Other non-financial liabilities	**114.30**	**9.78**	**124.08**	105.35	2.43	107.78
Total Liabilities	**30,680.68**	**48,446.96**	**79,127.64**	24,025.18	35,635.46	59,660.64
Net	**7,400.34**	**9,688.57**	**17,088.91**	8,728.63	6,899.46	15,628.09
Other undrawn commitments	**154.30**	**–**	**154.30**	44.77	–	44.77
Total commitments	**154.30**	**–**	**154.30**	44.77	–	44.77

51 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Holding Company**	Mahindra & Mahindra Limited
b)	**Subsidiary Companies:**	Mahindra Insurance Brokers Limited
	(entities on whom control is exercised)	Mahindra Rural Housing Finance Limited
		Mahindra Ideal Finance Limited
		Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust
		MRHFL Employees Welfare Trust
		Mahindra Finance CSR Foundation
c)	**Fellow Subsidiaries:**	Mahindra USA, Inc
	(entities with whom the Company has transactions)	NBS International Limited
		Mahindra First Choice Wheels Limited
		Mahindra Defence Systems Limited
		Mahindra Integrated Business Solutions Limited
		Meru Mobility Tech Private Limited
		Mahindra Construction Co. Limited
		Bristlecone India Limited
		Mahindra Water Utilities Limited
		Gromax Agri Equipment Limited
		Mahindra Electric Mobility Limited
		Mahindra Holidays & Resorts India Limited
		New Democratic Electoral Trust
		Mahindra Susten Pvt Limited
		Mahindra & Mahindra Contech Pvt Limited
		Mahindra Two wheeler Limited
		Mahindra Sumit Agriscience Limited
		Swaraj Engines Limited
		Martial Soleren Pvt. Limited
		Mahindra Heavy Engines Limited
		Mahindra Teqo Pvt Limited
d)	**Joint Ventures/ Associates:**	Mahindra Finance USA, Inc
	(entities on whom control is exercised)	Mahindra Manulife Investment Management Pvt. Ltd.
		Mahindra Manulife Trustee Pvt. Ltd.
e)	**Joint Ventures/ Associates of Holding Company:**	Tech Mahindra Limited
	(entities with whom the Company has transactions)	Smartshift Logistics Solutions Pvt Ltd.
		PSL Media & Communications Ltd
f)	**Key Management Personnel:**	Dr. Anish Shah
		Mr. Ramesh Iyer
		Mr. Dhananjay Mungale
		Mr. C. B. Bhave
		Ms. Rama Bijapurkar
		Mr. Milind Sarwate
		Mr. Amit Kumar Sinha
		Mr. Amit Raje *(Ceased to be a director w.e.f. 28 July 2022)*
		Dr. Rebecca Nugent
		Mr. Siddhartha Mohanty *(w.e.f. 01 April 2022)*
		Mr. Diwakar Gupta *(w.e.f. 01 January 2023)*
g)	**Relatives of Key Management Personnel**	Ms. Janaki Iyer
	(where there are transactions)	Mr. Dinesh Iyer

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Subvention / Incentive income												
- Mahindra & Mahindra Limited	**72.97**	16.34	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Electric Mobility Limited	**–**	–	**–**	–	**2.35**	0.30	**–**	–	**–**	–	**–**	–
Lease rental income												
- Mahindra & Mahindra Limited	**59.08**	20.38	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Electric Mobility Limited	**–**	–	**–**	–	**0.30**	0.20	**–**	–	**–**	–	**–**	–
- Mahindra & Mahindra Contech Private Limited	**–**	–	**–**	–	**0.04**	0.01	**–**	–	**–**	–	**–**	–
- Swaraj Engines Limited	**–**	–	**–**	–	**0.13**	–	**–**	–	**–**	–	**–**	–
- Mahindra Susten Private Limited	**–**	–	**–**	–	**0.29**	–	**–**	–	**–**	–	**–**	–
- Mahindra Heavy Engines Limited	**–**	–	**–**	–	**0.21**	–	**–**	–	**–**	–	**–**	–
- Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**0.19**	–	**–**	–	**–**	–	**–**	–
- Mahindra Solarize Private Limited	**–**	–	**–**	–	**0.17**	–	**–**	–	**–**	–	**–**	–
- Mahindra Integrated Business solution	**–**	–	**–**	–	**0.08**	–	**–**	–	**–**	–	**–**	–
- Mahindra Teqo	**–**	–	**–**	–	**0.08**	–	**–**	–	**–**	–	**–**	–
- Mahindra Summit Agriscience Limited	**–**	–	**–**	–	**0.09**	–	**–**	–	**–**	–	**–**	–
- Mahindra Two Wheelers Limited	**–**	–	**–**	–	**0.10**	–	**–**	–	**–**	–	**–**	–
Interest income												
- Mahindra & Mahindra Limited	**1.47**	3.61	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Income from sharing services												
- Mahindra & Mahindra Limited	**0.18**	0.57	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Rural Housing Finance Limited	**–**	–	**5.29**	6.48	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**3.30**	2.18	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Manulife Investment Management Pvt Ltd	**–**	–	**–**	–	**–**	–	**0.62**	0.62	**–**	–	**–**	–
- Mahindra Manulife Trustee Company Pvt Ltd	**–**	–	**–**	–	**–**	–	**0.01**	0.01	**–**	–	**–**	–
Dividend Income												
- Mahindra Rural Housing Finance Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**4.12**	2.47	**–**	–	**–**	–	**–**	–	**–**	–
Interest expense												
- Mahindra & Mahindra Limited	**0.47**	3.20	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**14.78**	7.66	**–**	–	**–**	–	**–**	–	**–**	–
- Tech Mahindra Limited	**–**	–	**–**	–	**10.80**	15.84	**–**	–	**–**	–	**–**	–
- Swaraj Engines Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Vehicle Manufacturers Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
- Mahindra Intertrade Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Water Utilities Limited	**–**	–	**–**	–	**0.15**	0.28	**–**	–	**–**	–	**–**	–
- Mahindra Engineering & Chemical Products Ltd	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- PSL Media & Communications Ltd	**–**	–	**–**	–	**0.04**	0.06	**–**	–	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**8.02**	9.45	**–**	–	**–**	–	**–**	–
- Mr Ramesh Iyer	**–**	–	**–**	–	**–**	–	–	–	**0.05**	0.05	**–**	–
- Others	**–**	–	**–**	–	**–**	–	–	–	**–**	–	**0.28**	0.31
Other expenses												
- Mahindra & Mahindra Limited	**53.44**	40.32	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**3.67**	49.49	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Rural Housing Finance Limited	**–**	–	**–**	0.02	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**22.83**	17.86	**–**	**–**	**–**	–	**–**	–
- Mahindra Defence Systems Ltd	**–**	–	**–**	–	**2.28**	3.68	**–**	**–**	**–**	–	**–**	–
- Bristlecone India Limited	**–**	–	**–**	–	**0.02**	0.35	**–**	**–**	**–**	–	**–**	–
- Mahindra Vehicle Manufacturers Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Integrated Business Solutions Limited	**–**	–	**–**	–	**45.42**	24.47	**–**	**–**	**–**	–	**–**	–
- Mahindra Engineering & Chemical Products Ltd	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Finance CSR Foundation	**–**	–	**0.20**	0.01	**–**	–	**–**	**–**	**–**	–	**–**	–
- NBS International Limited	**–**	–	**–**	–	**0.30**	0.20	**–**	**–**	**–**	–	**–**	–
- Meru Mobility Tech Private Limited	**–**	–	**–**	–	**0.02**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Solarize Private Limited	**–**	–	**–**	–	**0.05**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**0.03**	–	**–**	**–**	**–**	–	**–**	–
- Others	**–**	–	**–**	–	**0.66**	0.06	**–**	**–**	**–**	–	**–**	–
Remuneration												
- Mr Ramesh Iyer	**–**	–	**–**	–	**–**	–	–	–	**7.09**	7.46	**–**	–
- Mr Amit Raje	**–**	–	**–**	–	**–**	–	–	–	**8.37**	3.51	**–**	–
Sitting fees and commission												
- Mr C. B. Bhave	**–**	–	**–**	–	**–**	–	**–**	–	**0.52**	0.46	**–**	–
- Mr Dhananjay Mungale	**–**	–	**–**	–	**–**	–	**–**	–	**0.53**	0.47	**–**	–
- Ms Rama Bijapurkar	**–**	–	**–**	–	**–**	–	**–**	–	**0.48**	0.42	**–**	–
- Mr Milind Sarwate	**–**	–	**–**	–	**–**	–	–	**–**	**0.56**	0.47	**–**	–
- Dr Rebecca Nugent	**–**	–	**–**	–	**–**	–	**–**	–	**0.42**	0.38	**–**	–
- Mr Diwakar Gupta	**–**	–	**–**	–	**–**	–	**–**	–	**0.12**	–	**–**	–
Reimbursement from parties												
- Mahindra & Mahindra Limited	**16.20**	35.20	**–**	–	**–**	–	–	**–**	**–**	–	**–**	–
- Gromax Agri Equipment Limited	**–**	–	**–**	–	**4.09**	4.65	–	**–**	**–**	–	**–**	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
- Mahindra Manulife Investment Management Pvt Ltd	**–**	–	**–**	–	**–**	–	**–**	0.06	**–**	–	**–**	–
- Mahindra Rural Housing Finance Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**–**	–	**–**	–	–	**–**	**–**	–	**–**	–
Reimbursement to parties												
- Mahindra Insurance Brokers Limited	**–**	–	**–**	–	**–**	–	–	**–**	**–**	–	**–**	–
- Mahindra Rural Housing Finance Limited	**–**	–	**0.32**	1.76	**–**	–	–	**–**	**–**	–	**–**	–
- Mahindra USA, Inc	**–**	–	**–**	–	**2.56**	2.33	**–**	**–**	**–**	–	**–**	–
- Mahindra Electric Mobility Limited	**–**	–	**–**	–	**–**	0.02	**–**	**–**	**–**	–	**–**	–
- NBS International Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	**130.34**	114.27	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- NBS International Limited	**–**	–	**–**	–	**9.77**	5.51	**–**	**–**	**–**	–	**–**	–
Sale of fixed assets												
- Mahindra Rural Housing Finance Limited	**–**	–	**0.02**	0.21	**–**	–	**–**	**–**	**–**	–	**–**	–
Investments made												
- Mahindra Manulife Investment Management Pvt Ltd	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Ideal Finance Ltd	**–**	–	**–**	33.97	**–**	–	–	–	**–**	–	**–**	–
- Mahindra Finance CSR Foundation	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- New Democratic Electoral Trust	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Smartshift Logistics Solutions Pvt Ltd.	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	**–**	–	**47.50**	184.65	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra & Mahindra Limited	**2.10**	11.99	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- PSL Media & Communications Ltd	**–**	–	**–**	–	**0.86**	0.90	**–**	**–**	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**–**	5.00	**–**	**–**	**–**	–	**–**	–
- Mr Ramesh Iyer	**–**	–	**–**	–	**–**	–	**–**	–	**0.80**	0.91	**–**	–
- Others	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2.18**	1.82
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	**–**	–	**93.65**	73.50	**–**	–	**–**	**–**	**–**	–	**–**	–
- PSL Media & Communications Ltd	**–**	–	**–**	–	**1.55**	0.90	**–**	**–**	**–**	–	**–**	–
- Mahindra & Mahindra Limited	**13.01**	2.32	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**–**	15.00	**–**	**–**	**–**	–	**–**	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.91**	0.79	–	–
- Others	–	–	–	–	–	–	–	–	–	–	**1.83**	2.03
Dividend paid												
- Mahindra & Mahindra Limited	**231.98**	51.55	–	–	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	–	–	**0.92**	0.27	–	–	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.59**	0.14	–	–
- Ms Rama Bijapurkar	–	–	–	–	–	–	–	–	**0.01**	0.00	–	–
- Mr Dhananjay Mungale	–	–	–	–	–	–	–	–	**0.00**	0.00	–	–
- Others	–	–	–	–	–	–	–	–	**0.00**	–	**0.00**	–
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**93.00**	4.00	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	–	200.00	–	–	–	–	–	–
- Mahindra Vehicle Manufacturers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	–	4.26	–	–	–	–	–	–
- Mahindra Intertrade Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	–	140.00	–	–	–	–	–	–
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	–	4.00	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	–	500.00	–	–	–	–	–	–
- Mahindra Vehicle Manufacturers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	**4.26**	3.75	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	–	180.00	–	–	–	–	–	–
- Mahindra Intertrade Limited	–	–	–	–	–	–	–	–	–	–	–	–
Debentures issued												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
Debentures matured												
- Mahindra & Mahindra Limited	–	95.00	–	–	–	–	–	–	–	–	–	–
Balances as at the end of the year												
Receivables												
- Mahindra & Mahindra Limited	**22.56**	6.81	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**0.21**	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	**0.01**	1.06	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	–	0.05	–	–	–	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
- Mahindra Manulife Trustee Company Pvt Ltd	**–**	–	**–**	–	**–**	–	**0.01**	**0.01**	**–**	–	**–**	–
- NBS International Limited	**–**	–	**–**	–	**0.92**	1.41	**–**	**–**	**–**	–	**–**	–
- Mahindra Electric Mobility Limited	**–**	–	**–**	–	**–**	0.10	**–**	**–**	**–**	–	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**0.06**	–	**–**	**–**	**–**	–	**–**	–
- Swaraj Engines Limited	**–**	–	**–**	–	**0.04**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Two Wheelers Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Summit Agriscience Limited	**–**	–	**–**	–	**0.03**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Teqo	**–**	–	**–**	–	**0.01**	–	**–**	–	**–**	–	**–**	–
Loan given (including interest accrued but not due)	**–**	–	**–**	–	–	–	**–**	–	**–**	–	**–**	–
- 2 x 2 Logistics Private Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Construction Co. Ltd.	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Smartshift Logistics Solutions Pvt Ltd.	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
Investments												
- Mahindra Rural Housing Finance Limited	**–**	–	**799.30**	799.30	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**0.45**	0.45	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Manulife Investment Management Pvt Ltd	**–**	–	**–**	–	**–**	–	**195.30**	195.30	**–**	–	**–**	–
- Mahindra Manulife Trustee Company Pvt Ltd	**–**	–	**–**	–	**–**	–	**0.50**	0.50	**–**	–	**–**	–
- Mahindra Finance CSR Foundation	**–**	–	**0.00**	0.00	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Finance USA, Inc	**–**	–	**–**	–	**–**	–	**210.55**	210.55	**–**	–	**–**	–
- Mahindra Ideal Finance Ltd	**–**	–	**77.97**	77.97	**–**	–	**–**	**–**	**–**	–	**–**	–
- New Democratic Electoral Trust	**–**	–	**–**	–	**0.02**	0.02	**–**	**–**	**–**	–	**–**	–
- Smartshift Logistics Solutions Pvt Ltd.	**–**	–	**–**	–	**9.50**	9.50	**–**	**–**	**–**	–	**–**	–
Payables												
- Mahindra & Mahindra Limited	**1.56**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**–**	10.72	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**5.76**	6.71	**–**	**–**	**–**	–	**–**	–
- Tech Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra USA, Inc	**–**	–	**–**	–	**0.37**	0.16	**–**	**–**	**–**	–	**–**	–
- Mahindra Integrated Business Solutions Limited	**–**	–	**–**	–	**0.59**	0.40	**–**	**–**	**–**	–	**–**	–
- NBS International Limited	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**	–	**–**	–
- Mahindra Defence Systems Ltd	**–**	–	**–**	–	**0.59**	–	**–**	**–**	**–**	–	**–**	–
- Others	**–**	–	**–**	–	**–**	0.01	**–**	**–**	**–**	–	**–**	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	**Holding Company**		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**100.64**	4.02	**–**	–	**–**	–	**–**	–	**–**	–
- Tech Mahindra Limited	**–**	–	**–**	–	**217.26**	207.54	**–**	–	**–**	–	**–**	–
- Mahindra Water Utilities Limited	**–**	–	**–**	–	**–**	4.28	**–**	–	**–**	–	**–**	–
- Mahindra Intertrade Limited	**–**	–	**–**	–	**–**	0.01	**–**	–	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**152.28**	145.35	**–**	–	**–**	–	**–**	–
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	**4.48**	15.69	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
- Mahindra Insurance Brokers Limited	**–**	–	**157.48**	199.88	**–**	–	**–**	–	**–**	–	**–**	–
- PSL Media & Communications Ltd	**–**	–	**–**	–	**0.21**	0.93	**–**	–	**–**	–	**–**	–
- Mahindra Holidays & Resorts India Ltd	**–**	–	**–**	–	**5.29**	5.01	**–**	–	**–**	–	**–**	–
- Mr Ramesh Iyer	**–**	–	**–**	–	**–**	–	**–**	–	**0.01**	0.92	**–**	–
- Others	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**0.06**	4.39

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

iii) Details of related party transactions with Key Management Personnel (KMP) are as under :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

			Rs. in crores
Name of the KMP	**Nature of transactions**	**31 March 2023**	31 March 2022
- Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
	Gross Salary including perquisites	**6.77**	4.47
	Commission	**–**	1.28
	Stock Option	**–**	1.45
	Others - Contribution to Funds	**0.39**	0.33
		7.16	7.53
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit) (Ceased to be a director w.e.f 28 July 2022)			
	Gross Salary including perquisites	**4.02**	2.79
	Commission	**–**	–
	Stock Option	**4.35**	0.70
	Others - Contribution to Funds	**0.07**	0.09
		8.44	3.58
Mr. Dhananjay Mungale (Independent Director)			
	Commission	**0.30**	0.32
	Sitting fees	**0.18**	0.17
		0.48	0.49
Ms. Rama Bijapurkar (Independent Director)			
	Commission	**0.30**	0.25
	Sitting fees	**0.13**	0.12
		0.43	0.37

Rs. in crores

Name of the KMP	Nature of transactions	31 March 2023	31 March 2022
Mr. C.B. Bhave (Independent Director)			
	Commission	**0.30**	0.25
	Sitting fees	**0.17**	0.16
		0.47	0.41
Mr. Milind Sarwate (Independent Director)			
	Commission	**0.30**	0.21
	Sitting fees	**0.21**	0.13
		0.51	0.34
Dr. Rebecca Nugent			
	Commission	**0.30**	0.02
	Sitting fees	**0.07**	0.07
		0.37	0.09
Diwakar Gupta			
(Appointed w.e.f. 1 January 2023)	Commission	**–**	–
	Sitting fees	**0.03**	–
		0.03	–

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31 March 2023

Rs. in crores

Particulars	Relationship	Balance as on 1 April 2022	Advances/ investments	Repayments/ sale	Balance as on 31 March 2023
(A) Loans and advances		**–**	**–**	**–**	**–**
		–	**–**	**–**	**–**
(B) Unsecured redeemable non-convertible subordinate debentures		**–**	**–**	**–**	**–**
		–	**–**	**–**	**–**
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	**0.45**	**–**	**–**	**0.45**
Mahindra Rural Housing Finance Limited	Subsidiary	**799.30**	**–**	**–**	**799.30**
Mahindra Manulife Investment Management Private Limited	Joint Venture	**195.30**	**–**	**–**	**195.30**
Mahindra Manulife Trustee Private Limited	Joint Venture	**0.50**	**–**	**–**	**0.50**
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	**0.00**	**–**	**–**	**0.00**
Mahindra Finance USA, LLC	Joint Venture	**210.55**	**–**	**–**	**210.55**
Mahindra Ideal Finance Limited, Sri Lanka (considered as Subsidiary w.e.f. 8 July 2021) (Formarly known as Ideal Finance Limited)	Subsidiary	**77.97**	**–**	**–**	**77.97**
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	**9.50**	**–**	**–**	**9.50**
New Democratic Electoral Trust	Fellow subsidiary	**0.02**	**–**	**–**	**0.02**
		1,293.59	**–**	**–**	**1,293.59**
Total		**1,293.59**	**–**	**–**	**1,293.59**

As at 31 March 2022

Rs. in crores

Particulars	Relation	Balance as on 1 April 2021	Advances/ investments	Repayments/ sale	Balance as on 31 March 2022
(A) Loans and advances		–	–	–	–
		–	–	–	–
(B) Unsecured redeemable non-convertible subordinate debentures					
		–	**–**	**–**	**–**
(C) Investments					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	–	–	0.45
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	–	–	799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	–	–	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	–	–	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00	–	–	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	–	–	210.55

Rs. in crores

Particulars	Relation	Balance as on 1 April 2021	Advances/ investments	Repayments/ sale	Balance as on 31 March 2022
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	44.00	33.97	–	77.97
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	9.50	–	–	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	0.01	–	0.02
		1,259.62	**33.98**	**–**	**1,293.59**
Total		**1,259.62**	**33.98**	**–**	**1,293.59**

Notes:

i) Above loans & advances and investments have been given for general business purposes of the recipient and figures are at historical cost.

ii) There were no guarantees given / securities provided during the year.

52 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

Rs. in crores

Sr. No.	Particulars	As at 31 March 2023 Amount Outstanding	As at 31 March 2023 Amount Overdue	As at 31 March 2022 Amount Outstanding	As at 31 March 2022 Amount Overdue
	Liabilities				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures:				
	- Secured	**20,716.06**	**–**	17,843.39	–
	- Unsecured	**1,076.04**	**–**	860.69	–
	(b) Deferred Credits	**–**	**–**	–	–
	(c) Term Loans	**30,820.00**	**–**	15,335.00	–
	(d) Inter-corporate loans and Other Borrowings	**984.66**	**–**	361.18	–
	(e) Commercial Paper	**3,936.00**	**–**	496.56	–
	(f) Public Deposits	**5,309.42**	**–**	7,352.38	–
	(g) Fixed Deposits accepted from Corporates	**564.80**	**–**	1,658.15	–
	(h) External Commercial Borrowings	**2,583.92**	**–**	2,216.79	–
	(i) Associated liabilities in respect of securitisation transactions	**6,723.77**	**–**	8,094.52	–
	(j) Subordinate debt (including NCDs issued through Public issue)	**3,705.34**	**–**	3,373.29	–
	(k) Other Short Term Loans and credit facilities from banks	**255.87**	**–**	85.00	–
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of Unsecured debentures	**–**	**–**	–	–
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	**–**	**–**	–	–
	(c) Other public deposits	**5,309.42**	**–**	7,352.38	–

Sr. No.	Asset side:	Amount Outstanding As at 31 March 2023	Amount Outstanding As at 31 March 2022
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	**–**	–
	(b) Unsecured	**4,607.48**	3,265.62
4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	**–**	–
	(b) Operating lease	**2.18**	1.22
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	**–**	–
	(b) Repossessed Assets	**–**	–
	(iii) Other loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed	**70.23**	167.27
	(b) Loans other than (a) above	**74,796.68**	57,019.62
5)	**Break-up of Investments:**		
	Current Investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	**–**	–
	(b) Preference	**–**	–
	(ii) Debentures and Bonds	**8.92**	6.86
	(iii) Units of mutual funds	**–**	834.47
	(iv) Government Securities	**588.58**	467.15
	(v) Investments in Certificate of Deposits with Banks	**1,973.02**	–
	(vi) Investments in Commercial Papers	**94.12**	–

Asset side:	Amount Outstanding As at 31 March 2023	As at 31 March 2022
2. Unquoted:		
(i) Shares:		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Certificate of Deposits with Banks	–	–
(vi) Commercial Papers	–	–
(vii) Investments in Pass Through Certificates under securitization transactions	**119.95**	163.93
(viii) Investment in Triparty Repo Dealing System (TREPS)	–	–
Long Term Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	**0.06**	0.24
(b) Preference	–	–
(ii) Debentures and Bonds (Bonds of FCI NCDs of NABARD)	**377.40**	286.55
(iii) Units of mutual funds	–	–
(iv) Government Securities	**5550.13**	5340.94
2. Unquoted:		
(i) Shares:		
(a) Equity	**1271.97**	1326.48
(b) Preference	–	–
(ii) Debentures and Bonds	**1.59**	1.59
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Investments in Pass Through Certificates under securitization transactions	**2.88**	12.06

6) Borrower group-wise classification assets financed as in (3) and (4) above:

Category	As at 31 March 2023 Amount net of provisions			As at 31 March 2022 Amount net of provisions		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	–	–	–	–	–	–
(b) Companies in the same group	–	–	–	–	–	–
(c) Other related parties	–	–	–	–	–	–
2. Other than related parties	**74,866.91**	**4,609.66**	**79,476.57**	57,186.89	3,266.84	60,453.73
Total	**74,866.91**	**4,609.66**	**79,476.57**	57,186.89	3,266.84	60,453.73

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2023 Market Value/ Break up or fair value or NAV	As at 31 March 2023 Book Value (net of provisions)	As at 31 March 2022 Market Value/ Break up or fair value or NAV	As at 31 March 2022 Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	**877.72**	**877.72**	877.72	877.72
(b) Companies in the same group	**448.76**	**448.76**	448.76	448.76
(c) Other related parties	–	–	–	–
2. Other than related parties	**8,717.63**	**8,662.14**	7,115.40	7,113.79
Total	**10,044.11**	**9,988.62**	**8,441.88**	**8,440.27**

8) Other information:

Particulars	As at 31 March 2023 Amount	As at 31 March 2022 Amount
i) Gross Non-Performing Assets:		
(a) Related parties	–	–
(b) Other than related parties	**3,717.10**	4,976.30
ii) Net Non-Performing Assets:		
(a) Related parties	–	–
(b) Other than related parties	**1,507.08**	2,085.95
iii) Assets acquired in satisfaction of debt:	**1.65**	1.83

53 Balance sheet disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds, 'net owned funds' and 'regulatory capital'.

I) Capital

Particulars	As at 31 March 2023	As at 31 March 2022
CRAR (%)	**22.52%**	27.75%
CRAR-Tier I Capital (%)	**19.87%**	24.24%
CRAR-Tier II Capital (%)	**2.65%**	3.51%
Amount of subordinated debt raised as Tier-II capital (Rs. in crores)	**380.00**	132.90
Amount raised by issue of Perpetual Debt Instruments	**–**	–

II) Investments

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	**9,755.59**	8,153.36
(b) Outside India	**288.52**	288.52
(ii) Provisions for Depreciation		
(a) In India	**0.98**	1.61
(b) Outside India	**54.51**	–
(iii) Net Value of Investments		
(a) In India	**9,754.61**	8,151.75
(b) Outside India	**234.01**	288.52
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	**1.61**	0.41
(ii) Add: Provisions made during the year	**54.51**	1.61
(iii) Less: Write-off/write-back of excess provisions during the year	**(0.63)**	(0.41)
(iv) Closing balance	**55.49**	1.61

III) Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Rs. in crores

		As at 31 March 2023	As at 31 March 2022
(i)	The notional principal of swap agreements	**2,731.11**	2,258.50
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**–**	–
(iii)	Collateral required by the Company upon entering into swaps	**–**	–
(iv)	Concentration of credit risk arising from the swaps	**–**	–
(v)	The fair value of the swap book (Asset/ (Liability (net))	**(180.70)**	(155.60)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, Basis Risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizeable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures –

d) Foreign currency non-repatriate loans availed:

Rs. in crores

		As at 31 March 2023		As at 31 March 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	– For hedging		**2,731.11**		2,258.50
(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	**–**		26.63	
	(b) Liability (-) Estimated loss	**(162.83)**	**(17.87)**	(179.56)	(2.67)
(iii)	Credit Exposure [2]	**–**	**–**	–	–
(iv)	Unhedged Exposures	**–**	**–**	–	–

IV) Disclosures relating to Securitisation

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021.

Rs. in crores

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
1)	No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the NBFC (only the Special Purpose Vehicles (SPVs) relating to outstanding securitization exposures to be reported here)	**21**	21
2)	Total amount of securitised assets as per books of the SPEs	**6,718.60**	8,089.20
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	**1,981.38**	1,718.05
	Others	**–**	–
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	**122.08**	305.05
	Others-		
	- Retained interest in pass through certificates (excluding accrued interest)	**–**	**–**
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	**–**	–
	Others -	**–**	–
	- Excess Interest Spread	**678.83**	1,083.90
	(ii) Exposure to third party securitizations		
	First loss	**–**	–
	Others	**–**	–
	b) On-balance sheet exposures		
	(i) Exposure to own securitisations		
	First loss	**–**	–
	Others -	**–**	**–**
	- Cash collateral term deposits with banks	**–**	**–**
	(ii) Exposure to third party securitizations		
	First loss	**–**	–
	Others	**–**	–
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	**3,954.85**	3,569.13
	Gain/loss on sale on account of securitisation	**Nil**	Nil
6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. The Company has assumed Role of Servicer for all outstanding securitization transactions. Servicing fee received during the financial year is disclosed.	**18.96**	21.08
7)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement :		
	a) Opening Balance Outstanding	**2,023.10**	2,032.59
	b) Additions during the year (Fresh Transactions)	**427.31**	395.19
	c) Top Up during the year	**538.82**	47.44
	d) Reductions during the year (Matured Transactions)	**346.95**	404.68
	e) Withdrawal during the year	**538.82**	47.44
	f) Closing Balance Outstanding	**2,103.46**	2,023.10
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	**679.46**	438.12
	b) Additions during the year (Fresh Transactions)	**15.04**	46.90
	c) Top Up during the year	**465.94**	421.41
	d) Reductions during the year (Matured Transactions)	**194.88**	116.48
	e) Withdrawal during the year	**–**	110.49
	f) Closing Balance Outstanding	**965.56**	679.46
8)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc # # (may mention average default rate of previous 5 years)		
	a) Agriculture & allied activities*	**9.46%**	10.82%
	b) Auto Loans *	**6.84%**	7.48%
	* % of NPA to total advances to that asset class		
9)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	**Nil**	Nil
10)	Investor complaints -		
	a) Directly/Indirectly received	**Nil**	Nil
	b) Complaints outstanding	**Nil**	Nil

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitization /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

During the current year and the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

VI) Exposures

a) Exposure to Real Estate Sector (refer note no. 55 (A) (1))

b) Exposure to Capital Market (refer note no. 55 (A) (2))

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2022-23, 50% (31 March 2022: 47%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) /Group Borrower Limit (GBL).

e) Unsecured Advances

As at 31 March 2023, the amount of unsecured advances stood at Rs. 4,638.98 crore (31 March 2022: Rs.3,363.35 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b) Disclosure of Penalties and strictures imposed by RBI and other regulators

i) The Reserve Bank of India ("RBI") vide its press release dated 22 September 2022 had directed the Company to cease carrying out any recovery or repossession activity through outsourcing arrangements. The said prohibition was lifted by RBI effective 4 January 2023 based on the submissions made by the Company and its commitment to strengthen its recovery practices and outsourcing arrangements, tighten the process of onboarding third party agents and strengthen accountability framework as per its Board approved action plan.

ii) The RBI had by an order dated 5 April 2023 imposed a monetary penalty of Rs. 6.77 crore on the Company for deficiencies in regulatory compliance with the RBI directions on fair practices relating to disclosure of annualised rate of interest charged on loans to certain borrowers at the time of sanction and failure to give notice of change in terms and conditions of loan to these borrowers. The Company has paid the said penalty amount.

iii) BSE Limited had imposed a fine of Rs. 1.4 Lakh + GST under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 for inadvertent delay of 1 day in intimation of record date to the stock exchange in the month of March 2022 for payment of interest on non-convertible debentures. The Company has paid the said penalty amount.

c) Related Party Transactions

(refer note 51)

d) Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has upgraded the rating of the Company's Long-term Debt Instruments, Subordinated Debt programme and Bank Facilities as 'CRISIL AAA/Stable' and the Company's Fixed Deposit Programme as 'CRISIL AAA/Stable', respectively. The 'AAA/Stable' rating indicates a highest degree of safety with regard to timely servicing of financial obligations. The rating on the Company's Short-term Bank Loans and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations.

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term instrument and Subordinated Debt programme to 'IND AAA/Stable' and Principal protected market linked debenture: IND PP-MLD AAA/Stable. The Company's Short Term Commercial Paper has been rated at IND A1+ and as assigned IND-AAA/STABLE ratio to the Company's Fixed Deposit Programme.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA/Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/Stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

VIII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

IX) Revenue recognition

Refer note no. 2.6 under Summary of Significant Accounting Policies.

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS).

XI) Provisions and Contingencies

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	**(0.64)**	1.21
Provision towards non-performing assets (Stage 3 assets)	**(680.32)**	(461.71)
Provision made towards Income tax	**486.28**	348.16
Other Provision and Contingencies	**0.26**	(1.01)
Provision for diminution in the fair value of restructured advances	**–**	–
Provision for Standard Assets (Stage 1 and Stage 2 assets)	**(533.81)**	316.94

Draw Down from Reserves

Year ended March 31, 2023: Nil

Year ended March 31, 2022: Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Total Deposits of twenty largest depositors	**389.59**	1,164.66
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	**7.1%**	13.8%

b) Concentration of Advances

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Total Advances to twenty largest borrowers	**1,587.51**	873.40
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**1.9%**	1.3%

c) Concentration of Exposures

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Total Exposure to twenty largest borrowers/customers	**1,587.51**	873.40
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	**1.9%**	1.3%

d) Concentration of NPAs

Rs. in crores

Particulars	As at 31 March 2023	As at 31 March 2022
Total Exposure to top four NPA accounts	**34.90**	52.60

e) Sector-wise NPAs*

Particulars		As at 31 March 2023 Percentage of NPAs to Total Advances in that sector	As at 31 March 2022 Percentage of NPAs to Total Advances in that sector
i)	Agriculture & allied activities	**5.3%**	9.9%
ii)	Auto loans	**4.7%**	7.5%
iii)	MSME	**1.1%**	2.1%
iv)	Corporate borrowers	**1.6%**	4.2%
v)	Unsecured personal loans	**1.6%**	3.9%
vi)	Other personal loans	**–**	–
vii)	Services	**–**	–

* NPA represent stage 3 assets

f) Movement of NPAs*

Rs. in crores

Particulars			As at 31 March 2023	As at 31 March 2022
i)	Net NPAs to Net Advances (%)		**1.87%**	3.36%
ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	**4,976.30**	5,785.94
	(b)	Additions during the year	**2,071.15**	2,706.62
	(c)	Reductions during the year	**(3,330.35)**	(3,516.26)
	(d)	Closing balance	**3,717.10**	4,976.30
iii)	Movement of Net NPAs			
	(a)	Opening balance	**2,085.95**	2,433.88
	(b)	Additions during the year	**811.31**	1,147.16
	(c)	Reductions during the year	**(1,390.19)**	(1,495.09)
	(d)	Closing balance	**1,507.08**	2,085.95
iv)	Movement of provisions for NPAs			
	(a)	Opening balance	**2,890.35**	3,352.06
	(b)	Provisions made during the year	**1,259.84**	1,559.46
	(c)	Write-off/write-back of excess provisions	**(1,940.16)**	(2,021.17)
	(d)	Closing balance	**2,210.03**	2,890.35

* NPA represent stage 3 assets

XIII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in crores

Name of the Joint Venture/Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets As at 31 March 2023	Total Assets As at 31 March 2022
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	**4,608.95**	4,076.51
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	**127.67**	127.95

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored -

Domestic	Overseas
N/A	N/A

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities As at March 31 2023

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	**20.45**	**26.92**	**85.01**	**111.78**	**198.78**	**576.05**	**815.09**	**3,255.96**	**434.56**	**–**	**5,524.60**
Advances	**860.73**	**767.79**	**4,277.12**	**3,036.57**	**3,031.59**	**7,494.47**	**12,532.13**	**34,642.52**	**11,914.42**	**897.39**	**79,454.73**
Investments	**–**	**314.41**	**173.48**	**230.42**	**332.00**	**637.13**	**1,097.15**	**2,349.75**	**1,749.79**	**3,104.49**	**9,988.62**
Borrowings	**890.97**	**55.10**	**1,467.94**	**2,192.55**	**3,529.14**	**5,133.65**	**11,851.74**	**25,360.28**	**8,939.53**	**7,449.65**	**66,870.55**
Foreign Currency Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign Currency liabilities	**–**	**–**	**–**	**–**	**309.00**	**–**	**–**	**2,241.71**	**–**	**–**	**2,550.71**

As at March 31, 2022

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	57.66	86.96	226.38	383.69	443.20	1,504.95	2,061.71	3,128.86	532.78	–	8,426.19
Advances	1,103.66	1,031.26	3,502.25	2,738.61	2,650.45	5,748.74	10,103.87	26,602.71	6,739.79	223.30	60,444.64
Investments	845.95	–	21.16	54.37	43.34	112.73	394.87	1,006.60	2,578.41	3,382.84	8,440.27
Borrowings	–	–	976.01	1,032.14	2,392.83	3,094.66	7,422.12	20,083.87	4,892.90	5,315.68	45,210.21
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	–	–	–	–	681.86	566.91	718.23	210.52	–	2,177.52

54 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

(A) Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31 March 2023

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	17	48,569.35	879.1%	61.38%

As at 31 March 2022

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	21	34,251.07	406.5%	57.41%

ii) Top 20 large deposits (amount in Rs. in crores and % of total deposits)

As at 31 March 2023

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	389.59	7.1%

As at 31 March 2022

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	1,164.66	13.82%

iii) Top 10 borrowings (amount in Rs. in crores and % of total borrowings)

As at 31 March 2023

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	41,451.18	55.31%

As at 31 March 2022

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	25,577.93	45.83%

iv) Funding Concentration based on significant instrument/product

		As at 31 March 2023		As at 31 March 2022	
Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of Total liabilities	Amount (Rs. in crores)	% of Total liabilities
1	Non-convertible debentures (Secured)	**20,459.27**	**25.86%**	17,406.37	29.18%
2	Term loans from banks (including FCNR loans)	**30,707.15**	**38.81%**	15,390.19	25.80%
3	External Commercial Borrowings	**2,550.71**	**3.22%**	2,177.52	3.65%
4	Associated liabilities in respect of securitization transactions	**6,718.60**	**8.49%**	8,089.20	13.56%
5	Public deposits	**5,524.60**	**6.98%**	8,426.19	14.12%
6	Subordinated redeemable non-convertible debentures	**3,442.13**	**4.35%**	3,129.85	5.25%
7	Commercial Papers (Unsecured)	**3,936.00**	**4.97%**	–	–
8	Inter-corporate deposits (ICDs)	**937.62**	**1.18%**	–	–
		74,276.08	**93.87%**	54,619.32	91.55%
	Funding Concentration pertaining to insignificant instruments/products	**669.78**	**0.85%**	1,194.60	2.00%
	Total borrowings under all instruments/products	**74,945.86**	**94.72%**	55,813.92	93.55%

v) Stock Ratios

As at 31 March 2023

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	3,936.00	5.25%	4.97%	4.09%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,292.49	4.39%	4.16%	3.42%

As at 31 March 2022

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	496.56	0.89%	0.83%	0.66%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	1,924.20	3.45%	3.23%	2.56%

vi) Institutional set-up for liquidity risk management

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. The Company maintains a positive cumulative mismatch in all buckets. As on March 31, 2023, the Company maintained a liquidity buffer of approximately Rs.10,450 crore.

Definition of terms as used in the table above:

a) *Significant counterparty:*

A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC’s total liabilities.

b) *Significant instrument/product:*

A “Significant instrument/product” is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC’s total liabilities.

c) *Total liabilities:*

Total liabilities include all external liabilities (other than equity).

d) *Public funds:*

“Public funds” includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) *Other short-term liabilities:*

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

55 Disclosure requirements under Scale Based Regulation (SBR) - A Revised Regulatory Framework for NBFCs as per circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022

The Reserve Bank of India, vide its circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021 outlined the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and thereafter issued another circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022, requiring NBFCs to make certain additional disclosures in their financial statements in accordance with the SBR framework.

Section - I

A) Exposure

1) Exposure to Real Estate Sector

Rs. in crores

Category	As at 31 March 2023	As at 31 March 2022
i) Direct exposure		
a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	–	–
b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	–	–
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	–	–
b. Commercial Real Estate	–	–
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	–	–
Total Exposure to Real Estate Sector	–	–

2) Exposure to Capital Market

Rs. in crores

	Category	As at 31 March 2023	As at 31 March 2022
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	–	–
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	–	–
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	–	–
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	–	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	–	–
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii)	Bridge loans to companies against expected equity flows / issues	–	–
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
(ix)	Financing to stockbrokers for margin trading	–	–
(x)	All exposures to Alternative Investment Funds:		
	i) Category I	–	–
	ii) Category II	–	–
	iii) Category III	–	–
	Total Exposure to Capital Market	–	–

3) Sectoral exposure

Rs. in crores

	Sectors	As at 31 March 2023			As at 31 March 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1)	Agriculture & allied activities	**14,218.54**	**795.36**	**5.6%**	12,461.16	1,272.56	10.2%
2)	Industry						
	i) Micro and Small	**2,051.24**	**26.81**	**1.3%**	745.82	17.34	2.3%
	ii) Medium	**585.07**	**3.34**	**0.6%**	357.92	11.81	3.3%
	iii) Large	**1,915.44**	**19.54**	**1.0%**	1,077.71	15.82	1.5%
	iv) Others - Trade advances to Dealers	**2,599.15**	**6.93**	**0.3%**	1,807.42	60.66	3.4%
	Total of Industry	**7,150.90**	**56.62**	**0.8%**	3,988.87	105.63	2.6%
3)	**Services**						
	i) Transport Operators	**26,471.29**	**1,402.71**	**5.3%**	22,128.72	1,833.91	8.3%
	ii) Others	**–**	**–**	**–**	–	–	–
	Total of Services	**26,471.29**	**1,402.71**	**5.3%**	22,128.72	1,833.91	8.3%
4)	**Retail / Personal loans**						
	i) Consumer Durables	**170.45**	**5.08**	**3.0%**	62.64	2.74	4.4%
	ii) Vehicle/Auto Loans	**33,553.44**	**1,390.74**	**4.1%**	25,398.58	1,650.83	6.5%
	iii) Personal loans	**388.72**	**3.66**	**0.9%**	286.84	10.50	3.7%
	iv) Others	**970.82**	**62.93**	**6.5%**	678.74	100.13	14.8%
	Total of Retail /Personal loans	**35,083.43**	**1,462.41**	**4.2%**	26,426.80	1,764.20	6.7%
5)	**Others (if any; to specify)**	**–**	**–**	**–**	–	–	–
		82,924.16	**3,717.10**	**4.5%**	65,005.55	4,976.30	7.7%

i) The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii) In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

4) Intra-group exposures

Rs. in crores

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i)	Total amount of intra-group exposures	1532.87	1326.48
ii)	Total amount of top 20 intra-group exposures	1532.87	1326.48
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.65%	1.81%

5) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures:

As at 31 March 2023: Nil

As at 31 March 2022: Nil

Policies to manage currency induced risk:

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract and cross currency swaps.

B) Related Party Disclosure (refer Annexure - 1)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Rs. in crores

Sr no	Particulars	As at 31 March 2023	As at 31 March 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	**179**	763
2	Number of complaints received during the year	**16549**	19050
3	Number of complaints disposed during the year	**16570**	19634
3.1	Of which, number of complaints rejected by the NBFC	**–**	–
4	Number of complaints pending at the end of the year	**158**	179
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	**407**	–
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	**385**	–
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	**16**	–
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	**6**	–
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	**–**	–

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31 March 2023					
Loan and advances	82	11176	–14%	88	4
Staff behaviour	49	2269	12%	46	–
Levy of charges without prior notice/ excessive charges/ foreclosure charges	6	1225	–14%	1	1
Fixed deposit related	–	49	–93%	–	–
Difficulty in operation of accounts	–	19	–17%	–	–
Others	42	1811	–2%	23	–
Total	179	16549	–13%	158	5
Year ended 31 March 2022					
Loan and advances	366	13056		82	17
Staff behaviour	236	2029		49	7
Levy of charges without prior notice/ excessive charges/ foreclosure charges	38	1422		6	–
Fixed deposit related	–	674		–	–
Difficulty in operation of accounts	–	23		–	–
Others	123	1846		42	4
Total	763	19050	0	179	28

Section - II

A) Breach of covenant

During the current year and previous year there is no instances of breach of covenant of loan availed or debt securities issued

B) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

As per the RBI inspection report for the reference period 31 March 2022, the assessment of Divergence in Asset Classification and Provisioning is below the threshold as defined under a) and b) above and hence the details as required in tabular form is not presented here.

Section - III

A) Disclosure for NBFCs-UL

Mandatory listed within three years of identification as NBFC-UL - Not Applicable for the Company

Annexure - 1

Related Party Disclosure for the year ended 31 March 2023

Rs. in crore

Sr No.	Item/Related Party	1. Parent (as per ownership or control) Transaction value	Outstanding year end	Maximum O/s during the year	2. Subsidiaries Transaction value	Outstanding year end	Maximum O/s during the year	3. Fellow Subsidiaries Transaction value	Outstanding year end	Maximum O/s during the year	4. Associate Transaction value	Outstanding year end	Maximum O/s during the year	5. Directors Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	93.00	100.64	101.02	(4.26)	369.54	377.21	–	–	–	–	–	–
2	Deposits	(10.91)	4.48	15.85	(46.15)	157.48	200.62	(0.69)	5.50	6.27	–	–	–	(0.12)	0.01	0.01
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	2.39	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Investments	–	–	–	–	877.72	877.72	–	9.52	9.52	–	406.35	406.35	–	–	–
6	Purchase of fixed/other assets	130.34	–	–	–	–	–	9.77	–	–	–	–	–	–	–	–
7	Sale of fixed/ other assets	–	–	–	0.02	–	–	–	–	–	–	–	–	–	–	–
8	Interest paid	0.47	–	–	14.78	–	–	19.00	–	–	–	–	–	0.05	–	–
9	Interest received	1.47	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Others															
	- Dividend paid	231.98	–	–	0.92	–	–	–	–	–	–	–	–	0.61	–	–
	- Lease rental income	59.08	–	–	–	–	–	1.68	–	–	–	–	–	–	–	–
	- Subvention/ Incentive	72.97	–	–	–	–	–	2.35	–	–	–	–	–	–	–	–
	- Other Transactions	67.44	24.12	–	16.90	0.21	–	78.28	8.37	–	0.62	0.01	–	18.08	–	–
	Total	**555.23**	**28.60**	**15.85**	**79.47**	**1,136.05**	**1,179.36**	**106.13**	**392.93**	**392.99**	**0.62**	**406.36**	**406.35**	**18.62**	**0.01**	**0.01**

Sr No.	Item/Related Party	6. Relatives of Directors Transaction value	Outstanding year end	Maximum O/s during the year	7. Key Management Personnel Transaction value	Outstanding year end	Maximum O/s during the year	8. Relatives of Key Management Personnel Transaction value	Outstanding year end	Maximum O/s during the year	9. Others Transaction value	Outstanding year end	Maximum O/s during the year	Total Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	88.74	470.18	478.23
2	Deposits	0.35	0.06	0.06	–	–	–	–	–	–	–	–	–	(57.52)	167.53	222.81
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	–	–	–	–	–	–	–	–	–	–	–	–	2.39	–	–
5	Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	1,293.58	1,293.58
6	Purchase of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	140.11	–	–
7	Sale of fixed/ other assets	–	–	–	–	–	–	–	–	–	–	–	–	0.02	–	–
8	Interest paid	0.28	–	–	–	–	–	–	–	–	–	–	–	34.58	–	–
9	Interest received	–	–	–	–	–	–	–	–	–	–	–	–	1.47	–	–
10	Others															
	- Dividend paid	0.00	–	–	–	–	–	–	–	–	–	–	–	233.51	–	–
	- Lease rental income	–	–	–	–	–	–	–	–	–	–	–	–	60.76	–	–
	- Subvention/ Incentive	–	–	–	–	–	–	–	–	–	–	–	–	75.32	–	–
	- Other Transactions	–	–	–	–	–	–	–	–	–	–	–	–	181.33	32.71	–
	Total	**0.63**	**0.06**	**0.06**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**760.70**	**1,964.00**	**1,994.62**

Annexure - 1

Related Party Disclosure for the year ended 31 March 2022

Rs. in crore

Sr No.	Item/Related Party	1. Parent (as per ownership or control) Transaction value	Outstanding year end	Maximum O/s during the year	2. Subsidiaries Transaction value	Outstanding year end	Maximum O/s during the year	3. Fellow Subsidiaries Transaction value	Outstanding year end	Maximum O/s during the year	4. Associate Transaction value	Outstanding year end	Maximum O/s during the year	5. Directors Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	–	4.02	4.28	(339.49)	357.18	694.34	–	–	–	–	–	–
2	Deposits	9.67	15.69	16.18	111.15	199.88	212.15	(10.00)	5.93	16.45	–	–	–	0.11	0.92	0.92
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	2.05	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Investments	–	–	–	–	877.72	877.72		9.52	9.52	–	406.35	406.35	–	–	–
6	Purchase of fixed/ other assets	114.27	–	–	–	–	–	5.51	–	–	–	–	–	–	–	–
7	Sale of fixed/other assets	–	–	–	0.21	–	–	–	–	–	–	–	–	–	–	–
8	Interest paid	3.20	–	–	7.66	–	–	25.63	–	–	–	–	–	0.05	–	–
9	Interest received	3.61	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Others															–
	- Dividend paid	51.55	–	–	0.27	–	–	–	–	–	–	–	–	0.15	–	–
	- Lease rental income	20.38	–	–	–	–	–	0.21	–	–	–	–	–	–	–	–
	- Reimbursement from parties	35.20	–	–	–	–	–	4.65	–	–	0.06	–	–	–	–	–
	- Investments made	–	–	–	33.97	–	–	–	–	–	–	–	–	–	–	–
	- Subvention/ Incentive	16.34	–	–	–	–	–	0.30	–	–	–	–	–	–	–	–
	- Other Transactions	133.85	6.81	–	62.41	11.79	–	48.97	8.79	–	0.63	0.06		13.17	–	–
	Total	**390.11**	**22.50**	**16.18**	**215.67**	**1,093.40**	**1,094.14**	**(264.23)**	**381.42**	**720.31**	**0.69**	**406.40**	**406.35**	**13.47**	**0.92**	**0.92**

Sr No.	Item/Related Party	6. Relatives of Directors Transaction value	Outstanding year end	Maximum O/s during the year	7. Key Management Personnel Transaction value	Outstanding year end	Maximum O/s during the year	8. Relatives of Key Management Personnel Transaction value	Outstanding year end	Maximum O/s during the year	9. Others Transaction value	Outstanding year end	Maximum O/s during the year	Total Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–		–	–	–	–	–	–	–	–	–	(339.49)	361.20	698.62
2	Deposits	(0.21)	4.39	4.39	–	–	–	–	–	–	–	–	–	110.72	226.81	250.09
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	–	–	–	–	–	–	–	–	–	–	–	–	2.05	–	–
5	Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	1,293.58	1,293.58
6	Purchase of fixed/ other assets	–	–	–	–	–	–	–	–	–	–	–	–	119.78	–	–
7	Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	0.21	–	–
8	Interest paid	0.31	–	–	–	–	–	–	–	–	–	–	–	36.85	–	–
9	Interest received	–	–	–	–	–	–	–	–	–	–	–	–	3.61	–	–
10	Others															
	- Dividend paid	–	–	–	–	–	–	–	–	–	–	–	–	51.97	–	–
	- Lease rental income	–	–	–	–	–	–	–	–	–	–	–	–	20.59	–	–
	- Reimbursement from parties	–	–	–	–	–	–	–	–	–	–	–	–	39.91	–	–
	- Investments made	–	–	–	–	–	–	–	–	–	–	–	–	33.97	–	–
	- Subvention/ Incentive	–	–	–	–	–	–	–	–	–	–	–	–	16.64	–	–
	- Other Transactions	–	–	–	–	–	–	–	–	–	–	–	–	259.02	27.44	–
	Total	**0.10**	**4.39**	**4.39**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**355.82**	**1,909.03**	**2,242.29**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

56 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31 March 2023

Rs. in crores

	Particulars	Quarter ended 31 March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
	Cash Outflows								
2	**Deposits (for deposit taking companies)**	193.49	193.49	391.76	391.76	480.84	480.84	449.92	449.92
3	**Unsecured wholesale funding**	981.27	981.27	645.06	645.06	234.54	234.54	369.13	369.13
4	**Secured wholesale funding**	2,359.63	1,417.96	2,254.70	1,987.03	2,981.62	2,841.62	2,802.90	2,802.90
5	**Additional requirements, of which**								
	i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
	ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
	iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	**Other contractual funding obligations**	1,967.74	1,967.74	1,921.76	1,921.76	1,672.77	1,672.77	1,525.67	1,525.67
7	**Other contingent funding obligations**	80.92	80.92	44.23	44.23	44.23	44.23	44.23	44.23
8	**TOTAL CASH OUTFLOWS**	5,583.05	4,641.38	5,257.51	4,989.84	5,414.00	5,274.00	5,191.85	5,191.85
	Cash Inflows								
9	**Secured lending**	–	–	–	–	–	–	–	–
10	**Inflows from fully performing exposures**	5,059.11	5,059.11	5,882.42	5,882.42	6,201.42	6,201.42	4,714.34	4,714.34
11	**Other cash inflows**	3,798.33	3,798.33	3,476.79	3,476.79	2,331.06	2,331.06	2,416.97	2,416.97
12	**TOTAL CASH INFLOWS**	8,857.44	8,857.44	9,359.21	9,359.21	8,532.48	8,532.48	7,131.31	7,131.31
	TOTAL ADJUSTED VALUES								
13	**TOTAL HQLA**	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
14	TOTAL NET CASH OUTFLOWS	(3,274.39)	(4,216.06)	(4,101.70)	(4,369.37)	(3,118.47)	(3,258.48)	(1,939.46)	(1,939.46)
	25% of Total Cash Out Flow	1,395.76	1,160.35	1,314.38	1,247.46	1,353.50	1,318.50	1,297.96	1,297.96
15	**LIQUIDITY COVERAGE RATIO (%)**	357%	385%	433%	410%	375%	346%	450%	404%

Computation of Net cash outflows

Rs. in crores

	Net Cash outflows over the 30 days period	Quarter ended 31 March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,420.51	5,337.59	6,046.13	5,738.31	6,226.10	6,065.10	5,970.63	5,970.63
B	Stressed Cash Inflows @ 75% of Inflows	6,643.08	6,643.08	7,019.40	7,019.40	6,399.36	6,399.36	5,348.48	5,348.48
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(222.57)	(1,305.49)	(973.27)	(1,281.09)	(173.25)	(334.26)	622.15	622.15
D	25% of Stressed Cash Outflows	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
E	Greater Value of C or D	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	311%	335%	377%	357%	326%	301%	391%	351%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.
2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.
3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4) Components of High Quality Liquid Assets (HQLA)

Particulars		Quarter ended 31 March 2023 Total Unweighted Value (average)	Quarter ended 31 March 2023 Total Weighted Value (average)	Quarter ended 31 December 2022 Total Unweighted Value (average)	Quarter ended 31 December 2022 Total Weighted Value (average)	Quarter ended 30 September 2022 Total Unweighted Value (average)	Quarter ended 30 September 2022 Total Weighted Value (average)	Quarter ended 30 June 2022 Total Unweighted Value (average)	Quarter ended 30 June 2022 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Government securities	4,626.27	4,163.65	5,484.95	4,936.46	5,004.31	4,503.87	5,576.33	5,018.70
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	361.86	307.58	178.44	151.67	75.81	64.43	261.86	222.58
	- Commercial Papers	–	–	32.94	28.00	–	–	–	–
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	–	–	–	–	–	–	–	–
	TOTAL	**4,988.13**	**4,471.23**	**5,696.33**	**5,116.13**	**5,080.12**	**4,568.30**	**5,838.19**	**5,241.28**

57 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31 March 2022

Rs. in crores

Particulars		Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	5,839.72	5,242.66	4,178.88	3,747.90	4,787.14	4,295.33	4,396.15	3,943.44
Cash Outflows									
2	**Deposits (for deposit taking companies)**	415.83	415.83	349.67	349.67	345.16	345.16	267.31	267.31
3	**Unsecured wholesale funding**	235.48	235.48	331.23	331.23	30.13	30.13	393.37	393.37
4	**Secured wholesale funding**	1,849.38	1,849.38	875.49	667.83	698.33	698.33	1,383.34	996.74
5	**Additional requirements, of which**								
	i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
	ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
	iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	**Other contractual funding obligations**	1,648.28	1,648.28	1,364.08	1,364.08	1,193.70	1,193.70	1,244.28	1,244.28
7	**Other contingent funding obligations**	44.23	44.23	42.50	42.50	28.03	28.03	48.16	48.16
8	**TOTAL CASH OUTFLOWS**	**4,193.20**	**4,193.20**	**2,962.97**	**2,755.31**	**2,295.35**	**2,295.35**	**3,336.46**	**2,949.86**
Cash Inflows									
9	**Secured lending**	–	–	–	–	–	–	–	–
10	**Inflows from fully performing exposures**	4,086.58	4,086.58	4,108.14	4,108.14	3,836.70	3,836.70	3,726.89	3,726.89
11	**Other cash inflows**	2,185.72	2,185.72	2,931.03	2,931.03	2,063.57	2,063.57	2,527.95	1,640.61
12	**TOTAL CASH INFLOWS**	**6,272.30**	**6,272.30**	**7,039.17**	**7,039.17**	**5,900.27**	**5,900.27**	**6,254.84**	**5,367.50**
	TOTAL ADJUSTED VALUES								
13	**TOTAL HQLA**	**5,839.72**	**5,242.66**	**4,178.88**	**3,747.90**	**4,787.14**	**4,295.33**	**4,396.15**	**3,943.44**
14	**TOTAL NET CASH OUTFLOWS**	**(2,079.10)**	**(2,079.10)**	**(4,076.20)**	**(4,283.86)**	**(3,604.92)**	**(3,604.92)**	**(2,918.38)**	**(2,417.64)**
	25% of Total Cash Out Flow	1,048.30	1,048.30	740.74	688.83	573.84	573.84	834.11	737.47
15	**LIQUIDITY COVERAGE RATIO (%)**	557%	500%	564%	544%	834%	749%	527%	535%

Computation of Net cash outflows

Rs. in crores

	Net Cash outflows over the 30 days period	Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	4,822.18	4,822.18	3,407.41	3,168.60	2,639.65	2,639.65	3,836.93	3,392.34
B	Stressed Cash Inflows @ 75% of Inflows	4,704.22	4,704.22	5,279.38	5,279.38	4,425.20	4,425.20	4,691.13	4,025.63
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	117.96	117.96	(1,871.97)	(2,110.78)	(1,785.55)	(1,785.55)	(854.20)	(633.29)
D	25% of Stressed Cash Outflows	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
E	Greater Value of C or D	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	484%	435%	491%	473%	725%	651%	458%	465%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.
2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.
3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4) Components of High Quality Liquid Assets (HQLA)

Rs. in crores

	Particulars	Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Government securities	5,577.87	5,020.08	3,917.02	3,525.32	4,525.28	4,072.75	4,134.29	3,720.86
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	261.86	222.58	261.86	222.58	261.86	222.58	261.86	222.58
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	–	–	–	–	–	–	–	–
	TOTAL	**5,839.73**	**5,242.66**	**4,178.88**	**3,747.90**	**4,787.14**	**4,295.33**	**4,396.15**	**3,943.44**

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs comprise of Cash*, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

** Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.*

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Risks relating to foreign currency and interest rate is mitigated by entering in corresponding hedge transactions. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored by ALMCO and reviewed by ALCO.

57 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on Resolution Framework 2.0 dated 5 May 2021.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021

Format - B: For the year ended 31 March 2023

Rs. in crores

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year * (E)
Personal Loans	779.18	57.82	35.94	167.95	517.47
Corporate persons ^	34.80	–	–	5.57	29.23
Of which, MSMEs	–	–	–	–	–
Others					–
- Vehicle loans for commercial purpose	1,176.13	89.45	167.67	157.59	761.42
Total	**1,990.11**	**147.27**	**203.61**	**331.11**	**1,308.12**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30 September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)

No. of accounts restructured*	Amount (Rs in Crores)**
1391	118.57

*** accounts restructured are retail loans used for commercial purpose.**

**** represents the closing balance of loan accounts as on 31 March 2023**

Relevant disclosure for the previous year ended 31 March 2022

During the year ended 31 March 2022, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on Resolution Framework 2.0 dated 5 May 2021.

i) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Individuals and Small Businesses).

Format - B: For the year ended 31 March 2022

Rs. in crores

Type of borrower	"Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year * (E)
Personal Loans	1,439.63	45.43	6.60	90.03	1,297.57
Corporate persons*	41.64	–	–	2.44	39.20
Of which, MSMEs	–	–	–	–	
Others					
- Vehicle loans for commercial purpose	2,366.04	152.79	48.95	162.73	2,001.57
Total	3,847.31	198.22	55.55	255.20	3,338.34

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30 September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)

No. of accounts restructured*	Amount (Rs in Crores)**
2062	232.47

*** accounts restructured are retail loans used for commercial purpose.**

**** represents the closing balance of loan accounts as on 31 March 2022**

58 On 12 November 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, the RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till 30 September 2022 for implementation of provisions of above mentioned circular. Accordingly, the Company has implemented the updated norms under IRACP w.e.f. 1 October 2022.

The RBI has also clarified that this circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs. Accordingly, the financial results for the year ended 31 March 2023 and previous year ended 31 March 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, as the Company continues to follow the extant model provisioning norms, as per the Board approved Expected Credit Loss (ECL) policy.

59 The Reserve Bank of India, under Scale Based Regulations (SBR), has categorised the Company in Upper Layer (NBFC-UL) vide its press release dated 30 September 2022. The Company has put in place a Board approved policy for adoption of enhanced regulatory framework and implementation plan for adhering to new set of regulations under SBR framework as per the prescribed timelines.

60 On 21 October 2022, the Company entered into a Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) at a consideration of Rs. 206.39 crore. This proposed transaction is subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI). Subsequent to the acquisition, MIBL will become a wholly owned subsidiary of the Company.

61 During the year ended 31 March 2023, in relation to serious economic crisis evolved over a period of time resulting in currency devaluation and worsening business situation in Sri Lanka, the Company had reviewed future cash flow estimates of its Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL). Based on these projections, the Company had obtained a valuation report from an independent valuer for valuation of its equity stake in MIFL. As per the valuation report, which is prepared using discounted cash flow method, and based on the management assessment, the recoverable amount of the investment in MIFL is lower than the carrying amount of investment and accordingly an impairment loss provision of Rs. 54.51 crore was recognised as an exceptional item in the Statement of profit and loss for the year ended 31 March 2023.

62 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended 31 March 2023

Rs. in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard							
	Stage 1	74,124.59	614.10	73,510.49	73,995.70	350.49	263.61
	Stage 2	4,928.18	523.68	4,404.50	3,873.31	139.11	384.57
Subtotal for standard		**79,052.77**	**1,137.78**	**77,914.99**	**77,869.01**	**489.60**	**648.18**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,569.72	583.87	985.85	2,687.04	293.35	290.52
Doubtful - up to 1 year	Stage 3	1,135.92	624.43	511.49	1,144.18	590.46	33.97
1 to 3 years	Stage 3	979.74	970.00	9.74	981.13	793.34	176.66
More than 3 years	Stage 3	6.70	6.70	–	6.86	6.56	0.14
Subtotal for doubtful		**2,122.36**	**1,601.13**	**521.23**	**2,132.17**	**1,390.36**	**210.77**
Loss	Stage 3	25.03	25.03	–	81.65	81.65	(56.62)
Subtotal for NPA		**3,717.10**	**2,210.03**	**1,507.07**	**4,900.86**	**1,765.36**	**444.67**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	–	1.41	(1.41)	–	–	1.41
	Stage 2	–	–	–	–	–	–
	Stage 3	–	–	–	–	–	–
Subtotal		**–**	**1.41**	**(1.41)**	**–**	**–**	**1.41**
Total	**Stage 1**	**74,124.59**	**615.51**	**73,509.08**	**73,995.70**	**350.49**	**265.02**
	Stage 2	**4,928.18**	**523.68**	**4,404.50**	**3,873.31**	**139.11**	**384.57**
	Stage 3	**3,717.10**	**2,210.03**	**1,507.07**	**4,900.86**	**1,765.36**	**444.67**
Total		**82,769.87**	**3,349.22**	**79,420.65**	**82,769.87**	**2,254.96**	**1,094.26**

Year ended 31 March 2022

Rs. in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard							
	Stage 1	50,727.01	442.37	50,284.64	50,727.01	202.91	239.46
	Stage 2	9,257.46	1,174.33	8,083.13	9,257.46	385.10	789.23
Subtotal for standard		**59,984.47**	**1,616.70**	**58,367.77**	**59,984.47**	**588.01**	**1,028.69**
Non-Performing Assets (NPA)							
Substandard	Stage 3	2,221.13	943.67	1,277.45	2,221.13	240.33	703.35
Doubtful - up to 1 year	Stage 3	1,870.78	1,062.28	808.50	1,870.78	1,158.52	(96.24)
1 to 3 years	Stage 3	801.54	801.54	–	801.54	644.77	156.77
More than 3 years	Stage 3	4.37	4.37	–	4.37	4.34	0.03
Subtotal for doubtful		**2,676.69**	**1,868.19**	**808.50**	**2,676.69**	**1,807.63**	**60.56**
Loss	Stage 3	78.49	78.49	–	78.49	78.49	–
Subtotal for NPA		**4,976.30**	**2,890.35**	**2,085.95**	**4,976.30**	**2,126.44**	**763.91**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	–	1.78	(1.78)	–	–	1.78
	Stage 2	–	–	–	–	–	–
	Stage 3	–	–	–	–	–	–
Subtotal		**–**	**1.78**	**(1.78)**	–	**–**	**1.78**

Rs. in crores

Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Total	**Stage 1**	**50,727.01**	**444.15**	**50,282.86**	**50,727.01**	**202.91**	**241.24**
	Stage 2	**9,257.46**	**1,174.33**	**8,083.13**	**9,257.46**	**385.10**	**789.23**
	Stage 3	**4,976.30**	**2,890.35**	**2,085.95**	**4,976.30**	**2,126.44**	**763.91**
Total		**64,960.77**	**4,508.83**	**60,451.94**	**64,960.77**	**2,714.45**	**1,794.38**

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 (Continued)

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2023 and 31 March 2022, no amount is required to be transferred to 'Impairment Reserve' for both the financial years. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

ii) As at 31 March 2023 and 31 March 2022, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/transfer of portfolios out of amortized cost business model:

As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed installments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Accordingly, these financial assets are not de-recognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

63 Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

i) Initial Disclosure as per Annexure - 'A' filed within 30 days from the beginning of the financial year for the FY: 2023-24

Sr.no.	Particulars	Details
(1)	Name of the company:	Mahindra & Mahindra Financial Services Limited
(2)	CIN:	L65921MH1991PLC059642
(3)	Outstanding borrowing of the Company as on 31 March 2023 #	Rs.58,147.46 Crore
(4)	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	Long Term/Subordinated Debt: • CRISIL AAA/ Stable by CRISIL Ratings Ltd • IND AAA / Stable by India Ratings & Research Private Limited • CARE AAA / Stable by CARE Ratings Limited • BWR AAA / Stable by Brickwork Ratings India Private Limited Short Term: • CRISIL A1+ by CRISIL Ratings Ltd • IND A1+ by India Ratings & Research Private Limited
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

ii) Annual disclosure as per Annexure - B2 for the year ended 31 March 2023

(1)	Name of the company	Mahindra & Mahindra Financial Services Limited
(2)	CIN	L65921MH1991PLC059642
(3)	Report filed for FY:	2022-23
(4)	Details of the Current block (Rs. in crores)	

Sr.no.	Particulars	Details
i)	3-year block period	FY 2022-23 FY 2023-24 FY 2024-25
ii)	Incremental borrowing done in FY 2022-23 (a) #	26,559.82
iii)	Mandatory borrowing to be done through debt securities in FY 2022-23 (b) = (25% of a)	6,639.95
iv)	Actual borrowing done through debt securities in FY 2022-23 (c)	7,518.19
v)	Shortfall in the borrowing through debt securities, if any, for FY 2021-22 carried forward to 2022-23 (d)	NIL
vi)	Quantum of (d), which has been met from (c) (e)	N.A
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2022-23 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2022-23} (f)= (b)-[(c)-(e)]	NIL

(5) Details of penalty to be paid, if any, in respect to previous block (Rs. in crores):

Sr.no.	Particulars	Details
i)	3-year Block period (Specify financial years)	FY 2020-21 FY 2021-22 FY 2022-23
ii)	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	N.A.

 # Notes:

(i) Figures pertain to long-term borrowing basis original maturity of more than one year (excludes External Commercial Borrowings, Inter-corporate borrowings between a parent & subsidiaries and securitization portfolio outstanding); and

(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

64 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

65 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 65

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
28 April 2023

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
28 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Insurance Brokers Limited

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

We have audited the accompanying Ind AS financial statements of Mahindra Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Information other than the Ind AS financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report and Management Discussion and Analysis, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 33.1 to the financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log)facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 23111383BGTWGU3648

Date : April 21, 2023
Place : Mumbai

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKERS LIMITED

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, other Intangible assets, Intangible asset under development, Right-of-use Assets.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and Right-of-use Assets of the company have been physically verified by the Management, in the phased manner during the year. The company is in the process of reconciling the same with the fixed asset register. The discrepancies if any, arising out of reconciliation will be considered in the books of accounts in the period in which the reconciliation is complete.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right-of -Use assets) or other intangible assets during the year.

e) No proceedings have been initiated or is pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The company is in the business of providing insurance broking services and does not hold any inventory. Therefore, the provision of paragraph 3(ii)(a) of the said order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provision of paragraph 3(ii)(b) of the said order is not applicable to the Company.

(iii) The Company has made investments in, provided guarantees (letter of comfort) and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has provided loans during the year.

Particulars	Amount (in Lakhs)
Loan	
Aggregate amount during the year	22,350
Balance outstanding at the balance sheet	31,875

b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted and Investments made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which are outstanding, at the end, for a period of more than six months from the date they became payable.

b) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of the statue	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
Tax Deducted at Source	Interest on TDS	43,784	F.Y. 2011-12 to F.Y. 2021-2022	Rectification filed with the AO
Tax Deducted at Source	Short deduction of TDS	2,61,896	F.Y. 2011-12 to F.Y. 2021-2022	Rectification filed with the AO

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) No funds have been raised on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) a) During the course of our examination of books of accounts and as far as records/details made available and verified by us and according to the information and explanations given to us, there has been no instance of any material fraud reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) According to the information and explanations given to us, there are four Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 23111383BGTWGU3648

Date: April 21, 2023
Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKER LIMITED

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls With reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Ind AS financial statements of **Mahindra Insurance Broker Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control criteria with reference to Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

5. Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 23111383BGTWGU3648

Date: April 21, 2023
Place: Mumbai

BALANCE SHEET AS AT 31 MARCH 2023

₹ in Lakhs

		Note No.	**As at 31 March 2023**	As at 31 March 2022
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	1	**893.42**	726.36
	(b) Right of use assets	21	**2,787.71**	1,140.44
	(c) Other Intangible Assets	2	**47.09**	32.65
	(d) Intangible Assets Under Development	22	**263.61**	210.10
	(e) Financial Assets			
	(i) Investments	3	**12,650.00**	10,200.00
	(ii) Loans	4	**15,325.00**	9,525.00
	(iii) Other Financial Assets	5	**1,231.43**	413.99
	(f) Deferred Tax Assets (net)	6	**688.05**	552.65
	(g) Other Non-current Assets	7	**3,815.41**	2,086.08
	SUB-TOTAL		**37,701.72**	24,887.27
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	3	**2,300.00**	11,015.44
	(ii) Trade Receivables	8	**7,649.93**	6,669.54
	(iii) Cash and Cash Equivalents	9	**1,731.69**	1,013.84
	(iv) Loans	4	**16,550.00**	16,575.00
	(v) Other Financial Assets	5	**832.34**	1,036.23
	(b) Other Current Assets	7	**1,459.59**	1,762.14
	SUB-TOTAL		**30,523.55**	38,072.19
	TOTAL ASSETS		**68,225.27**	62,959.46
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	10	**1,030.93**	1,030.93
	(b) Other Equity	11	**52,289.75**	49,374.17
	SUB-TOTAL		**53,320.68**	50,405.10
	LIABILITIES			
1	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	Lease liabilities	25	**2,745.67**	840.37
	(b) Provisions	12	**922.71**	1,063.67
	SUB-TOTAL		**3,668.38**	1,904.04
2	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) total outstanding dues of Micro enterprises and small enterprises	13	**2.33**	6.68
	(b) total outstanding dues of credtiors other than Micro enterprises and small enterprises	13	**6,963.09**	6,054.66
	(ii) Lease liabilities	25	**381.43**	437.11
	(iii) Other Financial Liabilities	14	**80.41**	85.27
	(b) Provisions	12	**2,460.13**	2,718.01
	(c) Other Current Liabilities	15	**1,348.82**	1,348.59
	SUB-TOTAL		**11,236.21**	10,650.32
	TOTAL EQUITY AND LIABILITIES		**68,225.27**	62,959.46

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 21, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations	16	**39,449.69**	31,388.33
II	Other Income	17	**3,200.96**	3,412.62
III	**Total Income (I + II)**		**42,650.65**	34,800.95
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**11,873.38**	11,285.58
	(b) Finance costs	25	**193.72**	129.05
	(c) Depreciation and amortisation expense	25.2	**1,026.46**	757.14
	(d) Other expenses	19	**24,952.04**	15,591.19
	Total Expenses [(a) + (b) + (c)+ (d)]		**38,045.60**	27,762.96
V	**Profit/(loss) before tax (III - IV)**		**4,605.05**	7,037.99
VI	**Tax Expense**			
	(1) Current tax	6	**1,292.00**	1,821.00
	(2) Deferred tax	6	**(131.02)**	27.61
	Total tax expense [(1) + (2)]		**1,160.98**	1,848.61
VII	**Profit/(loss) for the Period (V-VI)**		**3,444.07**	5,189.38
VIII	**Other comprehensive income**		**(13.02)**	20.62
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	Remeasurements of the defined benefit plans		**(17.40)**	27.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**4.38**	(6.93)
IX	**Total comprehensive income for the Period (VII+VIII)**		**3,431.05**	5,210.00
X	**Earnings per equity share**			
	(1) Basic	20	**33.41**	50.34
	(2) Diluted	20	**33.41**	50.34

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities			
Cash receipts towards brokerage	PL	**39,449.69**	31,388.33
Other Receipts	PL	**2,735.10**	3,552.32
Payment towards expenses	PL	**(37,357.31)**	(27,254.74)
Income taxes paid		**(2,951.78)**	(2,713.94)
(Increase)/decrease in trade and other receivables		**(1,022.59)**	(875.40)
(Increase)/decrease in other assets		**114.18**	(504.24)
(Decrease)/increase in trade and other payables		**899.21**	(456.58)
Increase/(decrease) in provisions		**(453.33)**	(430.78)
(Decrease)/increase in other liabilities		**5.51**	358.40
		1,418.68	3,063.37
Cash generated from operations		**1,418.68**	3,063.37
Cash flows from investing activities			
Amounts advanced - to related parties		**(27,100.00)**	(3,625.00)
Repayments by related parties		**25,940.00**	11,865.00
Amounts advanced - other investments		**(5,425.00)**	(25,190.00)
Repayments - other investments		**7,090.69**	14,450.00
Payments for property, plant and equipment		**(664.90)**	(409.33)
Proceeds from disposal of property, plant and equipment		**27.36**	60.29
Payments for intangible assets/intangible assets under developments		**(53.51)**	(70.97)
Net cash (used in)/generated by investing activities		**(185.36)**	(2,920.01)
Cash flows from financing activities			
Dividends paid to owners of the Company		**(515.47)**	(309.27)
Net cash (used in)/generated from financing activities		**(515.47)**	(309.27)
Net increase/(decrease) in cash and cash equivalents		**717.85**	(165.91)
Cash and cash equivalents at the beginning of the year		**1,013.84**	1,179.75
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		**1,731.69**	1,013.84

Note:

The above cash flow statement has been prepared under the "direct method" as set out in 'Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

Particulars	₹ in Lakhs
Issued, Subscribed and Fully Paid up:	
Balance as at 1 April 2021	**1,030.93**
Changes due to prior period errors	–
Restated balance as at 1 April 2021	1,030.93
Changes during the year	–
Balance as at 31 March 2022	**1,030.93**
Balance as at 1 April 2022	1,030.93
Changes due to prior period errors	–
Restated balance as at 1 April 2022	1,030.93
Changes during the year	–
Balance as at 31 March 2023	**1,030.93**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss)/gain (net) on defined benefit plans	Total
As at 1 April 2021	1,589.50	1,658.43	41,606.14	(380.63)	44,473.44
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2021	1,589.50	1,658.43	41,606.14	(380.63)	44,473.44
Profit / (Loss) for the Period	–	–	5,189.38	–	5,189.38
Other Comprehensive Income / (Loss)			–	20.62	20.62
Dividend paid on Equity Shares	–	–	(309.27)	–	(309.27)
As at 31 March 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Profit / (Loss) for the Period			3,444.07	–	3,444.07
Other Comprehensive Income / (Loss)			–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	(515.47)	–	(515.47)
As at 31 March 2023	**1,589.50**	1,658.43	49,414.85	(373.03)	52,289.75

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 21, 2023

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

1 **Company overview**

Mahindra Insurance Brokers Limited is a Public Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018. The Company is an Insurance Regulatory and Development Authority of India (IRDAI) registered broker in the category "Composite" for life, general and re-insurance business.

The immediate parent Company is Mahindra & Mahindra Financial Services Limited and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in Mumbai, India.

2 **Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act'), in conformity with the Accounting Priniciples generally accepted in India and other relevant provisions of the Act.

a. **Statement of compliance and basis of preparation**

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policy hitherto in use.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. Based on nature of services and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/ non-current classification of assets and liabiities.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Company's Board of Directors on April 21, 2023.

b. **Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

c. **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
– Financial assets and liabilities which are generally derivative instruments	Fair value
– Liabilities for cash-settled share-based payment arrangements	Fair value
– Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d. **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the measurement of fair values. The Chief Financial Officer and person entrusted has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, including assessments that these valuations meet the requirements of Ind AS 113. Significant valuation issues are reported to audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

e. **Use of judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2023 is included in relevant notes.

– Estimation of current tax expense and payable
– Estimated useful life of property, plant and equipments
– Estimated useful life of intangible assets
– Estimation of defined benefit obligation
– Impairment of trade receivables
– Impairment of financial assets
– Estimation of share based payments
– Provisions and contingent liabilities

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 **Significant accounting policies**

a. **Property, plant and equipments :**

Recognition and measurement

All the items classified under property plant and equipment are stated at cost of acquisition (including incidental expenses) less accumulated depreciation and any accumulated impairment losses, if any.

Cost of acquisition comprises of purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located.

When significant parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in the Schedule II of the Act or estimated by the management using straight-line method and is recognised in the statement of profit and loss except:

i. Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and

ii. Property Plant & Equipmnets having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably estimating the same and, in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of asset	**Year ended 31 March 2023**	Year ended 31 March 2022
Plant and equipment (including Computers)	**2-6 years**	2-6 years
Office equipments	**5 years**	5 years
Furniture and fixtures	**10 years**	10 years
Leasehold Premises	**Over the period of lease**	Over the period of lease
Vehicles	**4 years**	4 years

Depreciation methods, useful lives are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis

Derecognition of Property, Plant & Equipments

Property, Plant & Equipments are derecognised on disposal or when no future benefits are expected from its use. Assets retired from active use and held for disposal are stated at lower of their carrying amount or fair value less cost of sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposable proceeds and the net carrying amount of the assets) is recognised in Other Income / netted off from any loss on disposal in the statement of Profit & Loss in the year the asset is derecognised.

b. Intangible Assets :

Intangible Assets are initially recognised at cost. Intangible assets are stated at cost less accumulated amortization and accumulated impairement losses, if any.

Amortisation

Subsequent to initial recognition, amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives for the current and comparative periods are as follows:

Class of assets	**Year ended 31 March 2023**	Year ended 31 March 2022
Computer software	**3 years**	3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Intangible assets under development

The Company capitalizes the expenditure on intangible asset under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed and the capability to demonstrate the ability to use or sell the intangible assets, the probability of generating future economic benefit and the ability to measure reliably the attributable expenditure.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss in the year when the asset is derecognised.

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

d. Foreign currency :

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Financial instruments :

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– Amortised cost;

– fair value through other comprehensive income (FVOCI) - debt investment;

– fair value through other comprehensive income (FVOCI) - equity investment;

– fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI - equity investment). This election is made on investment-by investment basis

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

All financial asset not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets.

On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial Assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain and loss derecognition is recognised in the statement of profit and loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
- Equity investment at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. On derecognition, gains & losses are not reclassified to statement of profit and loss.
- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

Income is recognised on an effective interest basis for debt instruments other than those which are classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "Other income" line item.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The dividends on mandatorily redeemable preference shares are recognised in the statement of profit and loss as interest expense. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Compound financial instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity remains in equity until the conversion option is exercised, in which case, the balance recognised in equity is transferred to [share premium/ other equity. Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity is transferred to [retained profits/ other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

The Company recognises a loss allowance for expected credit losses (ECL) on:

– Financial assets measured at amortised cost;

– Financial assets measured at FVOCI - debt investments;

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 month ECL represents the portion of lifetime ECL that

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f. Revenue Recognition :

Revenue is measured at the transaction value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of revenue on policy cancellations and endorsements.

Rendering of services

Brokerage Income, Handling Charges & Broker Retainer Fees is accounted for net of GST amount on rendition of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

The Company recognises revenue from rendering of consultancy services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Dividend and interest income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g. Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in statement of profit and loss.

Provident Fund

Contributions to Provident Fund are charged to the statement of profit and loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to the members at the rate declared by the Government of India.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitllement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Cash settled share based payments

Cash Settled Share Based Payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses with corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The fair value of the option at the grant date is calculated by an independent valuer basis Black Scholes model. The Liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefit expenses.

h. Taxation :

Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is entended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

i. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

j. Leases :

The Company as a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property and lease liabilities; both in the 'balance sheet' as a separate line items, in the statement of financial position.

k. Segment Reporting

Operating Segments are reported consistently with the internal reporting provided to the Managing Director. The highest decision making executive is reposnsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

m. Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short term deposits with an original maturity of three months or less, which are subject to significant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 1 - Property, Plant and Equipment

₹ in Lakhs

	Description of Assets	**Plant and Equipment (including computers)**	**Leasehold Improvements**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I.	**Gross Carrying Amount**						
	Balance as at 1 April 2022	842.65	214.41	232.39	139.99	714.42	2,143.86
	Additions	325.14	–	–	–	302.32	627.46
	Disposals	1.13	–	–	–	99.68	100.81
	Balance as at 31 March 2023	**1,166.66**	**214.41**	**232.39**	**139.99**	**917.06**	**2,670.51**
II.	**Accumulated depreciation and impairment**						
	Balance as at 1 April 2022	655.30	85.48	177.85	70.20	428.67	1,417.50
	Depreciation/Impairment expense for the year*	180.05	49.55	38.94	25.26	157.88	451.68
	Eliminated on disposal of assets	0.71	–	–	–	91.38	92.09
	Balance as at 31 March 2023	**834.64**	**135.03**	**216.79**	**95.46**	**495.17**	**1,777.09**
III.	**Net carrying amount (I-II)**	**332.02**	**79.38**	**15.60**	**44.53**	**421.89**	**893.42**

* The company proposes to shift its existing corporate office to the new premises during H1 of F24. Hence accelerated depreciation on all tangible asstes in the existing corporate office is provided over a period of four months starting from March 2023. Consequently, accelerated depreciation of Rs.39.54 lakhs has been provided in F23.

₹ in Lakhs

	Description of Assets	Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Carrying Amount						
	Balance as at 1 April 2021	659.84	214.41	237.49	141.79	698.29	1,951.82
	Additions	193.51	–	0.10	–	208.32	401.93
	Disposals	10.70	–	5.20	1.80	192.19	209.89
	Balance As at 31 March 2022	842.65	214.41	232.39	139.99	714.42	2,143.86
II.	Accumulated depreciation and impairment						
	Balance as at 1 April 2021	599.12	60.34	144.14	59.27	455.27	1,318.14
	Depreciation/Impairment expense for the year	66.58	25.14	38.91	12.70	121.24	264.57
	Eliminated on disposal of assets	10.40	–	5.20	1.77	147.84	165.21
	Balance As at 31 March 2022	655.30	85.48	177.85	70.20	428.67	1,417.50
III.	Net carrying amount (I-II)	187.35	128.93	54.54	69.79	285.75	726.36

The company has not revalued its Property, Plant and Equipment during the year or previous financial year.

Note No. 2 - Other Intangible Assets

₹ in Lakhs

	Description of Assets	**Computer Software**	**Total**
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2022	307.67	307.67
	Additions	37.44	37.44
	Disposals	–	–
	Balance as at 31 March 2023	**345.11**	**345.11**
II.	**Accumulated amortisation and impairment**		
	Balance as at 1 April 2022	275.02	275.02
	Amortisation/Impairment expense for the year	23.00	23.00
	Eliminated on disposal of assets	–	–
	Balance as at 31 March 2023	**298.02**	**298.02**
III.	**Net carrying amount (I-II)**	**47.09**	**47.09**

₹ in Lakhs

	Description of Assets	Computer Software	Total
	Intangible Assets		
I.	Gross Carrying Amount		–
	Balance as at 1 April 2021	307.27	307.27
	Additions	7.40	7.40
	Disposals	7.00	7.00
	Balance as at 31 March 2022	307.67	307.67
II.	Accumulated amortisation and impairment		
	Balance as at 1 April 2021	232.41	232.41
	Amortisation/Impairment expense for the year	45.46	45.46
	Eliminated on disposal of assets	2.85	2.85
	Balance as at 31 March 2022	275.02	275.02
III.	Net carrying amount (I-II)	32.65	32.65

The company has not revalued its Property, Plant and Equipment during the year or previous financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 3 - Investments

₹ in Lakhs

Particular	**As at 31 March 2023**		As at 31 March 2022	
	Amounts	**Amounts**	Amounts	Amounts
	Current	**Non Current**	Current	Non Current
Investments Carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	**2,300.00**	**12,650.00**	9,365.00	10,200.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST	**2,300.00**	**12,650.00**	9,365.00	10,200.00
Investments Carried at Fair Value Through Profit and Loss				
Quoted investments				
Investments in Mutual Funds	**–**	–	1,650.44	–
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	–	–	1,650.44	–
TOTAL INVESTMENTS	**2,300.00**	**12,650.00**	11,015.44	10,200.00

Investments in Mutual Funds	**As at 31 March 2023**		As at 31 March 2022	
Particulars	**Units**	**Amt in ₹ in lakhs**	Units	Amt in ₹ in lakhs
Mahindra Manulife Liquid Reg-G	**–**	**–**	120,080.423	1,650.44
Total	**–**	**–**	120,080.423	1,650.44
Quoted				
Aggregate book value		–		1,647.16
Aggregate market value		–		1,650.44
Unquoted				
Aggregate book value		–		–

Note No. 4 - Loans

₹ in Lakhs

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
Loans to related parties (Refer Note Below)				
– Unsecured, considered good	**16,550.00**	**15,325.00**	16,575.00	9,525.00
TOTAL LOANS	**16,550.00**	**15,325.00**	16,575.00	9,525.00

Note: Intercorporate Deposits (ICDs) placed with related parties.

₹ in Lakhs

Particulars	**As at 31 March 2023**	As at 31 March 2022
ICDs with Mahindra & Mahindra Financial Services Limited	9,700.00	400.00
ICDs with Mahindra Rural Housing Finance Limited	22,175.00	25,700.00
Total	31,875.00	26,100.00

The above Intercorporate Deposits have been given for general business purpose of the receipient.

₹ in Lakhs

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Amount outstanding	**% of total**	Amount outstanding	% of total
ICDs with Promoters	**9,700.00**	**30%**	400.00	2%
ICDs with Related Parties	**22,175.00**	**70%**	25,700.00	98%
TOTAL	**31,875.00**		26,100.00	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 5 - Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost				
Interest Accrued but not due*	**832.34**	**954.82**	1,035.96	293.59
Security Deposits	**–**	**216.61**	–	60.40
Bank Deposit with more than 12 months maturity	**–**	**60.00**	–	60.00
Others		**–**	0.27	–
TOTAL	**832.34**	**1,231.43**	1,036.23	413.99

* Including interest accrued on investments with related parties of Rs.1,779.96 lakhs (PY: Rs.1,323.58 lakhs)

The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2018.

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
In respect of current year	**1,292.00**	1,821.00
In respect of prior years	**–**	–
	1,292.00	1,821.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(131.02)**	27.61
	(131.02)	27.61
Total income tax expense	**1,160.98**	1,848.61

(b) Income Tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**4.38**	(6.93)
Unrecognised tax loss used to reduce current tax expense Others	**–**	–
	4.38	(6.93)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**4.38**	(6.93)
Total income tax expense	**4.38**	(6.93)

(c) Reconciliation of estimated income tax expense at tax rate to income tax expenses reported in the statement of Profit and Loss is as follows:

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**4,605.05**	7,037.99
Income tax expense calculated at prevailing tax rate	**1,159.10**	1,771.46
Effect of expenses that is non-deductible in determining taxable profit	**284.47**	340.12
Effect of tax incentives and concessions (other allowances)	**(282.59)**	(262.97)
Income tax expense recognised In profit or loss	**1,160.98**	1,848.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 6 - Current Tax and Deferred Tax (Cont)

(d) Movement in deferred tax balances

₹ in Lakhs

Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing Balance**
	For the year ended 31 March 2023			
Tax effect of items constituting deferred tax assets				
Employee Benefits	**333.86**	**(14.16)**	**4.38**	**324.08**
Property, Plant and Equipment	**130.38**	**13.02**	**–**	**143.40**
Amortization and Interest in respect of lease payments	**3.18**	**47.75**	**–**	**50.93**
Provisions	**85.23**	**84.41**	**–**	**169.64**
	552.65	**131.02**	**4.38**	**688.05**
Net Tax Asset (Liabilities)	**552.65**	**131.02**	**4.38**	**688.05**

₹ in Lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
	For the year ended 31 March 2022			
Tax effect of items constituting deferred tax assets				
Employee Benefits	314.67	26.12	(6.93)	333.86
Property, Plant and Equipment	122.70	7.68	–	130.38
Amortization and Interest in respect of lease payments	12.70	(9.52)	–	3.18
Provisions	137.12	(51.89)	–	85.23
	587.19	(27.61)	(6.93)	552.65
Net Tax Asset (Liabilities)	587.19	(27.61)	(6.93)	552.65

Note No. 7 - Other assets

₹ in Lakhs

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non-Current**	Current	Non- Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	**6.20**	**–**	0.15	–
(ii) Balances with government authorities (other than income taxes)	**673.47**	**–**	1,158.38	–
(iii) Other assets	**779.92**	**0.59**	603.61	0.90
(b) Capital Advance	**–**	**15.35**	–	–
(c) Advance payment of tax	**–**	**3,799.47**	–	2,085.18
Total Other Assets	**1,459.59**	**3,815.41**	1,762.14	2,086.08

Note No. 8 - Trade receivables

₹ in Lakhs

Particulars	**As at 31 March 2023**	As at 31 March 2022
	Current	Current
Trade receivables		
(a) Secured, considered good	**–**	–
(b) Unsecured, considered good	**7,649.93**	6,669.54
(c) Significant increase in credit risk	**–**	–
(d) Credit Impaired	**452.09**	409.89
Less: Allowance for Expected Credit Loss (Note 23)	**(452.09)**	(409.89)
Total	**7,649.93**	6,669.54
Of the above, trade receivables from:		
– Related Parties	**9.73**	1,095.39
– Others	**7,640.20**	5,574.15
Total	**7,649.93**	6,669.54

There is neither an instance where due date is not specified nor there are any unbilled dues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 8 - Trade receivables (Cont)

₹ in Lakhs

Particulars	As at 31 March 2023					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed						
(a) Considered good	**7,148.86**	**349.69**	**15.06**	**136.32**	**–**	**7,649.93**
(b) Significant increase in credit risk						**–**
(c) Credit Impaired	**93.55**	**11.80**	**8.99**	**10.40**	**327.35**	**452.09**
Total	**7,242.41**	**361.49**	**24.05**	**146.72**	**327.35**	**8,102.02**
Less: Allowance for Expected Credit Loss (Note 23)	**–**	**–**	**–**	**–**	**–**	**(452.09)**
Total Undisputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**7,649.93**
Disputed						
(a) Considered good	**–**	**–**	**–**	**–**	**–**	**–**
(b) Significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(c) Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**	**–**	**–**
Less: Allowance for Expected Credit Loss	**–**	**–**	**–**	**–**	**–**	**–**
Total Disputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**–**	**–**	**–**	**–**	**–**	**7,649.93**

₹ in Lakhs

Particulars	As at 31 March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
(a) Considered good	5,269.24	1,058.80	248.48	42.48	50.54	6,669.54
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	28.90	–	–	59.25	321.74	409.89
Total	5,298.14	1,058.80	248.48	101.73	372.28	7,079.43
Less: Allowance for Expected Credit Loss (Note 23)	–	–	–	–	–	(409.89)
Total Undisputed Trade Receivables	–	–	–	–	–	6,669.54
Disputed						
(a) Considered good	–	–	–	–	–	–
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	–	–	–	–	–	–
Total	–	–	–	–	–	–
Less: Allowance for Expected Credit Loss	–	–	–	–	–	–
Total Disputed Trade Receivables	–	–	–	–	–	–
Total Trade Receivables	–	–	–	–	–	6,669.54

Note No. 9 - Cash and Bank Balances

₹ in Lakhs

Particulars	**As at 31 March 2023**	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	**830.25**	1,012.08
(b) Cash on hand	**1.44**	1.76
Other Bank Balances		
Balances with Banks		
Term Deposits with original maturity upto 3 months	**900.00**	–
Total Cash and cash equivalent	**1,731.69**	1,013.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 10 -

(a) Equity Share Capital

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	No. of shares	**₹ in Lakhs**	No. of shares	₹ in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93
Total	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93

(b) Shares held by promoters

Promoter Name	**As at 31 March 2023**			As at 31 March 2022		
	No. of shares	**% of total shares**	**% change during the year**	**No. of shares**	**% of total shares**	**% change during the year**
Mahindra and Mahindra Financial Services Limited						
- Equity shares of Rs. 10/- each with voting rights	**82,47,424**	**80%**	**0%**	82,47,424	80%	0%

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	**Opening Balance**	**Fresh Issue**	**Bonus**	**ESOP**	**Closing Balance**
(a) Equity Shares with Voting rights*					
Year ended 31 March 2023					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount (₹ in Lakhs)	1,030.93	–	–	–	1,030.93
Year ended 31 March 2022					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount (₹ in Lakhs)	1,030.93	–	–	–	1,030.93

*** Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	**No. of Shares**		
	Equity Shares with Voting rights	**Equity Shares with Differential Voting rights**	**Others**
As at 31 March 2023			
Mahindra and Mahindra Financial Services Limited, the Holding Company	**82,47,424**	**–**	**–**
As at 31 March 2022			
Mahindra and Mahindra Financial Services Limited, the Holding Company	82,47,424	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 10 - Equity Share Capital (Cont)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**82,47,424**	**80%**	82,47,424	80%
Inclusion Resource Pte Limited	**20,61,856**	**20%**	20,61,856	20%

Note No. 11 - Other Equity

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilized in accordance with the provisions of Companies Act, 2013.

₹ in Lakhs

	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) / gain (net) on defined benefit plans	Total
As at 1 April 2021	**1,589.50**	**1,658.43**	**41,606.14**	**(380.63)**	**44,473.44**
Profit / (Loss) for the Period	–	–	5,189.38	–	5,189.38
Other Comprehensive Income / (Loss)	–	–	–	20.62	20.62
Dividend paid on Equity Shares	–	–	**(309.27)**	–	**(309.27)**
As at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Profit / (Loss) for the Period	–	–	3,444.07	–	3,444.07
Other Comprehensive Income / (Loss)	–	–	–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	**(515.47)**	–	**(515.47)**
As at 31 March 2023	**1,589.50**	**1,658.43**	**49,414.85**	**(373.03)**	**52,289.75**

Details of dividend

₹ in Lakhs

Particulars	31-Mar-23	31-Mar-22
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2022: Rs.5.00 per share (31 March 2021: Rs.3.00 per share)	**515.47**	**309.27**
	515.47	**309.27**

Note: The board of directors in their meeting on April 21, 2023 recommended final dividend of Rs. 3.50 per equity share for the financial year ended March 31, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the company and if approved would result in a net cash outflow of approximately Rs.360. 82 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 12 - Provisions

₹ in Lakhs

Particulars		As at 31 March 2023		As at 31 March 2022	
		Current	Non- Current	Current	Non- Current
(a)	Provision for employee benefits				
	– Gratuity (Note 27)	201.53	481.69	115.79	456.97
	– Leave Encashment (Note 27)	161.41	441.02	145.06	606.70
	– Others	2,017.45	–	2,431.93	–
(b)	Other Provisions				
	– Provision for tax (net of advance tax paid)	79.74	–	25.23	–
Total Provisions		2,460.13	922.71	2,718.01	1,063.67

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars		As at 31 March 2023	As at 31 March 2022
		Current	Current
Payables			
(I)	Trade Payables		
(i)	total outstanding dues of micro enterprises and small enterprises#	2.33	6.68
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises**	6,963.09	6,054.66
(II)	Other Payables		
(i)	total outstanding dues of micro enterprises and small enterprises#	–	–
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	–	–
Total		6,965.42	6,061.34

On the basis of confirmations received from parties

** Including amount payable to related parties of Rs.25.34 lakhs (PY: Rs.68.29 lakhs)

₹ in Lakhs

Particulars		As at 31 March 2023					
		Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(a)	MSME	–	2.33	–	–	–	2.33
(b)	Others	2,811.90	3,957.22	35.51	101.43	57.03	6,963.09
Disputed dues							
(a)	MSME			–	–	–	–
(b)	Others			–	–	–	–

₹ in Lakhs

Particulars		As at 31 March 2022					
		Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(a)	MSME	–	6.68	–	–	–	6.68
(b)	Others	2,156.46	3,451.90	7.75	298.24	140.31	6,054.66
Disputed dues							
(a)	MSME			–	–	–	–
(b)	Others			–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 14 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
Other liabilities				
Salary Payable	**80.41**	**–**	85.27	**–**
Total other financial liabilities	**80.41**	**–**	85.27	**–**

Note No. 15 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
Statutory dues				
– Taxes payable (other than income taxes)	**725.25**	**–**	794.79	**–**
– TDS Payable	**556.19**	**–**	484.37	**–**
– Employee Recoveries and Employer Contributions	**67.38**	**–**	69.43	**–**
TOTAL OTHER LIABILITIES	**1,348.82**	**–**	1,348.59	–

Note No. 16 - Revenue from Operations

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from rendering of services		
Brokerage	**38,890.18**	22,195.95
Broker retainer fees	**198.35**	4,965.83
Handling charges	**311.34**	4,193.86
Consultancy fees	**49.82**	32.69
Total Revenue from Operations	**39,449.69**	31,388.33

Note No. 17 - Other Income

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest Income		
– On Financial Assets at Amortised Cost	**3,073.81**	3,203.48
– On Income Tax Refund	**72.12**	–
(b) Dividend Income		
– On Financial Assets Fair Value through Profit or Loss	**–**	1.09
(c) Miscellaneous Income	**3.59**	17.24
(d) Capital Gain on redemption of mutual funds	**23.81**	64.91
(e) Profit on sale of property, plant and equipments	**18.64**	11.92
(f) Gain on foreign exchange	**8.99**	–
(g) Rent Concessions (on account of Covid-19)*	**–**	113.98
Total Other Income	**3,200.96**	3,412.62

*shown separately as required as per notification no.359 issued by Ministry of Corporate Affairs dated July 24, 2020.

Note No. 18 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
(a) Salaries and wages, including bonus*	**10,625.73**	10,613.75
(b) Contribution to provident and other funds	**498.98**	517.95
(c) Gratuity Expenses	**150.34**	163.85
(d) Share based payment transactions expenses		
Cash-settled share-based payments	**431.58**	(79.02)
(e) Staff welfare expenses	**166.75**	69.05
Total Employee Benefit Expense	**11,873.38**	11,285.58

* Including payments to Key Mangerial Person of Rs.512.01 Lakhs (PY: Rs.596.54 Lakhs)

Cash-settled share-based payments

In respect of the Cash-settled share-based payments, Employee Stock Options (ESOS) of the ultimate holding company Mahindra & Mahindra Limited and the holding company Mahindra & Mahindra Financial Services Limited (MMFSL) are issued to eligible employees of the Company. The Company makes the necessary payment to the respective Ultimate holding company and holding company.

Further refer Note No. 28 for Employees Phantom Stock Option Plan 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 19 - Other Expenses

₹ in Lakhs

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	Distribution fees*	**19,795.56**	10,756.50
(b)	Power & fuel	**52.58**	47.56
(c)	Rent including lease rentals	**17.87**	**36.97**
(d)	Rates and taxes	**41.93**	10.88
(e)	Insurance	**384.68**	415.35
(f)	Postage, Telephone and Communication	**185.50**	180.02
(g)	Software Charges	**0.33**	9.09
(h)	Repairs - Others	**122.56**	93.58
(i)	Administration Support Charges	**271.40**	174.80
(j)	Manpower Contracting Charges	**575.50**	777.20
(k)	Advertisement	**0.18**	0.42
(l)	Sales promotion expenses	**325.65**	786.53
(m)	Travelling and Conveyance Expenses	**607.04**	482.11
(n)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013. (Note 33.3)	**132.30**	153.05
(o)	Provision for doubtful trade and other receivables (Note 23)	**42.20**	28.90
(p)	Bad debts written off	**–**	0.12
(q)	Auditors remuneration and out-of-pocket expenses	**13.31**	13.00
	(i) As Auditors	5.00	5.00
	(ii) For Other services	8.00	8.00
	(iii) For reimbursement of expenses	0.31	–
(r)	Directors' Commission	**138.78**	116.77
(s)	Directors' Sitting Fees	**8.70**	10.60
(t)	Legal and other professional costs	**920.00**	643.39
(u)	Loss due to change in fair value of investments	**3.28**	10.40
(v)	Loss on foreign exchange	**–**	2.42
(w)	Miscellaneous expenses	**1,312.69**	841.53
Total Other Expenses		**24,952.04**	15,591.19

* Distribution fees are the payments made to Motor Insurance Service Providers (Automotive Dealers) as per the Guidelines issued under section 34 of the Insurance Act, 1938 and section 14 of the IRDA Act, 1999 on Motor Insurance Service Provider with effect from 1st November 2017

Note No. 20 - Earnings per Share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	₹	₹
	Per Share	Per Share
Basic Earnings per share	**33.41**	50.34
Diluted Earnings per share	**33.41**	50.34

Equity shares of Rs. 10/- each with voting rights

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (loss) for the year attributable to owners of the Company	**3,444.07**	5,189.38
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	**3,444.07**	5,189.38
Weighted average number of equity shares (nos)	**10,309,280**	10,309,280
Earnings per share - Basic (₹)	**33.41**	50.34

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective Periods, if any.

₹ in Lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (loss) for the year used in the calculation of basic earnings per share	**3,444.07**	5,189.38
Add: Adjustments, if any	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**3,444.07**	5,189.38
Profits used in the calculation of diluted earnings per share	**3,444.07**	5,189.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 20 - Earnings per Share (Cont)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**1,03,09,280**	1,03,09,280
Add: Effect of Warrants, if any	**–**	–
ESOPs, if any	**–**	–
Convertible bonds, if any	**–**	–
Others if any	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,03,09,280**	1,03,09,280

Note No. 21 - Right of use assets

₹ in Lakhs

Description of Assets	**Right to use assets**	**Total**
I. Gross Carrying Amount		
Balance as at 1 April 2022	**2,562.89**	2,562.89
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**2,199.05**	2,199.05
Balance as at 31 Mar 2023	**4,761.94**	4,761.94
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	**1,422.45**	1,422.45
Amortisation expense for the year	**551.78**	551.78
Balance as at 31 Mar 2023	**1,974.23**	1,974.23
III. Net carrying amount (I-II)	**2,787.71**	2,787.71

₹ in Lakhs

Description of Assets	**Right to use assets**	**Total**
I. Gross Carrying Amount		
Cost		
Balance as at 1 April 2021	**2,562.89**	2,562.89
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**–**	–
Balance as at 31 Mar 2022	**2,562.89**	2,562.89
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	**975.34**	975.34
Amortisation expense for the year	**447.11**	447.11
Balance as at 31 Mar 2022	**1,422.45**	1,422.45
III. Net carrying amount (I-II)	**1,140.44**	1,140.44

The Company has not revalued its Right of use assets during the year and previous financial year.

Note No. 22 - Intangible Assets Under Development

₹ in Lakhs

Particulars	**As at 31 Mar 2023**	As at 31 Mar 2022
Intangible Assets Under Development	**263.61**	210.10
Total	**263.61**	210.10

₹ in Lakhs

	As at 31 Mar 2023				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Intangible Assets Under Development	**79.25**	**142.23**	**–**	**42.13**	263.61
Total	**79.25**	**142.23**	**–**	**42.13**	263.61

₹ in Lakhs

	As at 31 Mar 2022				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Intangible Assets Under Development	**85.39**	**82.58**	**–**	**42.13**	210.10
Total	**85.39**	**82.58**	**–**	**42.13**	210.10

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products

and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2018.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Lakhs

	31-Mar-23	31-Mar-22
Equity	**53,320.68**	50,405.10
Less: Cash and cash equivalents	**(1,731.69)**	(1,013.84)
	51,588.99	49,391.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 23 - Financial Instruments (Cont)

Categories of financial assets and financial liabilities

₹ in Lakhs

As at 31 March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**12,650.00**	**–**	**–**	**12,650.00**
Loans	**15,325.00**	**–**	**–**	**15,325.00**
Other Financial Assets	**1,231.43**	**–**	**–**	**1,231.43**
Current Assets				
Investments	**2,300.00**	**–**	**–**	**2,300.00**
Trade Receivables	**7,649.93**	**–**	**–**	**7,649.93**
Other Bank Balances	**1,731.69**	**–**	**–**	**1,731.69**
Loans	**16,550.00**	**–**	**–**	**16,550.00**
Other Financial Assets	**832.34**	**–**	**–**	**832.34**
Non-current Liabilities				
Lease liabilities	**2,745.67**	**–**	**–**	**2,745.67**
Current Liabilities				
Trade Payables	**6,965.42**	**–**	**–**	**6,965.42**
Lease liabilities	**381.43**	**–**	**–**	**381.43**
Other Financial Liabilities	**80.41**	**–**	**–**	**80.41**

₹ in Lakhs

As at 31 March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	10,200.00	–	–	10,200.00
Loans	9,525.00			9,525.00
Other Financial Assets	413.99	–	–	413.99
Current Assets				
Investments	9,365.00	1,650.44	–	11,015.44
Trade Receivables	6,669.54	–	–	6,669.54
Other Bank Balances	1,013.84	–	–	1,013.84
Loans	16,575.00	–	–	16,575.00
Other Financial Assets	1,036.23	–	–	1,036.23
Non-current Liabilities				
Lease liabilities	840.37	–	–	840.37
Current Liabilities				
Trade Payables	6,061.34	–	–	6,061.34
Lease liabilities	437.11	–	–	437.11
Other Financial Liabilities	85.27	–	–	85.27

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding 0.13% of the debtors are pertaining to group companies.

The credit risk on liquid funds invested in Fixed Deposits with companies and Intercorporate Deposits is limited because the counterparties are group companies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at 31 March 2023

₹ in Lakhs

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	**0.00**	**7,242.41**	**859.61**	**8,102.02**
Loss allowance provision	**0.00**	**93.55**	**358.54**	**452.09**
		7,148.86	**501.07**	**7,649.93**

As at 31 March 2022

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	0.00	5,298.14	1,781.29	7,079.43
Loss allowance provision	0.00	28.90	380.99	409.89
	0.00	5,269.24	1,400.30	6,669.54

Reconciliation of loss allowance provision for Trade Receivables

₹ in Lakhs

Particulars	**31-Mar-23**	31-Mar-22
Balance as at beginning of the year	**409.89**	380.99
Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**42.20**	28.90
Balance at end of the year	**452.09**	409.89

The loss allowance provision has changed during the period due to delays in recovery of brokerage on insurance contracts brokered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 23 - Financial Instruments (Cont)

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-23				
Non-interest bearing	**7,427.26**	**2,745.67**	**–**	**–**
Total	**7,427.26**	**2,745.67**	**–**	**–**
31-Mar-22				
Non-interest bearing	6,583.72	840.37	–	–
Total	**6,583.72**	**840.37**	**–**	**–**

(iii) *Financing arrangements*

The Company does not feel the need to have any borrowing facilities at this stage

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-Mar-23				
Non-interest bearing	**9,313.96**	**1,171.43**	**–**	**–**
Fixed interest rate instruments	**19,750.00**	**28,035.00**	**–**	**–**
Total	**29,063.96**	**29,206.43**	**–**	**–**
31-Mar-22				
Non-interest bearing	10,369.78	353.99	–	–
Fixed interest rate instruments	25,940.27	19,785.00	–	–
Total	**36,310.05**	**20,138.99**	**–**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments taking into account the current liquidity requirements. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 24 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

₹ in Lakhs

	31-Mar-23		31-Mar-22	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**31,875.00**	**31,875.00**	26,100.00	26,100.00
– trade and other receivables	**8,102.02**	**7,649.93**	7,079.43	6,669.54
– other financial assets	**2,063.77**	**2,063.77**	1,450.22	1,450.22
– fixed Deposits with Companies	**14,950.00**	**14,950.00**	19,565.00	19,565.00
Total	**56,990.79**	**56,538.70**	54,194.65	53,784.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 24 - Fair Value Measurement (Cont)

₹ in Lakhs

	31-Mar-23		31-Mar-22	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**6,965.42**	**6,965.42**	6,061.34	6,061.34
– Lease Liabilities	**3,127.10**	**3,127.10**	1,277.48	1,277.48
– other financial laibilities	**80.41**	**80.41**	85.27	85.27
Total	**10,172.93**	**10,172.93**	7,424.09	7,424.09

Fair value hierarchy as at 31st March 2023

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**–**	**31,875.00**	**–**	**31,875.00**
– trade and other receivables	**–**	**7,649.93**	**–**	**7,649.93**
– other financial assets	**–**	**2,063.77**	**–**	**2,063.77**
– fixed Deposits with companies	**–**	**14,950.00**	**–**	**14,950.00**
Total	**–**	**56,538.70**	**–**	**56,538.70**
Financial liabilities				
Financial liabilities held at Amortised Cost				
– trade and other payables	**–**	**6,965.42**	**–**	**6,965.42**
– Lease Liabilities	**–**	**3,127.10**	**–**	**3,127.10**
– other financial liabilities	**–**	**80.41**	**–**	**80.41**
Total	**–**	**10,172.93**	**–**	**10,172.93**

Fair value hierarchy as at 31st March 2022

	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– loans to related parties	–	26,100.00	–	26,100.00
– trade and other receivables	–	6,669.54	–	6,669.54
– other financial assets	–	1,450.22	–	1,450.22
– fixed Deposits with companies	–	19,565.00	–	19,565.00
Total	–	53,784.76	–	53,784.76
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**–**	6,061.34	**–**	6,061.34
– Lease Liabilities	**–**	1,277.48	**–**	1,277.48
– other financial laibilities		85.27	**–**	85.27
Total	–	7,424.09	–	7,424.09

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. In the opinion of the management, the difference between the carrying value of the above stated financial assets and liabilities is not materially different from their fair value. Accordingly, the fair value and carrying amount are the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 25 - Leases

25.1 Company as as a lessee

Following are the changes in the carrying value of Right to use asset for the year ended March 31, 2023

₹ in Lakhs

Particulars	Category of Asset Building For the year ended 31 March 2023	 For the year ended 31 March 2022
Balance at the beginning	**1,140.44**	1,587.55
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**2,199.05**	–
Deletions	**–**	–
Depreciation	**551.78**	447.11
Balance at the end	**2,787.71**	1,140.44

Following is the movement in the lease liabilties during the year ended March 31, 2023

₹ in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning	**1,277.48**	1,711.95
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**2,199.05**	–
Deletions	**–**	–
Finance Cost accured during the year	**193.72**	129.05
Payment of lease liabilties	**543.15**	563.52
Balance at the end	**3,127.10**	1,277.48
Non Current	**2,745.67**	840.37
Current	**381.43**	437.11
Total	**3,127.10**	1,277.48

25.2 Depreciation and Amortisation

₹ in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Property, Plant & Equipment (Note 1)	**451.68**	264.57
Other Intangible Assets (Note 2)	**23.00**	45.46
Right of use Assets (Note 21)	**551.78**	447.11
Total	**1,026.46**	757.14

Note No. 26 - Segment information

The Company has determined the operating segment based of structure of reports reviewed by the Strategic Management Council. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely “Insurance Broking services”. The geographical segment is based on the location of client, whether in India or outside India. The Strategic Management Council of the Company monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment

₹ in Lakhs

Geographic information	Year Ended 31 March 2023	Year Ended 31 March 2022
Revenue from external customers		
India	**39,449.69**	31,388.33
Outside India	**–**	–
Total Income as per statement of profit or loss	**39,449.69**	31,388.33

All Non-current operating assets comprising property, plant and equipment, investment properties and intangible assets, if any are located in India.

Income from major products and services

The following is an analysis of the Company’s revenue from continuing operations from its major products and services:

₹ in Lakhs

	Year Ended 31 March 2023	Year Ended 31 March 2022
Insurance Broking and auxillary activities	**39,449.69**	31,388.33
Total	**39,449.69**	31,388.33

Income from transactions with a single external customer amounts to 10% or more of the entity’s revenues.

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company’s contribution to Provident Fund and Superannuation Fund aggregating Rs. 468.73 Lakhs (F-2022 : Rs.478.20 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 27 - Employee benefits (Cont)

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Leave Encashment

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitllement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Defined benefit plans – as per actuarial valuation on 31st March, 2023

₹ in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Exigency leave / Earned leave	
	2023	2022	**2023**	2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Service Cost				
Current Service Cost	**108.42**	121.51	**107.58**	128.28
Past service cost and (gains)/losses from settlements	**–**	–	**–**	–
Net interest expense	**41.93**	42.35	**55.03**	54.28
Acquisition adjustment due to transfer out	**–**	–		
Components of defined benefit costs recognised in profit or loss	**150.35**	163.86	**162.61**	182.56
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)	**–**	–	**–**	–
Actuarial gains and loss arising form changes in financial assumptions	**–**	–	**–**	–
Actuarial gains and loss arising form experience adjustments	**17.40**	(27.55)	**–**	–
Others	**–**	–	**–**	–
Componenets of defined benefit costs recognised in other comprehensive income	**17.40**	(27.55)	**–**	–
Total	**17.40**	(27.55)	**–**	–
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	**1,184.18**	1,160.99	**602.43**	751.76
2. Fair value of plan assets as at 31st March	**500.96**	588.23	**–**	–
3. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March	**(683.22)**	(572.76)	**(602.43)**	(751.76)
4. Current portion of the above	**201.53**	115.79	**161.41**	145.06
5. Non current portion of the above	**481.69**	456.97	**441.02**	606.70
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	**1,160.99**	1,197.24	**751.76**	785.46
2. Add/(Less) on account of Scheme of Arrangement/Business	**–**	–	**–**	–
Transfer	**–**	–	**–**	–
3. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**108.42**	121.51	**107.58**	72.19
– Past Service Cost			**–**	–
– Interest Expense (Income)	**84.98**	82.73	**55.02**	110.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 27 - Employee benefits (Cont)

₹ in Lakhs

Particulars			**Funded Plan Gratuity**		**Unfunded Plans Exigency leave / Earned leave**	
			2023	2022	**2023**	2022
	4.	*Recognised in Other Comprehensive Income*	**–**	–	**–**	–
		Remeasurement gains/(losses)				
		– Actuarial Gain (Loss) arising from:	**–**	–	**–**	–
		i. Demographic Assumptions	**4.35**	(2.07)	**4.58**	5.02
		ii. Financial Assumptions	**(14.64)**	(36.81)	**(5.88)**	(28.46)
		iii. Experience Adjustments	**(15.36)**	(29.06)	**(310.63)**	(192.81)
	5.	Benefit payments	**(144.56)**	(172.55)	**–**	–
	6.	Others	**–**	–	**–**	–
	7.	**Present value of defined benefit obligation at the end of the year**	**1,184.18**	1,160.99	**602.43**	751.76
III.		**Change in fair value of assets during the year ended 31st March**				
	1.	Fair value of plan assets at the beginning of the year	**588.23**	584.43	**–**	–
	2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–	**–**	–
	3.	*Expenses Recognised in Profit and Loss Account*	**–**	–	**–**	–
		– Expected return on plan assets	**43.06**	40.38	**–**	–
	4.	*Recognised in Other Comprehensive Income*	**–**	–	**–**	–
		Remeasurement gains/(losses)	**–**	–	**–**	–
		– Actual Return on plan assets in excess of the expected return	**(43.06)**	(40.38)	**–**	–
		– Others (Specify)	**–**	–	**–**	–
	5.	Contributions by employer (including benefit payments recoverable)	**57.28**	176.38	**–**	–
	6.	Recoverable/Recovered from LIC	**–**	(0.02)	**–**	–
	7.	Benefit payments	**(144.56)**	(172.56)	**–**	–
	8.	**Fair value of plan assets at the end of the year**	**500.95**	588.23	**–**	–
IV.		**The Major categories of plan assets**				
		– Insurer managed funds	**100%**	100%	**–**	–
V.		**Actuarial assumptions**				
	1.	Discount rate	**7.50%**	7.32%	**7.50%**	6.91%
	2.	Expected rate of return on plan assets	**7.00%**	7.00%	**7.00%**	
	3.	Attrition rate	**Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter**	Attrition rate of 30% up to the age of 30, 19% up to age of 44 and 12% thereafter	**Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter**	Attrition rate of 30% up to the age of 30, 19% up to age of 44 and 12% thereafter

Gratuity

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	**2023**	**1**	**(56.97)**	**35.99**
	2022	1	(63.19)	60.78
Salary growth rate	**2023**	**1**	**36.36**	**(59.40)**
	2022	1	60.34	(63.89)
Life expectancy	**2023**	**+/- 1 year**	**Negligible**	**Negligible**
	2022	+/- 1 year	Negligible	Negligible

Leave Encashment

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	**2023**	**1**	**(27.80)**	**30.12**
	2022	1	(44.77)	49.62
Salary growth rate	**2023**	**1**	**29.97**	**(28.18)**
	2022	1	48.03	46.56
Life expectancy	**2023**	**+/- 1 year**	**Negligible**	**Negligible**
	2022	+/- 1 year	Negligible	Negligible

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 27 - Employee benefits (Cont)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute approximate Rs.150 lakhs to the gratuity trusts during F24.

Maturity profile of defined benefit obligation:

		₹ in Lakhs
Gratuity	**2023**	2022
Within 1 year	**411.73**	310.42
1 - 2 year	**377.79**	281.24
2 - 3 year	**415.95**	330.08
3 - 4 year	**481.06**	371.19
4 - 5 year	**520.24**	428.23

		₹ in Lakhs
Leave Encashment	**2023**	2022
Within 1 year	**215.00**	128.66
1 - 2 year	**201.62**	115.39
2 - 3 year	**206.15**	119.92
3 - 4 year	**212.67**	122.94
4 - 5 year	**216.24**	129.28

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

	Period Ended				
VIII. Experience Adjustments:	**2023**	**2022**	**2021**	**2020**	**2019**
			Gratuity		
1. Defined Benefit Obligation	**1,184.18**	1,160.99	1,197.24	1,089.09	715.12
2. Fair value of plan assets	**500.96**	588.23	584.43	466.12	392.35
3. Surplus/(Deficit)	**(683.22)**	(609.01)	612.82	622.97	322.77
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(25.65)**	(67.94)	(74.54)	266.85	36.38
5. Experience adjustment on plan assets [Gain/(Loss)]	**(43.06)**	(40.38)	(29.88)	(30.09)	(25.62)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

On January 18, 2019, Board of Directors approved the MIBL Employees Phantom Stock Option Plan 2019 (MIBL EPSOP 2019) for grant of stock options to the employees, within the meaning of the MIBL-EPSOP 2019 plan. The specific employees to whom the options would be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee of the Board (Committee) from time to time on the basis of one or more factors including but not limited to longevity, total experience and role of the Employee. The options granted under EPSOP 2019 would vest after 1 (one) year but not later than the maximum vesting Period of 4 (four) years from the grant date of such options.

The Committee has prescribe the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

Vesting Dates	**Vesting Percentage**
1st Anniversary from date of Grant	25% of Options granted
2nd Anniversary from date of Grant	25% of Options granted
3rd Anniversary from date of Grant	25% of Options granted
4th Anniversary from date of Grant	25% of Options granted

The Company will process vested options for settlement at each vesting date and determines appreciation in respect of all such Options with reference to Fair Market Value prevailing as on date of Vesting calculated as prescribed by MIBL EPSOP 2019. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Employees Phantom Stock Option Plan

Grant date	Exercise Price	Total Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
Grant I	10.00	302,326.00	258,951.00	–	258,951.00	43,375.00	–
Grant II	10.00	4,905.00	4,905.00	–	4,905.00	–	–
Grant III	10.00	9,070.00	6,892.00	–	6,892.00	2,178.00	–
Grant IV	10.00	7,268.00	3,620.00	–	3,620.00	3,648.00	–
Grant V	10.00	2,468.00	2,468.00	–	2,468.00	–	–
Total		**326,037.00**	**276,836.00**	**–**	**276,836.00**	**49,201.00**	**–**

Movement of Phantom stock options during the year

Total for all grants	**No. of Options**	**Range of exercise prices Rs.**	**Weighted average exercise price Rs.**	**Weighted average remaining contractual life (Years)**
Outstanding at the beginning of the year	64,204	10.00	10.00	NA
Granted during the year	0			NA
Forfeited/ Lapsed during the year	5,250			NA
Exercised during the year	58,954			NA
Outstanding at the end of the year	0			NA
Exercisable at the end of the year	0			NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2020) (Cont)

Significant assumptions used to estimate the fair value of options granted during the year.

Variables	
1. Risk Free Interest Rate	4.87
2. Expected Life	0.97
3. Expected Volatility	21.62
4. Dividend Yield	1.00
5. Price of the underlying share in market at the time of the option grant (Rs.)	1778.1

Total Expenses recognised for the year ended on 31st March 2023.

The total expense recognised from share-based payment transactions (including options granted to Directors & employees of other group companies) for the year ended on 31st March 2023 is Rs. 539.12 Lakhs (PY. Rs. 10.08 Lakhs)

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

Annex 2

Requirements under Companies Act, 2013

Summary of Status of EPSOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	**Particulars**	**Employees Phantom Stock Option Plan 2019**
I. Details of the EPSOPS		
1.	Date of Shareholder's Approval	18-01-2019
2.	Total Number of Options approved	5,15,464
3.	Vesting Requirements	As per vesting schedule
4.	ExercisePrice or Pricing formula (Rs.)	₹ 10.00
5.	Maximum term of Options granted (years)	4 years
6.	Source of shares	
7.	Variation in terms of ESOP	N.A
II. Option Movement during the year		
1.	No. of Options Outstanding at the beginning of the year	64,204
2.	Options Granted during the year	0
3.	Options Forfeited	5,250
4.	Options Lapsed during the year	0
5.	Options Vested during the year	58,954
6.	Options Exercised during the year	58,954
7.	Total number of shares arising as a result of exercise of options	0
8.	Money realised by exercise of options (Rs.)	0
9.	Number of options Outstanding at the end of the year	0
10.	Number of Options exercisable at the end of the year	0

III. Weighted average exercise price of Options granted during the year whose

(a) Exercise price equals market price	NA
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	10.00

Weighted average fair value of options granted during the year whose

(a) Exercise price equals market price	NA
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	NA

The weighted average market price of options exercised during the year

No Options Exercised during the year

IV. Employee-wise details of options granted during the financial year 2022-23 to:

(i) Senior managerial personnel :

Name	**No. of options granted**
	NIL

(ii) Employees who were granted, during the year, options amounting to 5% or more

Name	**No. of options granted**
	NIL

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	**No. of options granted**
Not Applicable	NIL

V. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Date of grant	**Particulars**
1. Risk Free Interest Rate	Not Applicable
2. Expected Life	Not Applicable
3. Expected Volatility	Not Applicable
4. Dividend Yield	Not Applicable
5. Price of the underlying share in market at the time of the option grant (Rs.)	Not Applicable

Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VI	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	Not Applicable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 29 - Related Party Transactions

Name of the parent Company	**: Mahindra & Mahindra Financial Services Limited**
Name of the Ultimate parent Company	**: Mahindra & Mahindra Limited**
Name of the Fellow subsidiaries	**: Mahindra Rural Housing Finance Limited**
	: Mahindra Integrated Business Solutions Limited
	: Mahindra First Choice Services Limited
	: N.B.S. International Limited
Key Management Personnel (KMP)	**: Vedanarayanan Seshadri, Managing Director (w.e.f. 21st May 2021)**
	: Rupa Joshi, Company Secretary (Till 09th Nov 2021)
	: Saurabh Dharadhar, Chief Financial Officer
	: Niranajan Karde, Company Secretary (w.e.f. 18th Jan 2022)
Directors	**: Rajeev Dubey, Chairman**
	: Ramesh Iyer, Non Executive Director
	: Hemant Sikka, Non Executive Director
	: Jyotin Mehta, Independent Director
	: Anjali Raina, Independent Director
	: Derek Nazareth, Nominee Director (Till 15th Jan 2023)
	: Vivek Karve, Non Executive Director
	: Rajnish Agarwal, Non Executive Director

Details of transaction between the Company and its related parties are disclosed below:

₹ in Lakhs

Particulars	**For the year ended**	**Parent Company and Ultimate Parent company**	**KMP/ Directors of the Company**	**Fellow subsidiaries**
Nature of transactions with Related Parties				
Purchase of property and other assets	31-Mar-23	54.35	–	28.26
including intangibles	*31-Mar-22*	*21.69*	–	*49.01*
Rendering of services	31-Mar-23	311.34	–	–
	31-Mar-22	*4,193.86*	–	–
Receiving of services	31-Mar-23	448.67	512.01	262.53
	31-Mar-22	*244.39*	*596.54*	*415.81*
Interest Income	31-Mar-23	1,477.75	–	1,575.38
	31-Mar-22	*766.40*	–	*2,430.41*
Loans given (including Fixed Deposits &	31-Mar-23	14,050.00	–	13,050.00
Intercorporate Deposits placed during the year)	*31-Mar-22*	*18,865.00*	–	*3,225.00*
Repayment of loans (incl Fixed Deposits matured &	31-Mar-23	9,365.00	–	16,575.00
Intercorporate Deposits withdrawn during the year)	*31-Mar-22*	*7,750.00*	–	*11,465.00*
Dividend Paid	31-Mar-23	412.37	–	–
	31-Mar-22	*247.42*	–	–
Commission and other benefits to directors	31-Mar-23	–	138.78	–
	31-Mar-22	–	*116.77*	–
Sale of Fixed Assets	31-Mar-23	–	–	2.43
	31-Mar-22	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 29 - Related Party Transactions (Cont)

Nature of Balances with Related Parties	**Balance as on**	**Parent Company and Ultimate Parent company**	**KMP/Directors of the Company**	**Fellow subsidiaries**
Trade payables	31-Mar-23	24.24	–	1.10
	31-Mar-22	*68.19*	–	*0.10*
Loans & advances given (incl. Fixed Deposits	31-Mar-23	24,650.00	–	22,175.00
and Intercorporate Deposits placed)	*31-Mar-22*	*19,965.00*	–	*25,700.00*
Other balances (including Trade Receivables	31-Mar-23	1,170.89	–	618.80
and Interest Accrued)	*31-Mar-22*	*1,520.07*	–	*899.15*

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Lakhs

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Short-term employee benefits	**512.01**	596.54
Post-employment benefits[1]	**–**	**–**
Other long-term benefits[1]	**–**	**–**
Termination benefits	**–**	**–**
Share-based payment[2]	**–**	**–**

[1] Figures not available separately for gratuity and leave encashment

[2] Included in the Stock Option Charge paid to parent company for its Stock Options granted to Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note No. 30 - Income from contract with customers

A. Country-wise break up of Income

₹ in Lakhs

31-Mar-23

Country	**Income from contracts with customers (IndAS 115)**	**Income from operations from other than customers**	**Total Income from Operations**	**Other Income**	**Total Income**
India	39,449.69	–	39,449.69	3,200.96	42,650.65
Total	39,449.69	–	39,449.69	3,200.96	42,650.65

₹ in Lakhs

31-Mar-22

Country	Income from contracts with customers (IndAS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	31,388.33	–	31,388.33	3,412.62	34,800.95
Total	31,388.33	–	31,388.33	3,412.62	34,800.95

B. Breakup of Income into contracts entered in previous year and in current year

₹ in Lakhs

Particulars	**31-Mar-23**	**31-Mar-22**
Income from PO/ contract / agreement entered into previous year	**39,369.81**	30,491.57
Income from New PO/ contract / agreement entered into current year	**79.88**	896.76
Total Income recognised during the period	**39,449.69**	31,388.33

C. Reconciliation of Income from contract with customer

₹ in Lakhs

Particulars	**31-Mar-23**	**31-Mar-22**
Income from contract with customer as per the contract price	**39,449.69**	31,388.33
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**–**	–
b) Sales Returns / Reversals	**–**	–
c) Deferrment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	**–**	–
f) Any other adjustments	**–**	–
Income from contract with customer as per the statement of Profit and Loss	**39,449.69**	31,388.33

D. Income to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/ Pos/Wos/ SOWs, etc) at the end of reporting period.

The company has reviewed the contract with insurers and customers and indentified claims handling services as an area that is affected by the new accounting standard. The application of new standard results in the indentifiaction of separate performance obligation for handeling claims on behalf of customers as part of insurance brokerage customary business practice. The new standard requires the deferral of Income recognition untill the performance obligation is satisifed. Based on the results of the review, the company does not expect a material imapct on the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 30 - Income from contract with customers (Cont)

E. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Lakhs

Particulars	31-Mar-23	31-Mar-22
Expected Credit loss recognised during the year on trade receivables	**42.20**	28.90
Expected Credit loss recognised during the year on contract assets	**–**	–
Expected Credit loss recognised during the year on others	**–**	–
Total	**42.20**	28.90

Note No. 31 - Income received from Insurer and Insurer's group companies

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of all the incomes received from insurers and insurer's group companies

A. Details of incomes received from insurers (Top 15+ Others)

₹ in Lakhs

Particulars	Year Ended 31 March 2023
RELIGARE HEALTH INSURANCEC CO LTD	**5,811.89**
ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	**4,405.26**
TATA AIG GENERAL INSURANCE CO LTD	**4,247.29**
IFFCO TOKIO GENERAL INSURANCE CO LTD	**4,047.89**
CHOLAMANDALAM MS GEN INSURANCE CO LTD	**1,923.06**
RELIANCE GENERAL INSRUANCE COMPANY LIMITED	**1,914.54**
LIBERTY VIDEOCON GENERAL INSURANCE CO LTD	**1,842.03**
MAGMA HDI GENERAL INSURANCE COMPANY LIMITED	**1,399.05**
OM KOTAK MAHINDRA LIFE INS CO LTD	**1,385.40**
SBI GENERAL INSURANCE COMPANY	**1,293.13**
GO DIGIT GENERAL INSURANCE LTD.	**1,180.38**
HDFC ERGO GENERAL INSURANCE COMPANY LIMITED	**1,051.33**
FUTURE GENERALI INSURANCE CO LTD	**960.04**
UNIVERSAL SOMPO GENERAL INSURANCE CO LTD	**867.66**
MAX BUPA HEALTH INSURANCE CO LTD	**823.96**
OTHERS	**5,737.29**
Total Revenue	**38,890.20**

₹ in Lakhs

Particulars	Year Ended 31 March 2022
ICICI LOMBARD GENERAL INSURANCE LTD	2,677.32
TATA AIG GENERAL INSURANCE CO LTD	2,633.05
IFFCO TOKIO GENERAL INSURANCE CO LTD	2,123.26
LIBERTY VIDEOCON GENERAL INSURANCE CO LTD	1,570.23
CHOLAMANDALAM MS GEN INSURANCE CO LTD	1,202.04
ROYAL SUNDARAM ALLIANCE INSURANCE CO LTD	1,179.31
FUTURE GENERALI INSURANCE CO LTD	1,130.72
NEW INDIA ASSURANCE CO LTD	1,103.11
SBI GENERAL INSURANCE COMPANY LTD	1,037.19
UNITED INDIA INSURANCE CO LTD	837.82
RELIANCE GENERAL INSRUANCE COMPANY LIMITED	829.38
RELIGARE HEALTH INSURANCEC CO LTD	782.25
GO DIGIT GENERAL INSURANCE LTD.	720.35
HDFC ERGO GENERAL INSURANCE COMPANY LIMITED	670.17
BAJAJ ALLIANZ GENERAL INSURANCE CO LTD	581.43
OTHERS	3,118.32
Total Revenue	**22,195.95**

B. The Company has not received any income from any of the insurers' group companies.

Note No. 31 - Details of Payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of payments received by the group companies and/or associates and/ or related parties of the insurance broker from any insurer and the details thereof.

As per the information received from the group companies, payments received by Mahindra & Mahindra Financial Services Limited ("MMFSL")

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2023*
Tata AIG General Insurance Co Ltd	**621.03**
Royal Sundaram Alliance Insurance Co Ltd	**238.12**
Raheja QBE General Insurance Co Ltd	**122.48**
IFFCO Tokio General Insurance Co Ltd	**120.96**
ICICI Lombard General Insurance Ltd	**435.98**
Go Digit General Insurance Company Ltd	**288.01**
Future Generali India Insurance Co Ltd	**36.83**
Cholamandalam MS General Insurance Co Ltd	**264.46**
Bajaj Allianz General Insurance Co Ltd	**61.20**
Total	**2,189.07**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2022*
Bajaj Allianz General Insurance Co Ltd	25.48
Cholamandalam MS General Insurance Co Ltd	382.12
Future Generali India Insurance Co Ltd	103.50
Go Digit General Insurance Company Ltd	171.09
ICICI Lombard General Insurance Ltd	349.85
IFFCO Tokio General Insurance Co Ltd	176.45
Reliance General Insuranc Co Ltd	230.65
Royal Sundaram Alliance Insurance Co Ltd	1,530.00
Tata AIG General Insurance Co Ltd	375.40
Total	**3,344.54**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 32 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)		**₹ in Lakhs**
	As at 31 March 2023	**As at 31 March 2022**
Contingent liabilities		
Short Deduction of TDS and Interest thereon	**12.90**	3.06

		₹ in Lakhs
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Commitments for the acquisition of intangible assets	**181.48**	65.56

Note No. 33- Additional Information to the Financial Statements

33.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs. 3.50 per share be paid on equity shares on 21st April 2023. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on July 7th, 2023. The total estimated equity dividend to be paid is Rs. 360.82 Lakhs.

33.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars		**31-Mar-23**	**31-Mar-22**
(i)	Principal amount remaining unpaid to MSME suppliers as on	**2.33**	6.68
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii)	The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v)	The amount of interest accrued and remaining unpaid as on	**–**	–
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

33.3 Corporate Social Responsibility (CSR)

₹ in Lakhs

Particulars	**31-Mar-23**	**31-Mar-22**
Amount required to be spent as per section 135 of the Act	**132.26**	153.01
Amount spent during the year on:		
(i) Construction/acquistion of an asset	**–**	–
(ii) On purpose other than (i) above	**132.30**	153.05
Total Spent	**132.30**	153.05
Shortfall at the end of year		
Nature of CSR activities	Promoting Education & Healthcare	
Details of Related Party Transactions		
Contribution to a trust controlled by the Company in relation to CSR expenditure.	**–**	–
Provision made with respect to a liability already incurred by entering into a contractual obligation	**–**	–

Note No. 34 – Ratios

Ratio	**Numerator**	**Denominator**	**As at 31 Mar 2023**	**As at 31 Mar 2022**	**% variance**	**Reason for variance**
Current ratio	Current Assets	Current Liabilities	2.72	3.57	-24%	Decrease in the ratio on account of decrease in current assets in the current year majorly on account of Loans & Investments
Return on equity ratio	Profit After Tax	Avg. shareholders' equity	7%	11%	-39%	Percentage decrease in Profit after taxes is more than percentage increase in Average net-worth
Trade receivables turnover ratio	Net sales	Avg. trade receivables	5.51	5.03	10%	–
Return on Investments	Interest and Dividend Income	Investments and ICDs	7%	7%	-3%	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 34 – Ratios (Cont)

Ratio	Numerator	Denominator	As at 31 Mar 2023	As at 31 Mar 2022	% variance	Reason for variance
Net capital turnover ratio	Net sales	Working Capital	205%	114%	79%	Increase in the ratio is on account of increase in Net sales of the current year & decrease in current assets in the current year majorly on account of Loans & Investments
Net profit ratio	Profit After Tax	Net sales	9%	17%	-47%	Decrease in Profit as compared to previous year
Return on capital employed	EBIT	Capital Employed	9%	14%	-37%	Percentage decrease in Earnings before interest and taxes is more than percentage increase in capital employed

Note No. 35 - Additional Disclosures

1. During the financial years ended 31 March 2023 and 31 March 2022, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.
2. There is no Benami Property held or there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
3. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

4. There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year

Note No. 36 - Details of transactions with Struck off companies

Name of the Struck off Company	Nature of transactions with struck off company	Relationship with struck off company	Balance as at 31 March 2023	Balance as at 31 March 2022
		NIL		

Note No. 37 - Previous year figures

– Previous year figures have been regrouped /reclassified wherever found necessary.

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 21, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra Rural Housing Finance Limited**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Mahindra Rural Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at, March 31, 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances	
Refer to the accounting policies in "Note 2.5 (ii) and (vi) to the financial statements: Impairment of financial statements and Estimation uncertainty relating to post pandemic Macro-economic scenario", "Note 4 to the financial statements: Loans" and "Note 44 (ii) to the financial statements: Credit Risk Management"	
The Company has recognized impairment loss allowance of Rs.17,222.85 lakhs in its Statement of Profit and Loss during the year 2022-2023. The Company has maintained impairment provisions amounting to Rs.35,805.61 lakhs as at March 31, 2023. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. • Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.	Our key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any. • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances	
• Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions including the spill-over effects of the Covid 19 pandemic, if any. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties and other macro-economic factors, which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. Disclosures: The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied. • Testing the 'Governance Framework' over validation, implementation and model monitoring in line with the RBI guidance. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient. • We have also obtained management representations wherever considered necessary.

IT Systems and Controls	
Key audit matter	**How the matter was addressed in our audit**
The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these applications is critical for accurate compilation of financial information. Further, the Company's financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We have identified 'IT systems and controls' as key audit matter because of the high-level automation, number of systems being used by the management and the inherent risks/ complexity of the IT architecture.	We have performed the following key audit procedures: • Performed control testing on user access management, change management, segregation of duties, system and system application controls over key financial accounting and reporting systems. • Tested key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access / right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties. • Other areas that were tested include security configurations, system interface controls, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications, the operating system, or databases in the production environment.

Information other than the financial statements and auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' responsibility for the financial statements.

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

iv. Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

    e. on the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

    f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements.

        ii. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts. The company has not entered into derivative contracts during the year - Refer note 38 to the financial statements.

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

        iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

            a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

            b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

            c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

        v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, since proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the company only w.e.f. April 01, 2023, reporting under this clause is not applicable.

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 23129389BGUYDZ4282

Place: Mumbai
Date: 19 April 2023

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mahindra Rural Housing Finance Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including intangible assets.

(b) The Company has a regular programme of physical verification of Property, Plant and Equipment under which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) The title deeds (comprising of registered sale deeds/ transfer deeds /conveyance deeds) of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) provided to us, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under clause 3(ii) of the order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The quarterly returns and statements filed by the Company with such banks and financial institutions are in agreement with the books of account and records of the Company.

(iii) (a) Since the Company is a Housing Finance Company whose principal business is to give loans, clause 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.10 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at the year-end aggregating Rs.75,306.73 lakhs were categorised as credit impaired ("Stage 3") and Rs. 1,08,017.18 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 45(ii)(j) to the financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs.5,36,668.85 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of interest and/or principal aggregating Rs.3,630.95 lakhs were also identified, albeit of less than 30 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total overdue amount for more than 90 days as on March 31, 2023 is as per details below:

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)	Remarks (if any)
59,181	4,253.16	13,234.62	17,487.78	None

In our opinion, the Company has taken reasonable steps for the recovery of the principal and interest.

(e) Since the Company is a Housing Finance Company whose principal business is to give loans, clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) In our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the statute	Nature of Dues	Period to which the amount pertains. (F.Y.)	Amount (Rs. in lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2011-12	8.11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2013-14	23.22	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2016-17	30.99	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2017-18	46.92	Commissioner of Income Tax (Appeals)

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money raised by way of terms loans during the year for the purpose for which they were raised.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e)&(f) The Company does not have subsidiaries, associates or joint ventures during the year and therefore clause 3(ix)(e) and (f) of the Order is not applicable to the Company

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company has been noticed or reported during the year. In respect of frauds noticed and reported by the Company, the following information is furnished

Nature of fraud	Amount (Rs. Lakhs)
Cases of cheating and forgery by borrowers and employees	128.86
Cases of frauds by employees	59.70

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report, while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business. Prior to 9th August 2019, the power of registration of Housing Finance Companies was vested with the National Housing Bank and not the Reserve Bank of India.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company

(d) The Group (as defined under Master Direction DNBR. PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. There are 4 CIC forming part of the Group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the auditor during the year hence there is no requirement to report under this clause.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(xxi) The Company is not required to prepare Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable for the year.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 23129389BGUYDZ4282

Place: Mumbai
Date: 19 April 2023

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Rural Housing Finance Limited for the year ended March 31, 2023.

Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A) (f) under 'Report on other legal and regulatory requirements' section of our report of even date.

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Rural Housing Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's responsibility for internal financial controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to financial statements include those policies and procedures that –

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 23129389BGUYDZ4282

Place: Mumbai
Date: 19 April 2023

BALANCE SHEET AS AT 31 MARCH 2023

Particulars	Note	(Rs. in Lakhs) As at 31 March 2023	(Rs. in Lakhs) As at 31 March 2022
ASSETS			
1) Financial Assets			
a) Cash and cash equivalents	3	**31,494.46**	42,369.05
b) Bank balance other than (a) above		**88,702.87**	23,145.05
c) Loans	4	**684,524.55**	702,884.34
d) Investments	5	**34,095.06**	61,961.34
e) Other financial assets	6	**3,332.71**	1,193.50
		842,149.65	831,553.28
2) Non-financial Assets			
a) Current tax assets (Net)		**1,920.89**	317.86
b) Deferred tax assets (Net)	7	**11,028.76**	11,800.89
c) Property, Plant and Equipments	8	**12,527.61**	5,029.44
d) Other intangible assets	9	**23.61**	22.57
e) Other non-financial assets	10	**4,125.99**	2,635.91
		29,626.86	19,806.67
Total Assets		**871,776.51**	851,359.95
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial Liabilities			
a) Payables	11		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		**1.32**	21.28
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**4,366.40**	7,505.96
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**22.28**	22.28
b) Debt securities	12	**316,771.91**	334,445.20
c) Borrowings (Other than Debt Securities)	13	**319,162.66**	283,476.77
d) Subordinated liabilities	14	**46,049.24**	46,028.50
e) Other financial liabilities	15	**35,107.89**	30,916.87
		721,481.70	702,416.86
2) Non-Financial Liabilities			
a) Current tax liabilities (Net)		**–**	1,237.61
b) Provisions	16	**1,480.32**	1,635.79
c) Other non-financial liabilities	17	**651.47**	618.97
		2,131.79	3,492.37
3) EQUITY			
a) Equity share capital	18	**12,213.75**	12,186.88
b) Other equity	19	**135,949.27**	133,263.84
		148,163.02	145,450.72
Total Liabilities and Equity		**871,776.51**	851,359.95
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.	1 to 53		

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
19 April 2023

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

Particulars	Note	(Rs. in Lakhs) Year ended 31 March 2023	(Rs. in Lakhs) Year ended 31 March 2022
REVENUE FROM OPERATIONS			
i) Interest income	20	**130,371.65**	134,469.03
ii) Fees and commission income	21	**1,012.20**	248.70
iii) Net gain / (loss) on fair value changes and derecognised financial instruments	22	**1,982.60**	2,976.70
I Total revenue from operations		**133,366.45**	137,694.43
II Other income	23	**1,613.58**	54.51
III Total Income (I+II)		**134,980.03**	137,748.94
EXPENSES			
i) Finance costs	24	**52,512.77**	51,808.48
ii) Fees and commission expense	25	**707.17**	363.48
iii) Impairment on financial instruments	26	**17,222.85**	31,884.47
iv) Employee benefits expenses	27	**40,442.66**	32,131.33
v) Depreciation, amortisation and impairment	28	**2,625.74**	1,510.48
vi) Other expenses	29	**18,839.89**	14,278.69
IV Total Expenses (IV)		**132,351.08**	131,976.93
V Profit / (Loss) before tax (III - IV)		**2,628.95**	5,772.01
VI Tax expense:			
i) Current tax		**–**	4,385.77
ii) Deferred tax		**835.08**	(3,150.64)
iii) (Excess) / Short Provision for Income Tax - earlier years		**(380.91)**	(236.39)
		454.17	998.74
VII Profit / (Loss) for the year (V-VI)		**2,174.78**	4,773.27
VIII Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
– Remeasurement loss on defined benefit plans		**(55.37)**	(135.82)
(ii) Income tax impact thereon		**13.93**	34.18
Subtotal (A)		**(41.44)**	(101.64)
(B) (i) Items that will be reclassified to profit or loss			
– Net gain / (loss) on debt instruments through OCI		**(194.77)**	(86.22)
(ii) Income tax impact thereon		**49.02**	21.70
Subtotal (B)		**(145.75)**	(64.52)
Other Comprehensive Income / (Loss) (A+B)		**(187.19)**	(166.16)
IX Total Comprehensive Income / (Loss) for the year (VII+VIII) (Comprising Profit / (Loss) and other Comprehensive Income for the year)		**1,987.59**	4,607.11
X Earnings per equity share (for continuing operations)	30		
(Face value - Rs. 10/- per share)			
Basic (Rupees)		**1.78**	3.92
Diluted (Rupees)		**1.78**	3.90

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2023

Mumbai
19 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		(Rs. in Lakhs)	(Rs. in Lakhs)
A	**Equity Share Capital**	**31 March 2023**	31 March 2022
	Balance at the beginning of the year	**12,288.79**	12,288.79
	Changes in Equity share capital during the period		
	Add: Fresh allotment of shares:		
	– Issue of Shares	**–**	–
	– Shares issued under Employees' Stock Option Scheme	**–**	–
		12,288.79	12,288.79
	Less: Shares issued to ESOS Trust but not allotted to employees	**75.04**	101.91
	Balance at the end of the year	**12,213.75**	12,186.88

B Other Equity

	Reserves and Surplus					
	Statutory reserves	Securities premium	General reserves	Employee stock options outstanding	Retained earnings or Profit & loss account	Total
Balance as at 01 April 2021	28,804.93	43,033.65	290.00	540.92	55,438.36	128,107.86
Profit for the year	–	–	–	–	4,773.27	4,773.27
Other Comprehensive Income	–	–	–	–	(166.16)	(166.16)
Total Comprehensive Income	–	–	–	–	4,607.11	4,607.11
Transfers to Securities premium on exercise of employee stock options	–	129.61	–	(129.61)	–	–
Allotment of equity shares by ESOP Trust to employees	–	117.93	–	–	–	117.93
ESOP outstanding reserve account	–	–	–	343.05	–	343.05
Share based payment expense	–	–	–	87.89	–	87.89
Transfers to Statutory reserves	2,530.00	–	–	–	(2,530.00)	–
Balance as at 31 March 2022	**31,334.93**	**43,281.19**	**290.00**	**842.25**	**57,515.47**	**133,263.84**
Balance as at 01 April 2022	**31,334.93**	**43,281.19**	**290.00**	**842.25**	**57,515.47**	**133,263.84**
Profit for the year	**–**	**–**	**–**	**–**	**2,174.78**	**2,174.78**
Other Comprehensive Income	**–**	**–**	**–**	**–**	**(187.19)**	**(187.19)**
Total Comprehensive Income	**–**	**–**	**–**	**–**	**1,987.59**	**1,987.59**
Transfers to Securities premium on exercise of employee stock options	**–**	**236.72**	**–**	**(236.72)**	**–**	**–**
Allotment of equity shares by ESOP Trust to employees	**–**	**153.14**	**–**	**–**	**–**	**153.14**
ESOP outstanding reserve account	**–**	**–**	**–**	**360.05**	**–**	**360.05**
Share based payment expense	**–**	**–**	**–**	**184.65**	**–**	**184.65**
Transfers to Statutory reserves	**475.00**	**–**	**–**	**–**	**(475.00)**	**–**
Balance as at 31 March 2023	**31,809.93**	**43,671.05**	**290.00**	**1,150.23**	**59,028.06**	**135,949.27**

As per our report of even date attached

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2023

Mumbai
19 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

Particulars		(Rs. in Lakhs) Year ended 31 March 2023	(Rs. in Lakhs) Year ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		**2,628.95**	5,772.01
Add/(Less):			
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		**2,625.74**	1,510.48
Impairment on financial instruments		**23,339.44**	34,810.46
Interest income		**(130,371.65)**	(134,469.03)
Interest expense		**52,148.87**	51,373.01
Loss/ (profit) on sale of Property, Plant and Equipment		**(22.21)**	(6.41)
Share based payments to employees		**544.70**	430.93
Profit on sale of investments in mutual funds		**(2,792.09)**	(2,909.24)
Net gain / (loss) on financial instruments at FVTPL		**809.49**	(67.46)
Operating profit before working capital changes	I	**(51,088.76)**	(43,555.25)
Working capital changes in			
Loans		**3,418.22**	(24,817.00)
Other financial assets		**(2,048.67)**	(532.48)
Other non-financial assets		**(886.96)**	1,889.83
Trade payable		**(3,159.52)**	(841.97)
Other liabilities		**(1,740.80)**	2,539.35
Provisions		**(210.84)**	17.80
	II	**(4,628.57)**	(21,744.47)
Cash used in operations	(I+II)	**(55,717.33)**	(65,299.72)
Interest received		**121,973.79**	134,401.74
Interest paid		**(51,465.14)**	(59,234.28)
Income tax paid (net of refunds)		**(2,459.73)**	(3,148.15)
NET CASH GENERATED FROM / USED IN OPERATING ACTIVITIES (A)		**12,331.59**	6,719.59
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible assets		**(4,160.44)**	(1,189.17)
Proceeds from sale of Property, Plant and Equipment		**111.43**	33.21
Purchase of investments		**(192,700.22)**	(183,761.91)
Proceeds from sale of investments		**222,263.77**	205,976.36
Investments in term deposits with banks		**(139,312.76)**	(81,399.75)
Proceeds from term deposits with banks		**73,754.94**	105,692.51
NET CASH USED IN INVESTING ACTIVITIES (B)		**(40,043.28)**	45,351.25
CASH FLOW FROM FINANCING ACTIVITIES			
Debt securities issued		**57,500.00**	136,000.00
Debt securities repaid		**(75,500.00)**	(84,800.00)
Borrowings other than debt securities		**168,400.00**	136,725.00
Borrowings other than debt securities repaid		**(132,720.04)**	(218,822.94)
Payment for principal portion of lease liability		**(842.86)**	(617.50)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**16,837.10**	(31,515.44)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(10,874.59)**	20,555.40
Cash and Cash equivalents at the beginning of the year		**42,369.05**	21,813.65
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**31,494.46**	42,369.05

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

Particulars	**(Rs. in Lakhs) Year ended 31 March 2023**	(Rs. in Lakhs) Year ended 31 March 2022
Cash and cash equivalents at the end of the year		
– Cash on hand	**939.62**	1,313.36
– Balances with banks in current accounts	**2,604.84**	2,006.03
– Term deposits with original maturity up to 3 months	**27,950.00**	39,049.66
Total	**31,494.46**	42,369.05

Notes:

1) The above Statement of Cash Flow has been prepared under the 'Indirect method' as set out in the Ind AS 7 'Statement of Cash Flows'.

2) During the year, the Company has spent an amount of Rs. 460.70 Lakhs in cash (31 March 2022: Rs. 657.05 Lakhs) towards corporate social responsibility (CSR) expenditure (refer note 37)

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2023

Mumbai
19 April 2023

Notes to the Financial Statements for the year ended 31 March 2023

1 COMPANY INFORMATION

Mahindra Rural Housing Finance Limited ('the Company'), having corporate identification number CIN: U65922MH2007PLC169791, incorporated in India is a Housing Finance Company ('HFC') engaged in providing housing finance through its pan India branch network. In exercise of the powers conferred on the National Housing Bank vide Section 29A of The National Housing Bank Act, 1987, the Company has been granted Certificate of Registration dated 13 August 2007 to commence the business of a housing finance institution without accepting public deposits.

The Company fulfils the Principal Business Criteria as laid down under paragraph 4.1.17, of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions'). The Company's financial assets constitute more than 60% of its total assets and out of the total assets, the Company has financed over 50% towards housing loans to individuals.

The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited. Mahindra & Mahindra Limited is the ultimate holding company. The Company's registered office is at Mahindra Towers, 4th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400018, India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the Reserve Bank of India Master Direction DOR. FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended).

Any application guidance/ clarifications/ directions issued by Reserve Bank of India (RBI), National Housing Bank (NHB) or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These separate financial statements were approved by the Company's Board of Directors and authorised for issue on 19 April 2023.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

Following are the areas that involve a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

(i) Effective Interest Rate (EIR)

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

(ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 44)

(iii) Provisions and other contingent liabilities:

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Notes to the Financial Statements for the year ended 31 March 2023

The reliable measure of the estimates and judgemets pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(v) Defined Benefit Plans / Compensated absences:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Company's liability towards long term compensated absences are recognised as liability at the present value of the projected benefit obligation as at the balance sheet date, based on actuarial valuation, using the projected unit credit method.

(vi) Estimation uncertainty relating to post pandemic Macro-economic scenario:

The COVID-19 pandemic has had a significant impact on the economy and our business operations over the past two years. While the situation remains fluid as the world transitions into a post-pandemic environment in FY 2022-2023, we are encouraged by the recent positive developments in our business.

While the pandemic resulted in significant volatility in financial markets, we have effectively managed our risk exposures and maintained strong liquidity and capital levels throughout the pandemic and even after that. While the immediate impact of the Covid-19 pandemic on the global economy has largely abated and as we transition from the pandemic, we expect to see continued growth in demand for our services as the economy recovers. However, we will continue to monitor the situation closely and adapt our business operations as necessary and we are optimistic about the future and remain committed to delivering value for our stakeholders.

Economic forecasts are subject to a varied degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

- the selection and weighting of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, increase in the interest rates by RBI and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;
- estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and
- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays) in relation to credit impairments and the impact of macro-economic risks on the credit environment, in particular those arising from the COVID-19 pandemic, are continuously discussed throughout the year. The management focused on the key assumptions, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2023 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further in the relevant note to these Financial Statements. The Company will continue to closely monitor any material changes to future economic conditions **(refer note 44)**.

(vii) Going Concern

The financial statements of the Company are prepared on a going concern basis.Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future **(refer note 43 and note 44 (iii))**

2.6 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) method

Interest income is recognised in the Statement of Profit and Loss using the effective interest method for all financial instruments measured at amortised cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

Notes to the Financial Statements for the year ended 31 March 2023

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest income is recognised when it becomes measurable and when it is not unreasonable to expect its ultimate collection.

b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

c) Dividend and interest income on investments

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investment is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

d) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under Other non-financial assets. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful life
Buildings	60 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Right-Of-Use assets (Leasehold premises)	upto 10 years

For following assets the useful life is taken as estimated by the management based on the actual usage pattern of the assets:

- Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company, as against the useful life of 8 years as mentioned in Schedule II.

Property Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is derecognised.

2.8 Intangible assets:

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life. Amortisation is calcualted using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Cash and cash equivalent:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.10 Financial instruments:

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at

  - *Amortised cost;*
  - *Fair Value Through Other Comprehensinve Income (FVTOCI) - debt instruments;*

Notes to the Financial Statements for the year ended 31 March 2023

- *Fair Value Through Other Comprehensinve Income (FVTOCI) - equity instruments;*
- *Fair Value Through Profit and Loss (FVTPL)*

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures loans at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Subsequent measurement and gains and losses:

Financial assets classified at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

Financial assets carried at amortised cost:

The Company recognises lifetime expected credit loss (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial assets carried at amortised cost is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and forward-looking information.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolio. Emerging local or global macro economic, micro economic or political events, and natural disasters that are not incorporated in to the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognised.

The expected credit losses on these financial assets are estimated using a historical credit loss experience, adjusted for factors that are specific to the general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the

Notes to the Financial Statements for the year ended 31 March 2023

expected credit losses that will result from all possible default events over the expected life of a financial instrument. It has been the Company's policy to regularly review its model in the context of actual loss experience and provide for additional impairment allowance due to management overlay when necessary **(refer note 44)**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "bad debts/loss on termination" forming part of "impariment on financial instruments" in Statement of Profit and Loss.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided.

2.11 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund, ESIC and National Pension Scheme

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, superannuation scheme, employees state insurance corporation (ESIC) and national pension scheme (NPS) is recognised in the Statement of Profit and Loss.

c) Gratuity

The Company's liability towards gratuity scheme is determined by actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of acturial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in the Statement of Profit and Loss.

d) Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution plan, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation to the scheme beyond its contributions.

e) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

f) Employee stock options :

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a stright-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.12 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost, i.e., bank term loans, non-convertible debentures, inter corporate deposits, commercial papers and subordinated debts, to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of Profit and Loss.

Interest expense on lease liabilities (Ind AS 116 - Leases) computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.13 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

2.14 Securities issue expenses:

Expenses incurred in connection with the fresh issue of Share capital are adjusted against Securities premium reserve.

2.15 Impairment of non financial assets:

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.16 Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Leases:

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipements used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certaint that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company has used a single discount rate to a portfolio of leases with similar characteristics.

In accordance with Ind AS 116, Leases, the financial information have been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, Plant and Equipments" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures pertaining to Ind AS 116 are set out under **note no. 34**.

2.18 Corporate Social Responsibility (CSR) expenses

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee allocates for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend upto 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually.

Any unspent amount at the end of the financial year shall be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local Government/Grampanchayat/NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses respectively, in the Statement of Profit and Loss **(Refer note 29)**

2.19 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the year, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.20 New standards or amendments to the existing standards and other pronouncements:

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended The Companies (Indian Accounting Standards) Amendment Rules, 2015, applicable from 1st April 2023, as below:

IND AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact on its financial statements.

IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact on its financial statements.

IND AS 12 – Income taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact on its financial statements.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

3 Cash and cash equivalents

	31 March 2023	31 March 2022
Cash on hand	**939.62**	1,313.36
Balances with banks in current accounts	**2,604.84**	2,006.03
Term deposits with original maturity up to 3 months	**27,950.00**	39,049.66
Total	**31,494.46**	42,369.05

4 Loans

	31 March 2023	31 March 2022
A) Loans (at amortised cost):		
i) Loans against assets	**719,893.96**	760,212.46
ii) Other loans and advances	**98.80**	132.83
Total (A) - Gross	**719,992.76**	760,345.29
Less: Impairment loss allowance	**(35,468.21)**	(57,460.95)
Total (A) - Net	**684,524.55**	702,884.34
B) i) Secured by tangible assets (hypothecation on land and/or building)	**718,848.68**	758,202.55
ii) Unsecured	**1,144.08**	2,142.74
Total (B) - Gross	**719,992.76**	760,345.29
Less: Impairment loss allowance	**(35,468.21)**	(57,460.95)
Total (B) - Net	**684,524.55**	702,884.34
C) I) Loans in India		
i) Public Sector	**–**	–
ii) Others	**719,992.76**	760,345.29
Total (C) - Gross	**719,992.76**	760,345.29
Less: Impairment loss allowance	**(35,468.21)**	(57,460.95)
Total (C) (I) - Net	**684,524.55**	702,884.34
II) Loans outside India	**–**	–
Less: Impairment loss allowance	**–**	–
Total (C) (II) - Net	**–**	–
Total C (I) and C (II)	**684,524.55**	702,884.34

5 Investments

	31 March 2023	31 March 2022
A) At Fair Value		
Through Profit or Loss		
Units of mutual funds	**22,088.07**	53,604.25
Total (Gross)	**22,088.07**	53,604.25
Less: Impairment loss allowance	**–**	–
Total (Net) - A	**22,088.07**	53,604.25
B) At Fair Value		
Through Other Comprehensive Income		
Government securities*	**12,006.99**	8,357.09
Total (Gross)	**12,006.99**	8,357.09
Less: Impairment loss allowance	**–**	–
Total (Net) - B	**12,006.99**	8,357.09
Investments in India	**34,095.06**	61,961.34
Investments outside India	**–**	–
Total (Net)	**34,095.06**	61,961.34

* Government Securities being risk free the Company has not recognised any provision under Expected Credit Loss on such Investments.

6 Other financial assets

	31 March 2023	31 March 2022
Security deposits for office premises / others	**897.31**	490.08
Insurance claims receivable	**32.53**	19.35
Interest accrued on Term Deposit	**1,800.12**	684.07
Other receivables	**602.75**	–
Total	**3,332.71**	1,193.50

7 Deferred tax assets

	31 March 2023	31 March 2022
Tax effect of items constituting deferred tax liabilities:		
FVTPL financials assets	**55.86**	257.55
FVTOCI financial assets (G-Sec)	**(70.72)**	(21.70)
Total (A)	**(14.86)**	235.85
Tax effect of items constituting deferred tax assets:		
Provision for employee benefits	**376.94**	416.11
Allowance for Expected Credit Loss (ECL)	**4,675.99**	9,004.79
Effective Interest Rate (EIR) - financial instruments	**1,463.35**	2,056.92
Depreciation on property, plant and equipment	**351.48**	354.73
Tax losses	**3,757.23**	–
Leases	**230.41**	116.51
Other provisions	**158.50**	87.68
Total (B)	**11,013.90**	12,036.74
Total deferred tax assets (B-A)	**11,028.76**	11,800.89

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

8 Property, plant and equipments

Particulars	Buildings*	Computers	Furniture and fixtures	Vehicles	Office equipments	Right-of-use assets (Leasehold Premises)	Total
GROSS CARRYING AMOUNT							
Balance as at 1 April 2021	23.12	1,850.45	961.48	1,393.44	1,660.45	4,207.14	10,096.08
Additions during the year	–	394.42	64.25	375.41	162.34	997.56	1,993.98
Disposals / deductions during the year	–	154.45	17.41	142.79	421.42	–	736.07
Balance as at 31 March 2022	**23.12**	**2,090.42**	**1,008.32**	**1,626.06**	**1,401.37**	**5,204.70**	**11,353.99**
Balance as at 1 April 2022	23.12	2,090.42	1,008.32	1,626.06	1,401.37	5,204.70	11,353.99
Additions during the year	–	1,320.04	805.39	988.96	418.08	6,656.85	10,189.32
Disposals / deductions during the year	–	494.01	42.68	350.36	189.46	–	1,076.51
Balance as at 31 March 2023	**23.12**	**2,916.45**	**1,771.03**	**2,264.66**	**1,629.99**	**11,861.55**	**20,466.80**
ACCUMULATED DEPRECIATION							
Balance as at 1 April 2021	2.06	1,583.36	615.62	753.18	1,295.16	1,293.31	5,542.69
Additions during the year	0.38	213.09	89.59	245.65	203.53	738.89	1,491.13
Disposals / deductions during the year	–	154.43	15.40	123.66	415.78	–	709.27
Balance as at 31 March 2022	**2.44**	**1,642.02**	**689.81**	**875.17**	**1,082.91**	**2,032.20**	**6,324.55**
Balance as at 1 April 2022	2.44	1,642.02	689.81	875.17	1,082.91	2,032.20	6,324.55
Additions during the year	0.39	505.89	257.70	343.28	199.24	1,295.43	2,601.93
Disposals / deductions during the year	–	491.77	36.60	271.82	187.10	–	987.29
Balance as at 31 March 2023	**2.83**	**1,656.14**	**910.91**	**946.63**	**1,095.05**	**3,327.63**	**7,939.19**
NET CARRYING AMOUNT							
As at 31 March 2022	**20.68**	**448.40**	**318.51**	**750.89**	**318.46**	**3,172.50**	**5,029.44**
As at 31 March 2023	**20.29**	**1,260.31**	**860.12**	**1,318.03**	**534.94**	**8,533.92**	**12,527.61**

* Secured non convertible debentures (NCDs) have pari passu charges on buildings whose carrying amount is Rs. 20.68 Lakhs (31 March 2022 - Rs. 21.06 Lakhs)

9 Other intangible assets

Particulars	**Computer software**
GROSS CARRYING AMOUNT	
Balance as at 1 April 2021	265.48
Additions during the period	–
Disposals / deductions during the period	–
Balance as at 31 March 2022	**265.48**
Balance as at 1 April 2022	265.48
Additions during the period	24.85
Disposals / deductions during the period	–
Balance as at 31 March 2023	**290.33**
ACCUMULATED DEPRECIATION	
Balance as at 1 April 2021	223.56
Additions during the period	19.35
Disposals / deductions during the period	–
Balance as at 31 March 2022	**242.91**
Balance as at 1 April 2022	242.91
Additions during the period	23.81
Disposals / deductions during the period	–
Balance as at 31 March 2023	**266.72**
NET CARRYING AMOUNT	
As at 31 March 2022	**22.57**
As at 31 March 2023	**23.61**

10 Other non-financial assets

	31 March 2023	31 March 2022
Capital advances	**814.49**	211.37
Prepaid expenses	**1,909.45**	1,568.20
Other advances	**1,402.05**	856.34
Total	**4,125.99**	2,635.91

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

11 Payables

		31 March 2023	31 March 2022
I)	**Trade payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**1.32**	21.28
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**4,366.40**	7,505.96
II)	**Other payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.28**	22.28
TOTAL		**4,390.00**	7,549.52

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the period regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

		31 March 2023	31 March 2022
a)	Dues remaining unpaid to any supplier at the year end		
	– Principal	**1.32**	21.28
	– Interest on the above	**–**	–
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	– Principal paid beyond the appointed date	**1,202.86**	169.18
	– Interest paid in terms of Section 16 of the MSMED Act	**20.55**	1.86
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d)	Amount of interest accrued and remaining unpaid	**–**	–
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–

Ageing for trade payables outstanding as at 31 March 2023 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME *	**1.32**	**–**	**–**	**–**	**1.32**
(ii) Others	**4,354.59**	**3.85**	**7.96**	**–**	**4,366.40**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**

Ageing for trade payables outstanding as at 31 March 2022 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME *	21.28	–	–	–	21.28
(ii) Others	7,358.76	131.24	9.23	6.73	7,505.96
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–

*As per MSMED Act, 2006.

Relationship with Struck off Companies as at 31 March 2023:

Name of struck off Company	**Nature of transactions with struck-off Company**	**Balance outstanding**	**Relationship with the Struck off company**
Efcee Sarovar Portico Div Leela Tradelink Pvt Ltd	Payable	–	Vendor
Xtechone Internet Solutions Pvt Ltd	Payable	–	Vendor
Liance Consultant & Engineers Pvt Ltd	Payable	–	Vendor

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

12 Debt Securities

	31 March 2023	31 March 2022
At Amortised cost		
i) Bonds / Debentures (Secured)		
– Non-convertible debentures	**152,130.29**	131,755.50
ii) Bonds / Debentures (Unsecured)		
– Non-convertible debentures	**164,641.62**	202,689.70
Total	**316,771.91**	334,445.20
Debt securities in India	**316,771.91**	334,445.20
Debt securities outside India	**–**	–
Total	**316,771.91**	334,445.20

There are no debt securities measured at FVTPL or designated at FVTPL

Details of Bonds / Debentures (Secured) - Non-convertible debentures# :

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**7.15%-9.25%**	**69,500.00**	6.90%-8.25%	37,000.00
Maturing between 1 year to 3 years	**7.75%-8.20%**	**57,500.00**	7.15%-9.25%	69,500.00
Maturing between 3 years to 5 years	**8.30%**	**1,000.00**	7.75%-8.30%	11,000.00
Maturing beyond 5 years	**7.90%-9.18%**	**24,510.00**	7.90%-9.18%	14,510.00
Total at face value		**152,510.00**		132,010.00
Less: Unamortised finance cost		**379.71**		254.50
Total amortised cost		**152,130.29**		131,755.50

Secured by pari passu charges on the property of the Company located at Chinchwad, Pune in the State of Maharashtra and/ or exclusive charge on book debt and receivables under loan contracts and/ or owned assets to the extent of 100% of outstanding secured debentures.

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on external benchmark.

The funds raised by the Company during the period by issue of Secured Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing , to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws and the terms of the issue.

Details of Bonds / Debentures (Unsecured) - Non-convertible debentures:

From the Balance Sheet date	**As at 31 March 2023**		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**7.55%-8.51%**	**85,000.00**	6.85%-7.35%	38,500.00
Maturing between 1 year to 3 years	**6.70%-8.14%**	**80,000.00**	5.61%-7.55%	165,000.00
Total at face value		**165,000.00**		203,500.00
Less: Unamortised discounting charges		**358.38**		810.30
Total amortised cost		**164,641.62**		202,689.70

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on benchmark based spreads.

The funds raised by the Company during the period by issue of Unsecured Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws and the terms of the issue.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

13 Borrowings (Other than Debt Securities)

	31 March 2023	31 March 2022
At Amortised cost		
i) Term loans		
Secured -		
– from banks	**276,862.47**	231,251.58
– from other parties (National Housing Bank)	**11,125.19**	17,525.19
ii) Loans from related parties		
Unsecured -		
– Inter-corporate deposits (ICDs)	**31,175.00**	34,700.00
Total	**319,162.66**	283,476.77
Borrowings in India	**319,162.66**	283,476.77
Borrowings outside India	**–**	–
Total	**319,162.66**	283,476.77

There are no borrowings measured at FVTPL or designated at FVTPL

Details of term loans from banks (Secured)

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**8.22%-9.24%**	**31,350.00**	5.05%-7.9%	31,000.00
Maturing between 1 year to 3 years	**–**	**–**	7.55%	20,000.00
Maturing between 3 years to 5 years	**8.77%-8.94%**	**15,000.00**	7.05%	15,000.00
Total		**46,350.00**		66,000.00
2) Repayable in installments:				
i) Quarterly -				
Maturing within 1 year	**8.20%-9.94%**	**17,306.72**	5.86%-8.10%	18,120.03
Maturing between 1 year to 3 years	**8.20%-9.94%**	**23,951.68**	5.86%-6.95%	20,892.86
Maturing between 3 years to 5 years	**8.20%-9.94%**	**17,473.74**	6.30%-6.90%	9,642.86
Maturing beyond 5 years	**8.80%-9.94%**	**1,785.71**	6.30%-6.86%	5,357.14
Sub total		**60,517.85**		54,012.89
ii) Half yearly -				
Maturing within 1 year	**8.10%-8.35%**	**3,444.44**	7.35%	5,000.00
Maturing between 1 year to 3 years	**8.10%-8.35%**	**26,555.56**	–	–
Maturing between 3 years to 5 years	**8.10%-8.35%**	**26,000.00**	7.20%	30,000.00
Sub total		**56,000.00**		35,000.00
iii) Yearly -				
Maturing within 1 year	**7.35%-9.05%**	**36,250.00**	7.15%-9.05%	17,250.00
Maturing between 1 year to 3 years	**8.05%-8.70%**	**52,125.00**	7.00%-9.05%	42,625.00
Maturing between 3 years to 5 years	**8.25%-8.70%**	**25,625.00**	7.00%-7.35%	16,375.00
Sub total		**114,000.00**		76,250.00
Total		**230,517.85**		165,262.89
Total (1+2) (As per contractual terms)		**276,867.85**		231,262.89
Less: Unamortized finance cost		**5.38**		11.31
Total amortized cost		**276,862.47**		231,251.58

Secured by an exclusive charge on book debt and receivables under loan contracts to the minimum of 100% of outstanding secured loans plus applicable margin

The rates mentioned above are the applicable rates as at the period end. These includes floating rate loans which are based on Marginal Cost of fund based Lending Rate (MCLR) & external benchmark based spreads.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Details of Secured term loans from other parties (National Housing Bank)

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
1) Repayable in installments :				
Quarterly				
Maturing within 1 year	**8.65%**	**4,800.00**	7.40%	4,800.00
Maturing between 1 year to 3 years	**8.65%**	**6,325.19**	7.40%	12,725.19
Total		**11,125.19**		17,525.19
Less: Unamortized finance cost		**–**		–
Total amortized cost		**11,125.19**		17,525.19

Secured by exclusive charge on receivables under loan contracts and book debts to the minimum of 100% of outstanding secured loans plus applicable margin. These are floating rate loans which are based on National Housing Bank's internal assessment norms.

Details of Inter-corporate deposits (ICDs) (Unsecured):

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.50%-8.10%**	**9,100.00**	6.25%-8.95%	16,575.00
Maturing between 1 year to 3 years	**6.70%-7.75%**	**22,075.00**	6.50%-7.00%	18,125.00
Total		**31,175.00**		34,700.00
Less: unamortized finance cost		**–**		–
Total amortized cost		**31,175.00**		34,700.00

The rates mentioned above are the applicable rates as at the year end.

14 Subordinated liabilities

	31 March 2023	31 March 2022
At Amortised cost		
Unsecured Subordinated redeemable non-convertible debentures	**46,049.24**	46,028.50
Total	**46,049.24**	46,028.50
Subordinated liabilities in India	**46,049.24**	46,028.50
Subordinated liabilities outside India	**–**	–
Total	**46,049.24**	46,028.50

There are no subordinated liabilities measured at FVTPL or designated at FVTPL

Details of Subordinated liabilities (at Amortised cost) - Unsecured Subordinated redeemable non-convertible debentures#:

From the Balance Sheet date	As at 31 March 2023		As at 31 March 2022	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis				
Repayable on maturity:				
Maturing between 1 year to 3 years	**8.40%-9.50%**	**7,000.00**	8.40%	1,000.00
Maturing between 3 years to 5 years	**8.40%-9.10%**	**20,700.00**	8.40%-9.50%	18,200.00
Maturing beyond 5 years	**7.90%-9.40%**	**18,500.00**	7.90%-9.40%	27,000.00
Sub-total at face value		**46,200.00**		46,200.00
Less: Unamortised finance cost		**150.76**		171.50
Total amortised cost		**46,049.24**		46,028.50

The funds raised by the Company by issue of Unsecured Subordinated reedemable Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company, in compliance with applicable laws and the terms of the issue.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

15 Other financial liabilities

	31 March 2023	31 March 2022
Interest accrued but not due on borrowings	**18,461.37**	18,368.57
Credit balances in current accounts with banks as per books	**579.99**	2,811.65
Insurance premium payable (on behalf of borrowers)	**1,260.59**	1,458.66
Salary, bonus and performance pay payable	**3,925.14**	3,871.20
Provision for expenses	**1,319.33**	751.03
Lease liabilities	**9,449.41**	3,635.43
Other liabilities	**112.06**	20.33
Total	**35,107.89**	30,916.87

16 Provisions

	31 March 2023	31 March 2022
Provision for employee benefits		
– Gratuity	**269.71**	188.62
– Leave encashment	**873.21**	1,097.68
Provision for ECL on loan commitments	**337.40**	349.49
Total	**1,480.32**	1,635.79

17 Other non-financial liabilities

	31 March 2023	31 March 2022
Statutory dues payable	**651.47**	618.97
Total	**651.47**	618.97

18 (i) Equity Share capital

	31 March 2023	31 March 2022
Authorised capital:		
150,000,000 (31 March 2022 : 150,000,000) Equity shares of Rs.10/- each	**15,000.00**	15,000.00
	15,000.00	15,000.00
Issued capital:		
122,887,870 (31 March 2022 : 122,887,870) Equity shares of Rs.10/- each	**12,288.79**	12,288.79
Subscribed and paid-up capital:		
122,887,870 (31 March 2022: 122,887,870) Equity shares of Rs.10/- each fully paid up	**12,288.79**	12,288.79
Less : Shares issued to ESOS Trust but not allotted to employees	**75.04**	101.91
Total	**12,213.75**	12,186.88

		31 March 2023		31 March 2022	
		No. of shares	**Rs. in lakhs**	No. of shares	Rs. in lakhs
a)	**Reconciliation of number of equity shares:**				
	Balance at the beginning of the year	**122,887,870**	**12,288.79**	122,887,870	12,288.79
	Add: Fresh allotment of shares:				
	Issue of Shares	**–**	**–**	–	–
	Shares issued under Employees' Stock Option Scheme	**–**	**–**	–	–
	Less: Shares issued to ESOS Trust but not allotted to employees	**(750,408)**	**(75.04)**	(1,019,075)	(101.91)
	Balance at the end of the year	**122,137,462**	**12,213.75**	121,868,795	12,186.88
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding Company: Mahindra & Mahindra Financial Services Limited	**120,952,678**	**12,095.27**	120,952,678	12,095.27
	(including 12 shares held jointly with nominees)				
	Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%
c)	**Shareholders holding more than 5 percent shares:**				
	Mahindra & Mahindra Financial Services Limited	**120,952,678**	**12,095.27**	120,952,678	12,095.27
	Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%

d) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

18 (ii) Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at 31 March 2023 is as follows

	Shares held by promoter				
	As at 31 March 2023		As at 31 March 2022		
Promoter name	**No of shares**	**% of total shares**	No of shares	% of total shares	% Change during the year
Mahindra & Mahindra Financial Services Limited (including 12 shares held jointly with nominees)	**120,952,678**	**98.43%**	120,952,678	98.43%	–
Total	**120,952,678**	**98.43%**	120,952,678	98.43%	–

19 Other Equity

Description of the nature and purpose of Other Equity:

Statutory reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. The Company transfers an amount to Special Reserve at year end. The Company does not anticipate any withdrawal from Special Reserve in the foreseeable future.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve was created through transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

20 Interest income

	31 March 2023	31 March 2022
(A) On financial assets measured at amortised cost		
Interest on loans	**125,229.79**	132,357.67
Other interest income	**1.81**	1.51
(B) Interest income from investments		
Interest income from investments	**532.01**	239.66
(C) Interest on deposits with banks		
Interest on deposits with banks	**4,608.04**	1,870.19
Total (A+B+C)	**130,371.65**	134,469.03

21 Fees and commission income

	31 March 2023	31 March 2022
Service charges and other fees on loan transactions	**1,012.20**	248.70
Total	**1,012.20**	248.70

22 Net gain / (loss) on fair value changes and derecognised financial instruments

	31 March 2023	31 March 2022
Net gain / (loss) on financial instruments at FVTPL		
– Mutual fund units		
Fair value changes :		
– Realised	**2,792.09**	2,909.24
– Unrealised	**(809.49)**	67.46
Total	**1,982.60**	2,976.70

23 Other income

	31 March 2023	31 March 2022
Net gain on derecognition of property, plant and equipment	**22.21**	6.41
Income from branding and marketing activities	**1,545.90**	–
Others	**45.47**	48.10
Total	**1,613.58**	54.51

24 Finance costs

	31 March 2023	31 March 2022
On financial liabilities measured at amortised cost		
Interest on borrowings	**22,517.47**	22,786.92
Interest on debt securities	**24,957.50**	24,189.49
Interest on subordinated liabilities	**4,102.04**	4,100.32
Interest on lease liability	**571.85**	296.27
Other borrowing costs	**363.91**	435.48
Total	**52,512.77**	51,808.48

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

25 Fees and commission expense

	31 March 2023	31 March 2022
Fees, commission / brokerage	**707.17**	363.48
Total	**707.17**	363.48

26 Impairment on financial instruments

	31 March 2023	31 March 2022
On financial instruments measured at amortised cost		
Loans	**(21,992.74)**	5,600.71
Bad debts / Loss on termination	**39,227.68**	26,421.62
Loan commitment	**(12.09)**	(137.86)
Total	**17,222.85**	31,884.47

27 Employee benefits expenses

	31 March 2023	31 March 2022
Salaries and wages	**35,721.28**	28,316.24
Contribution to provident and other funds	**3,248.19**	2,535.53
Share based payments to employees	**566.63**	456.26
Staff welfare expenses	**906.56**	823.30
Total	**40,442.66**	32,131.33

28 Depreciation, amortization and impairment

	31 March 2023	31 March 2022
Depreciation on property, plant and equipment	**1,306.49**	752.24
Amortization of intangible assets	**23.82**	19.35
Amortization on right of use assets	**1,295.43**	738.89
Total	**2,625.74**	1,510.48

29 Other expenses

	31 March 2023	31 March 2022
Rent	**201.25**	120.56
Rates and taxes, excluding taxes on income	**134.93**	79.24
Electricity charges	**258.88**	178.63
Repairs and maintenance	**700.38**	178.59
Communication costs	**574.71**	583.75
Printing and stationery	**547.77**	353.92
Travelling and conveyance expenses	**5,462.89**	3,358.78
Advertisement and publicity	**200.62**	72.22
Administration support charges	**427.26**	529.81
Directors' fees, allowances and expenses	**45.29**	45.83
Auditor's fees and expenses -		
- Audit fees	**21.80**	28.43
- Other services	**16.02**	14.06
- Reimbursement of expenses	**2.18**	2.08
Legal and professional charges	**3,661.37**	2,207.89
Insurance	**1,539.42**	1,095.90
Manpower outsourcing cost	**3,138.36**	3,612.79
Donations	**1.11**	0.25
Corporate Social Responsibility (CSR) expenditure	**460.70**	657.05
Other expenditure	**1,444.95**	1,158.91
Total	**18,839.89**	14,278.69

30 Earning Per Share

	31 March 2023	31 March 2022
Profit/(loss) for the year attributable to equity shareholders (Rupees in lakhs)	**2,174.78**	4,773.27
Weighted average number of equity shares used in computing basic EPS	**121,966,325**	121,731,095
Effect of potential dilutive equity shares	**550,567**	601,411
Weighted average number of equity shares used in computing diluted EPS	**122,516,892**	122,332,506
Basic earnings per share (Rs.) (Face value of Rs. 10/- per share)	**1.78**	3.92
Diluted earnings per share (Rs.)	**1.78**	3.90

31 Employee Stock Option Scheme:

The Company has used fair value method to account for the compensation cost of stock options. Fair value of options is based on the valuation of the independent valuer using the Black -Scholes model.

Description of ESOP Scheme:

Particulars	**ESOP**
Vesting requirements	Stock Options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting Conditions	25% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant
	25% on expiry of 36 months from the date of grant
	25% on expiry of 48 months from the date of grant
Method of Settlement	Equity settled

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

The Fair value of options, based on the valuation of the independent valuer as on the date of grant are:

	31 March 2023			31 March 2022		
Vesting Date	**No of years vesting**	**Fair Value (Rs.) per share**	**Exercise Price (Rs.)**	No of years vesting	Fair Value (Rs.) per share	Exercise Price (Rs.)
Grant Dated 19 October 2022	**4 Years**	**152.18**	**10.00**	–	–	–
Grant Dated 21 October 2021	**–**	**–**	**–**	4 Years	150.52	10.00

The Key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are:

Variables#		**31 March 2023**	31 March 2022
1)	Risk free interest rate	**6.35%**	4.15%
2)	Expected life	**4 Years**	4 Years
3)	Expected volatility	**46.69%**	45.50%
4)	Price of the underlying share at the time of option grant (Rs.)	**160.00**	159.00

the value mentioned against each of the variables are based on the weighted average percentage of vesting.

Number and weighted average exercise price of options

		31 March 2023		31 March 2022	
Sr. No	**Particulars**	**Number of options**	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
1	Outstanding at the beginning of the year	**1,985,807**	**34.28**	1,457,728	52.84
2	Granted during the year	**137,263**	**10.00**	943,708	10.00
3	Forfeited / Lapsed during the year	**197,275**	**33.16**	208,737	34.07
4	Exercised during the year	**268,667**	**40.88**	206,892	54.52
5	Outstanding at the end of the year	**1,657,128**	**31.33**	1,985,807	34.28
6	Exercisable at the end of the year	**824,662**	**52.87**	907,931	63.34

Range of exercise price and weighted average remaining contractual life of outstanding options:

	31 March 2023			31 March 2022		
Grant date	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price (Rs.)**	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (Rs.)
07-Oct-17	**496,052**	**1.05**	**67.00**	633,153	1.92	67.00
08-Dec-17	**85,705**	**1.19**	**67.00**	128,557	1.69	67.00
16-Jan-18	**38,500**	**1.29**	**67.00**	84,250	1.85	67.00
16-Oct-19	**98,838**	**2.52**	**10.00**	139,107	3.42	10.00
18-Jan-21	**71,087**	**3.59**	**10.00**	98,197	4.46	10.00
21-Oct-21	**736,295**	**4.23**	**10.00**	902,543	5.06	10.00
19-Oct-22	**130,651**	**5.05**	**10.00**	–	–	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

32 Employee Benefits

General description of defined benefit plans :

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the gratuity scheme adminstered by the Life Insurance Corporation of India through its gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20.00 Lakhs, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Defined benefit plans:

		Funded Plan Gratuity	
	Particulars	**31 March 2023**	31 March 2022
I	**Amount recognised in the Statement of Profit and Loss for the year ended:**		
1	Current service cost	**172.60**	146.29
2	Interest cost on benefit obligation (Net)	**12.79**	(2.54)
3	Past service cost	**–**	–
4	Adjustment due to opening balance	**(13.84)**	(1.88)
	Total expenses included in employee benefits expense	**171.55**	141.87
II	**Amount recognised in Other Comprehensive income for the year**		
1	Actuarial (gains)/losses arising from changes in demographic assumption	**53.71**	(27.21)
2	Actuarial (gains)/losses arising from changes in financial assumption	**(6.80)**	(22.27)
3	Actuarial (gains)/losses arising from changes in experience adjustment	**8.46**	185.30
4	Return on plan assets	**–**	–
	Recognised in other comprehensive income	**55.37**	135.82
III	**Change in the present value of obligation during the year**		
1	Present value of defined benefit obligation at the beginning of the year	**1,018.88**	822.45
2	Current service cost	**172.60**	146.29
3	Past service cost	**–**	–
4	Interest cost/income	**74.58**	55.60
5	Remeasurements (gains)/ losses		
	(i) Actuarial (gains)/losses arising from changes in demographic assumption	**53.71**	(27.21)
	(ii) Actuarial (gains)/losses arising from changes in financial assumption	**(6.80)**	(22.27)
	(iii) Actuarial (gains)/losses arising from changes in experience adjustment	**8.46**	185.30
6	Benefits paid	**(129.85)**	(141.28)
	Present value of defined benefit obligation at the end of the year	**1,191.58**	1,018.88
IV	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	**830.25**	858.21
2	Interest income	**–**	–
3	Contributions by employer	**145.83**	53.30

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

	Particulars	Funded Plan Gratuity 31 March 2023	 31 March 2022
4	Benefits paid	**(129.85)**	(141.28)
5	Return on plan assets excluding interest income	**61.79**	58.14
6	Adjustment to the change in opening balance of plan assets	**13.84**	1.88
	Fair value of plan assets at the end of the year	**921.86**	830.25
V	**Net Asset/(Liability) recognised in the Balance Sheet as at year end**		
1	Present value of defined benefit obligation	**1,191.58**	1,018.88
2	Fair value of plan assets	**921.86**	830.25
3	Surplus/(Deficit)	**(269.72)**	(188.63)
4	Current portion of the above	**(269.72)**	(188.63)
5	Non current portion of the above	**–**	–
VI	**Actuarial assumptions and Sensitivity**		
1	Discount rate	**7.53%**	7.32%
2	Expected rate of return on plan assets	**–**	–
3	Salary growth rate	**7.00%**	7.00%
4	Attrition rate	**60.68% for age upto 30, 49.70% for age 31–44, 31.58% for above 44**	46.35% for age upto 30, 42.82% for age 31–44, 26.03% for above 44
5	In-service mortality	**Indian Assured Lives Mortality (2012–14) Ultimate**	Indian Assured Lives Mortality (2012–14) Ultimate

Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Assumptions	**31 March 2023**	31 March 2022
One percentage point increase in discount rate	**(25.77)**	(26.57)
One percentage point decrease in discount rate	**25.89**	27.06
One percentage point increase in salary growth rate	**25.78**	26.89
One percentage point decrease in salary growth rate	**(27.52)**	(26.89)

Expected contribution for the next annual reporting year	**31 March 2023**	31 March 2022
Service Cost	**211.80**	187.07
Net Interest Cost	**89.61**	74.58
Expected Expense for the next annual reporting year	**301.41**	261.65

Maturity profile of defined benefit obligation

	31 March 2023	31 March 2022
Within 1 year	**899.58**	667.80
Between 1 and 5 years	**6,448.20**	4,383.62

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Contribution to funds

The Company's contribution to provident fund and superannuation fund aggregating Rs. 2,310.19 lakhs (31 March 2022 : Rs. 1,852.41 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expenses.

33 Operating segments

There is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2023 or 31 March 2022

34 Leases

In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate.

Maturity analysis – contractual undiscounted cash flows	**31 March 2023**	31 March 2022
Less than 1 year	**1,871.25**	966.64
1-3 years	**3,534.71**	1,754.71
3-5 years	**2,951.52**	1,191.33
More than 5 years	**3,833.12**	645.71
Total undiscounted lease liabilities	**12,190.60**	4,558.39

Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Particulars	**31 March 2023**	31 March 2022
i) Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 28 "Depreciation, amortization and impairment")	**1,295.43**	738.89

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Particulars		31 March 2023	31 March 2022
ii)	Interest expense on lease liabilities (presented under note - 24 "Finance costs")	**571.85**	296.27
iii)	Expense relating to short-term leases	**–**	–
iv)	Expense relating to leases of low-value assets	**201.25**	120.56
v)	Payments for lease liability	**1,414.71**	913.78
vi)	Additions to right-of-use assets during the year	**6,656.84**	997.57
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -	**–**	–
	– Property taken on lease for office premises (presented under note - 8 "Property, plant and equipments")	**8,533.92**	3,172.50
viii)	Lease liabilities (presented under note - 15 "Other financial liabilities")	**9,449.41**	3,635.43

35 Frauds reported during the period

There were 93 cases (31 March 2022: 95 cases) of frauds amounting to Rs. 188.56 Lakhs (31 March 2022: Rs. 108.19 Lakhs) reported during the year. The Company has recovered amount of Rs. 345.41 Lakhs (31 March 2022: Rs. 68.24 Lakhs) and wherever required has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses are lodged with the insurance companies on merit basis.

36 Contingent liabilities and commitments (to the extent not provided for)

		31 March 2023	31 March 2022
i)	**Claims against the Company not acknowledged as debt**		
	Legal suits filed by customers	**235.04**	171.34
	Income Tax	**109.25**	116.87
ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,369.61**	852.45
	Other commitments :		
	Amount on account of loan sanctioned but not disbursed	**47,715.02**	43,299.41
	Total	**49,428.92**	44,440.07

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions/contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

37 Corporate Social Responsibility (CSR)

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year, the Company has incurred an expenditure of Rs. 460.70 Lakhs (31 March 2022 : Rs. 657.05 Lakhs) towards CSR activities which includes contribution/donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 0.47 Lakhs (31 March 2022 : Rs. NIL Lakhs) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs. 460.70 lakhs (31 March 2022 : Rs. 657.05 lakhs).

b) Amount spent by the Company during the year :

		For the year ended 31 March 2023			For the year ended 31 March 2022		
Particulars		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	**–**	**–**	**–**	–	–	–
ii)	On purpose other than (i) above	**460.70**	**–**	**460.70**	657.05	–	657.05

38 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts. The Company has not entered into derivative contracts during the year.

39 Capital Management

The Reserve Bank of India Master Direction DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), outlines the regulatory guidance in relation to Ind AS financial statements. This includes the guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' has been computed in accordance with these requirements.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements as per Chapter IV "Capital" of Master Directions. As per Capital requirement guidelines, the Company is required to maintain a capital adequacy ratio on an going basis consisting of Tier I and Tier II Capital which shall not be less than 15% on or before 31st March 2022 and thereafter of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Tier I capital at any point of time shall not be less than 10 percent. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by RBI.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Regulatory capital

	31 March 2023	31 March 2022
Tier 1 capital	**136,831.34**	133,559.80
Tier 2 capital	**39,804.92**	45,877.67
Total capital	**176,636.26**	179,437.47
Risk weighted assets	**391,508.23**	431,634.96
Tier 1 capital ratio	**34.95%**	30.94%
Tier 2 capital ratio	**10.17%**	10.62%
Total capital ratio	**45.12%**	41.56%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned Fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves including balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following -

a. Preference shares other than those which are compulsorily convertible into equity;

b. Revaluation reserves at discounted rate of fifty-five per cent.

c. General provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth per cent of risk weighted assets;

d. Hybrid debt capital instruments and

e. Subordinated debt;

to the extent the aggregate does not exceed Tier I capital.

40 Taxation

Deferred tax assets

	Balance as at 01 April 2021	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31 March 2022	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2023**
Tax effect of items constituting deferred tax liabilities :							
– FVTPL financials assets	239.78	17.77	–	257.55	**(201.69)**	**–**	**55.86**
– FVTOCI through Investment (G-Sec)	–	–	(21.70)	(21.70)	**–**	**(49.02)**	**(70.72)**
	239.78	**17.77**	**(21.70)**	**235.85**	**(201.69)**	**(49.02)**	**(14.86)**
Tax effect of items constituting deferred tax assets :							
– Provision for employee benefits & others	343.35	38.58	34.18	416.11	**(53.10)**	**13.93**	**376.94**
– Allowance for Expected Credit Loss (ECL)	5,675.24	3,329.55	–	9,004.79	**(4,250.26)**	**–**	**4,754.53**
– Effective Interest Rate (EIR) on financial instruments	2,335.25	(278.33)	–	2,056.92	**(593.57)**	**–**	**1,463.35**
– Depreciation on property, plant and equipment	345.42	9.31	–	354.73	**(3.25)**	**–**	**351.48**
– Tax losses	–	–	–	–	**3,678.68**	**–**	**3,678.68**
– Lease liabilities	85.96	30.55	–	116.51	**113.91**	**–**	**230.42**
– Other provisions	48.92	38.76	–	87.68	**70.82**	**–**	**158.50**
	8,834.14	**3,168.42**	**34.18**	**12,036.74**	**(1,036.77)**	**13.93**	**11,013.90**
Total deferred tax assets (net)	8,594.36	3,150.65	55.88	11,800.89	**(835.08)**	**62.95**	**11,028.76**

The Company though has reported profits in the financial statements, but have reported tax losses as per the computations in line with The Income Tax Act, 1961. Due to the spread of COVID 19 pandemic in the previous years, the business of the Company got impacted and resulted in high credit impaired assets for certain loans. In the current year the Company has taken higher Bad Debts and Loss on Termination of certain such highly impacted contracts. These high write-offs are still subject to enforcement procedures wherever appropriate and the Company keeps on receiving the recoveries on the same which are netted off against the same in the statement of profit and loss.

Disbursement of loans in the year ending 31 March 2023 are higher by 25.16% as compared to the year ending 31 March 2022. As the spread of the pandemic has subsided, the business volumes in new disbursements and collections are seeing upsides and during the year Company has recovered Rs. 6,116.58 Lakhs from past written off cases, which is offered for tax on the year of collections. The Company also has a large number of enforcement actions in the pipeline which will boost the recoveries in the coming years and therefore the Deferred Tax Assets created on account of the losses are estimated to be reversed as taxable income in the coming years would lead to an offset against the same.

Income tax recognised in Statement of Profit and loss

	31 March 2023	31 March 2022
Current tax:		
In respect of current year	**–**	4,385.77
In respect of prior years	**(380.91)**	(236.39)
	(380.91)	4,149.38
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**835.08**	(3,150.64)
In respect of prior years	**–**	–
	835.08	(3,150.64)
Total income tax recognised in Statement of Profit and Loss	**454.17**	998.74

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Income tax recognised in Other Comprehensive Income

	31 March 2023	31 March 2022
Deferred tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits for current year	**(13.93)**	(34.18)
Remeasurement of Debt Instruments for current year	**(49.02)**	(21.70)
Total income tax recognised in Other Comprehensive Income	**(62.95)**	(55.88)

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss:

	31 March 2023	31 March 2022
Profit before tax	**2,628.95**	5,772.01
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**661.65**	1,452.70
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	**–**	–
Effect of expenses/provisions not deductible in determining taxable profit	**173.42**	(217.57)
Tax of earlier years	**(380.91)**	(236.39)
Income tax expense	**454.17**	998.74

41 Change in liabilities arising from financing activities

Particulars	**31 March 2022**	**Cash flows**	**Amortisation of loan origination costs**	**New lease origination**	**31 March 2023**
Debt securities	**334,445.20**	**(18,000.00)**	**326.71**	**–**	**316,771.91**
Borrowings other than debt securities	**283,476.77**	**35,679.96**	**5.93**	**–**	**319,162.66**
Subordinated liabilities	**46,028.50**	**–**	**20.74**	**–**	**46,049.24**
Lease liability	**3,635.43**	**(842.86)**	**–**	**6,656.84**	**9,449.41**
Total liabilities from financing activities	**667,585.90**	**16,837.10**	**353.38**	**6,656.84**	**691,433.22**

Particulars	31 March 2021	Cash flows	Amortisation of loan origination costs	New lease origination	31 March 2022
Debt securities	283,647.72	51,200.00	(402.52)	–	334,445.20
Borrowings other than debt securities	365,559.99	(82,097.94)	14.72	–	283,476.77
Subordinated liabilities	46,009.47	–	19.02	–	46,028.50
Lease liability	3,255.36	(617.50)	–	997.57	3,635.43
Total liabilities from financing activities	698,472.54	(31,515.44)	(368.78)	997.57	667,585.90

42 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

	31 March 2023			31 March 2022		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	**31,494.46**	**–**	**31,494.46**	42,369.05	–	42,369.05
Bank balance other than above	**88,702.87**	**–**	**88,702.87**	23,145.05	–	23,145.05
Loans	**176,462.91**	**508,061.64**	**684,524.55**	197,333.27	505,551.07	702,884.34
Investments	**34,095.06**	**–**	**34,095.06**	61,961.34	–	61,961.34
Other financial assets	**2,518.95**	**813.76**	**3,332.71**	759.52	433.97	1,193.50
Non-financial Assets						
Current tax assets (Net)	**–**	**1,920.89**	**1,920.89**	–	317.86	317.86
Deferred tax assets (Net)	**–**	**11,028.76**	**11,028.76**	–	11,800.89	11,800.89
Property, plant and equipment	**–**	**12,527.61**	**12,527.61**	–	5,029.44	5,029.44
Other intangible assets	**–**	**23.61**	**23.61**	–	22.57	22.57
Other non-financial assets	**3,267.76**	**858.23**	**4,125.99**	2,396.91	239.00	2,635.91
Total	**336,542.01**	**535,234.50**	**871,776.51**	327,965.14	523,394.80	851,359.95
Liabilities						
Financial Liabilities						
Payables						
I) Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	**1.32**	**–**	**1.32**	21.28	–	21.28

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

	31 March 2023 Within 12 months	31 March 2023 After 12 months	31 March 2023 Total	31 March 2022 Within 12 months	31 March 2022 After 12 months	31 March 2022 Total
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**4,366.40**	**–**	**4,366.40**	7,505.96	–	7,505.96
II) Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.28**	**–**	**22.28**	22.28	–	22.28
Debt securities	**154,066.90**	**162,705.01**	**316,771.91**	74,907.66	259,537.54	334,445.20
Borrowings (other than debt securities)	**102,248.25**	**216,914.42**	**319,162.66**	92,736.36	190,740.42	283,476.77
Subordinated liabilities	**–**	**46,049.24**	**46,049.24**	–	46,028.50	46,028.50
Other financial liabilities	**25,926.83**	**9,181.06**	**35,107.89**	27,580.30	3,336.57	30,916.87
Non-Financial Liabilities						
Current tax liabilities (Net)	**–**	**–**	**–**	1,237.61	–	1,237.61
Provisions	**1,033.06**	**447.26**	**1,480.32**	994.02	641.77	1,635.79
Other non-financial liabilities	**651.47**	**–**	**651.47**	618.97	–	618.97
Total	**288,316.50**	**435,296.99**	**723,613.49**	205,624.44	500,284.80	705,909.23
Net	**48,225.51**	**99,937.51**	**148,163.02**	122,340.70	23,110.00	145,450.72

43 Analysis of financial assets and liabilities and loan commitments

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2023	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	23,394.46	8,100.00	–	–	–	–	–	–	–	–	31,494.46
Bank balance other than above	7,700.98	53,659.90	12,320.35	6,974.41	8,047.23	–	–	–	–	–	88,702.87
Financial investments	22,088.07	4,002.69	–	–	8,004.30	–	–	–	–	–	34,095.06
Loans	20,379.43	15,710.71	19,210.74	43,916.79	77,245.24	198,953.27	99,955.88	40,554.68	48,262.39	120,335.42	684,524.55
Other financial assets	848.88	860.19	241.35	367.11	201.42	153.13	171.00	69.88	419.75	–	3,332.71
Total Financial Assets	74,411.82	82,333.49	31,772.44	51,258.31	93,498.19	199,106.40	100,126.88	40,624.56	48,682.14	120,335.42	842,149.65
Financial Liabilities											
Debt securities	–	44,862.89	15,981.40	79,768.87	13,453.74	137,266.99	985.86	3,490.54	20,961.62	–	316,771.91
Borrowings (other than debt securities)	8,775.00	2,873.55	11,355.75	23,755.26	55,488.69	131,029.89	84,098.81	1,785.71	–	–	319,162.66
Subordinated liabilities	–	–	–	–	–	6,913.29	20,664.27	13,476.78	4,994.90	–	46,049.24
Other financial liabilities	3,600.74	7,065.89	4,613.91	8,713.50	1,932.78	2,678.92	2,999.30	2,058.62	1,421.51	22.72	35,107.89
Total Financial Liabilities	12,375.74	54,802.33	31,951.06	112,237.63	70,875.21	277,889.09	108,748.24	20,811.65	27,378.03	22.72	717,091.70
Total Financial Assets/ (Liabilities) - Net	62,036.08	27,531.16	(178.62)	(60,979.32)	22,622.98	(78,782.69)	(8,621.36)	19,812.91	21,304.11	120,312.70	125,057.95

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2023	Up to 3 months	Over 3 months & upto 12 months	Total
Loan commitments	**41,345.27**	**6,369.75**	**47,715.02**

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2022	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	13,104.29	15,214.76	14,050.00	–	–	–	–	–	–	–	42,369.05
Bank balance other than above	1,999.90	3,184.73	4,359.74	7,169.34	6,431.34	–	–	–	–	–	23,145.05
Financial investments	53,604.25	–	–	–	8,357.09	–	–	–	–	–	61,961.34
Loans	22,828.34	18,675.55	17,886.24	35,677.90	102,265.24	234,139.36	117,352.87	37,129.18	44,843.05	72,086.60	702,884.33
Other financial assets	66.35	128.31	125.26	323.87	115.73	198.32	111.73	75.81	48.12	–	1,193.50
Total Financial Assets	91,603.13	37,203.35	36,421.24	43,171.11	117,169.40	234,337.68	117,464.60	37,204.99	44,891.17	72,086.60	831,553.27
Financial Liabilities											
Debt securities	–	2,348.44	–	38,318.52	34,240.70	234,050.46	10,989.67	3,504.17	10,993.24	–	334,445.20
Borrowings (other than debt securities)	2,225.00	12,397.54	29,435.00	28,621.66	20,057.16	114,365.43	71,017.84	5,357.14	–	–	283,476.77
Subordinated liabilities	–	–	–	–	–	920.02	18,151.00	11,973.35	14,984.13	–	46,028.50
Other financial liabilities	12,738.54	7,505.10	3,641.62	9,845.83	1,398.72	1,518.14	1,133.71	452.03	203.31	29.39	38,466.39
Total Financial Liabilities	14,963.54	22,251.08	33,076.62	76,786.01	55,696.58	350,854.05	101,292.22	21,286.69	26,180.68	29.39	702,416.86
Total Financial Assets/ (Liabilities) - Net	76,639.59	14,952.27	3,344.62	(33,614.90)	61,472.82	(116,516.37)	16,172.38	15,918.30	18,710.49	72,057.21	129,136.41

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2022	Up to 3 months	Over 3 months & upto 12 months	Total
Loan commitments	34,055.46	9,243.95	43,299.41

44 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk.The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's businesses are exposed to high credit risk given the unbanked rural customer base. The credit risk is managed through credit norms established based on historical experience and regulatory requirements.

i) Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. A 1 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs 220.88 lakhs (31st March 2022 : Rs 536.04 lakhs). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

The Company does not have significant foreign currency exposure. As a result, the Company is not exposed to currency risk.

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the financial assets & liabilities.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings and floating rate advances given, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31 March 2023	**INR**	**100**	**1,149.24**	**–**
Year ended 31 March 2022	INR	100	945.74	–

Offsetting of balances: The Company has not offset financial assets and financial liabilities.

ii) Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on days past due monitoring as at a period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit quality of financial assets

The following table sets out information about credit quality of loan assets measured at amortised cost primarily based on days past due information. The amount represents gross carrying amount.

Particulars	**31 March 2023**	31 March 2022
Gross carrying value of loan assets		
Neither Past due nor impaired	**498,000.53**	434,718.63
30 days past due	**38,668.32**	37,153.75
31 - 90 days past due	**108,017.18**	202,370.17
Impaired (more than 90 days past due)	**75,306.73**	86,102.74
Total Gross carrying value as at reporting date	**719,992.76**	760,345.29

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail home loan lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence, the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(a) RBI COVID-19 Resolution Framework

Assessment of loan modifications on credit risk:

In response to the economic fall-out on account of Covid-19 pandemic, RBI on August 6, 2020 announced resolution plan framework vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for personal loan customers. Further owing to the second wave of the Pandemic in India, RBI on May 5, 2021 announced resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22. Loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Company had implemented resolution plans under the resolution framework 2.0 for loans amounting to Rs 2,51,788.76 Lakhs in the previous year. These loans have an outstanding balance of Rs. 1,78,147.43 Lakhs as of 31 March 2023 (31 March 2022 : Rs. 2,42,770.85 Lakhs). The Company continues to monitor the recoverability of loans granted in accordance with these circulars and is continuing to carry the required overlays over and above the model provisioning based in the repayment behaviour on these loan accounts. (refer Note 45 for detailed RBI disclosure).

(b) Impact of COVID-19

The uncertainty that was prevelant in the year ending 31 March 2022 on account of the various waves of the pandemic was reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro economic outlook and its associated impact on the impairment calculations.

Even though the economic situation has recovered, the management will continue to asses on a regular basis, the impact on the portfolio arising out in the post pandemic period.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial results for the year ended 31 March 2022. The Company has been updating the ECL model with the latest set of data on reasonable periodic intervals for the year ended 31 March 2023, to capture the significant changes in economic and market drivers, customer behaviours and government actions caused by COVID-19 to reduce the risk of uncertaininty due to judgements and estimations considering economic outlook as per Government agencies data around the growth parameters.

The management has been closely monitoing the position around the uncertainities owing to the pandemic and its impact on the measurement of impairment loss allowance. Since the impact of the post pandemic economic & behavioural factors have already been factored into the ECL model, the amount of management overlay is Nil for the current year ending 31 March 2023 (31 March 2022 : Rs. 14504.04 Lakhs).

(c) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower exceeds 90 days past due on its contractual payments.

(d) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(e) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are discounted at portfolio EIR rate for arriving at the loss rate.

b. "Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 60 months yearly movement of default rates and further adjusted for macro economic factors.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

(f) ***Measurement of ECL***

ECL is measured as follows:

– financial assets that are not credit impaired at the reporting date: for Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL. For Stage 2, future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and LGD percentage and thus arrived ECL is then discounted with the respective loan EIR to calculate the present value of ECL.

– financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and actual cash flows till reporting date;

– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

(g) ***Forward Looking Information***

Historical PDs have been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

The Company in the current year has continued with the similar probability weightage as considered for previous year ending 31 March 2022.

(h) ***Assessment of significant increase in credit risk***

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

As a part of the qualitative assessment of whether a borrower is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore, assesses such loans as Stage 3 for ECL calculations, following are such instances:

– A Stage 3 borrower having other loans which are in Stage 1 or 2.

– Cases where Company suspects fraud and legal proceedings are initiated.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis

(i) ***Policy for write off of Loan Assets***

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the loan outstanding dues. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "bad debts/loss on termination" forming part of "impariment on financial instruments" in statement of profit and loss.

(j) ***Analysis of inputs to the ECL model with respect to macro economic variable***

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source of The Economist Intelligence Unit Limited.The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

ECL scenario for Macro Economic Variable	Year		Best Case	Base Case	Worst Case
Probability Assigned			**10%**	**65%**	**25%**
Agriculture (% real change p.a)					
	2022	%	5.9	3.4	0.9
	2023	%	6.9	4.4	1.9
	2024	%	5.9	3.4	0.9
	2025	%	6.9	4.4	1.9
	2026	%	6.6	4.1	1.6
	2027	%	7.5	4.9	2.4
	2028	%	5.6	3.0	0.5
	Subsequent Years	%	6.7	4.1	1.6

Impairment loss

The expected credit loss allowance provision for loans is determined as follows:

	Performing Loans - 12 month ECL	Under performing loans - lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2023	**536,668.85**	**108,017.18**	**75,306.73**	**719,992.76**
Expected credit loss rate	**0.97%**	**8.75%**	**27.60%**	
Carrying amount as at 31 March 2023 (net of impairment provision)	**531,440.01**	**98,562.46**	**54,522.08**	**684,524.55**
Gross Balance as at 31 March 2022	471,872.38	202,370.17	86,102.74	760,345.29
Expected credit loss rate	2.01%	11.99%	27.54%	
Carrying amount as at 31 March 2022 (net of impairment provision)	462,390.46	178,105.65	62,388.23	702,884.34

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Level of Assessment - Aggregation Criteria

The Company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characterstics, pricing range, sector concentration, the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

(k) An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loans

Gross exposure reconciliation - Loans

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	455,200.99	208,876.36	100,593.39	764,670.74
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(87,579.91)	80,434.33	7,145.58	–
– Transfers to Stage 2	61,025.68	(76,450.12)	15,424.44	–
– Transfers to Stage 3	2,388.28	998.81	(3,387.09)	–
– Loans that have been derecognised during the period	(37,396.73)	(10,862.26)	(20,865.89)	(69,124.88)
New loans originated during the year	131,547.64	4,032.70	25.16	135,605.50
Write-offs	–	–	(20,554.30)	(20,554.30)
Remeasurement of net exposure	(53,313.57)	(4,659.65)	7,721.45	(50,251.77)
Gross carrying amount balance as at 31 March 2022	**471,872.38**	**202,370.17**	**86,102.74**	**760,345.29**
– Transfers to Stage 1	**(40,619.46)**	**31,414.86**	**9,204.60**	**-**
– Transfers to Stage 2	**51,621.84**	**(85,062.19)**	**33,440.35**	**-**
– Transfers to Stage 3	**3,071.09**	**2,872.69**	**(5,943.78)**	**-**
– Loans that have been derecognised during the period	**(49,832.20)**	**(21,011.37)**	**(20,274.53)**	**(91,118.10)**
New loans originated during the year	**166,838.78**	**734.81**	**51.56**	**167,625.15**
Write-offs	**(42.15)**	**–**	**(29,982.69)**	**(30,024.84)**
Remeasurement of net exposure	**(66,241.43)**	**(23,301.79)**	**2,708.48**	**(86,834.74)**
Gross carrying amount balance as at 31 March 2023	**536,668.85**	**108,017.18**	**75,306.73**	**719,992.76**

* The contractual amount outstanding on financial assets that have been written off during the year ended 31 March 2023 and are under enforcement activity was Rs. 16,825.71 Lakhs (31 March 2022 : Rs. 10,274.05 Lakhs)

Gross exposure reconciliation - Loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	36,353.41	1,077.04	4.56	37,435.01
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(101.15)	90.05	11.10	–
– Transfers to Stage 2	8.83	(9.86)	1.03	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(34,558.64)	(1,052.57)	(4.56)	(35,615.77)
New loans originated during the year	42,286.35	429.04	1.18	42,716.57
Write-offs	–	–	–	–
Remeasurement of net exposure	(1,173.31)	(56.80)	(6.29)	(1,236.40)
Gross carrying amount balance as at 31 March 2022	**42,815.49**	**476.90**	**7.02**	**43,299.41**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(3.78)**	**3.42**	**0.36**	**–**
– Transfers to Stage 2	**13.97**	**(13.97)**	**–**	**–**
– Transfers to Stage 3	**–**	**–**	**–**	**–**
– Loans that have been derecognised during the period	**(40,858.76)**	**(462.93)**	**(7.03)**	**(41,328.72)**
New loans originated during the year	**47,061.66**	**4.77**	**–**	**47,066.43**
Write-offs	**–**	**–**	**–**	**–**
Remeasurement of net exposure	**(1,321.26)**	**(0.75)**	**(0.09)**	**(1,322.10)**
Gross carrying amount balance as at 31 March 2023	**47,707.32**	**7.44**	**0.26**	**47,715.02**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Reconciliation of ECL balance on loans

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	6,105.92	17,859.07	27,895.25	51,860.24
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(1,365.47)	1,251.22	114.25	–
– Transfers to Stage 2	5,214.63	(6,535.12)	1,320.49	–
– Transfers to Stage 3	614.05	224.15	(838.20)	–
– Loans that have been derecognised during the period	(472.86)	(931.52)	(7,240.21)	(8,644.59)
New loans originated during the year	1,425.44	380.56	6.18	1,812.18
Write-offs	–	–	(7,566.96)	(7,566.96)
Net remeasurement of loss allowance	(2,039.79)	12,016.16	10,023.71	20,000.08
ECL allowance balance as at 31 March 2022	**9,481.92**	**24,264.52**	**23,714.51**	**57,460.95**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(2,780.92)**	**2,340.66**	**440.26**	**–**
– Transfers to Stage 2	**6,050.17**	**(10,389.51)**	**4,339.34**	**–**
– Transfers to Stage 3	**860.61**	**723.43**	**(1,584.04)**	**–**
– Loans that have been derecognised during the period	**(989.19)**	**(2,517.68)**	**(7,066.23)**	**(10,573.10)**
New loans originated during the year	**1,640.29**	**64.23**	**13.46**	**1,717.98**
Write-offs	**(0.78)**	**–**	**(6,942.95)**	**(6,943.73)**
Net remeasurement of loss allowance	**(9,033.26)**	**(5,030.93)**	**7,870.30**	**(6,193.89)**
ECL allowance balance as at 31 March 2023	**5,228.84**	**9,454.72**	**20,784.65**	**35,468.21**

Reconciliation of ECL balance on loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	408.42	77.97	0.97	487.36
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(1.02)	0.98	0.04	–
– Transfers to Stage 2	0.64	(0.71)	0.07	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(399.13)	(76.19)	(0.97)	(476.29)
New loans originated during the year	305.30	36.34	0.28	341.92
Write-offs	–	–	–	–
Net remeasurement of loss allowance	(6.79)	2.02	1.27	(3.50)
ECL allowance balance as at 31 March 2022	**307.42**	**40.41**	**1.66**	**349.49**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(0.03)**	**0.03**	**–**	**–**
– Transfers to Stage 2	**1.18**	**(1.18)**	**–**	**–**
– Transfers to Stage 3	**–**	**–**	**–**	**–**
– Loans that have been derecognised during the period	**(300.27)**	**(39.21)**	**(1.66)**	**(341.14)**
New loans originated during the year	**334.06**	**0.42**	**–**	**334.48**
Write-offs	**–**	**–**	**–**	**–**
Net remeasurement of loss allowance	**(5.68)**	**0.18**	**0.07**	**(5.43)**
ECL allowance balance as at 31 March 2023	**336.68**	**0.65**	**0.07**	**337.40**

The increase in ECL of the portfolio was driven by an increase in the size of the portfolio, movements between stages as a result of increases in credit risk and due to deterioration in economic conditions.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company provides loans to retail individual customers in rural and semi urban areas which are of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

Company's loan portfolio is predominantly to finance retail home loans. The Company manages concentration of risk primarily by geographical region in India.The following tables show the geographical concentrations of loans:

Particulars	As at 31 March 2023	As at 31 March 2022
Concentration by geographical region in India:		
North	**77,761.12**	60,391.64
East	**10,151.74**	9,433.19
West	**289,509.64**	328,031.18
South	**342,570.26**	362,489.28
Total carrying value	**719,992.76**	760,345.29

Maximum exposure to credit risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Collaterals

Narrative description of collateral

Collateral primarily include land and constructed/purchased house property by retail loan customers. Company generally does not obtain additional collateral during the term of the loan.

The below tables provide an analysis of the fair values of collateral held for credit impaired assets:

31 March 2023	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	**75,306.73**	**166,132.43**	**(91,822.63)**	**74,309.80**	**996.93**	**20,784.65**
b) Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**75,306.73**	**166,132.43**	**(91,822.63)**	**74,309.80**	**996.93**	**20,784.65**

31 March 2022	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	86,102.74	172,654.49	(88,536.65)	84,117.84	1,984.90	23,714.51
b) Others	–	–	–	–	–	–
Total	86,102.74	172,654.49	(88,536.65)	84,117.84	1,984.90	23,714.51

The Company has provided for additional impairment for the shortfall in collateral value on its credit impaired assets.

Collaterals repossessed

Company did not obtain non financial assets during the year by taking possession of collateral it held as security.

Quantitative information of collateral - credit impaired assets

The company's concentrations of risk are managed based on Loan to value (LTV) segregation. The following tables stratify credit exposures from housing and other loans to customers by range of Loan to value (LTV) ratio. LTV is calculated as the ratio of gross amount of loan - or the amount committed for loan commitments - to the value of collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Gross value of total loans to value of collateral :

	Gross Value of total loans	
Loan To Value	**31 March 2023**	31 March 2022
Upto 50%	**269,813.49**	297,156.07
51 - 70%	**268,479.76**	307,649.21
71 - 100%	**181,600.71**	155,407.18
Above 100%	**–**	–
	719,893.96	760,212.46

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

(Gross value of credit impaired loans to value of collateral)

	Gross value of loans in stage 3	
Loan To Value	**31 March 2023**	31 March 2022
Upto 50%	**32,338.75**	29,854.26
51 - 70%	**32,964.47**	42,490.86
71 - 100%	**10,003.51**	13,757.62
Above 100%	**–**	–
	75,306.73	86,102.74

iii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company and fellow subsidiary companies within its group to meet any short term fund requirements.

Maturity profile of non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is calculated considering interest rate prevailing as at respective year end date.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2023				
Trade payable:	**4,367.72**	**–**	**–**	**–**
Other payable	**22.28**	**–**	**–**	**–**
Debt securities:				
– Principal	**154,500.00**	**137,500.00**	**1,000.00**	**24,510.00**
– Interest	**23,636.80**	**20,798.86**	**4,135.13**	**7,963.97**
Borrowings (Other than debt securities):				
– Principal	**102,251.16**	**131,032.43**	**84,098.74**	**1,785.71**
– Interest	**22,622.99**	**27,129.76**	**7,222.69**	**77.49**
Subordinated liabilities:				
– Principal	**–**	**7,000.00**	**20,700.00**	**18,500.00**
– Interest	**4,084.52**	**8,074.07**	**5,645.92**	**3,314.00**
Other financial liabilities:	**26,594.49**	**4,343.12**	**3,022.67**	**4,021.12**
Total	**338,079.95**	**335,878.24**	**125,825.15**	**60,172.29**
31 March 2022				
Trade payable	7,527.24	–	–	–
Other payable	22.28	–	–	–
Debt securities:				
– Principal	75,500.00	234,500.00	11,000.00	14,510.00
– Interest	24,001.74	25,382.33	3,323.21	4,984.67
Borrowings (Other than sebt securities):				
– Principal	92,745.04	114,368.05	71,017.86	5,357.14
– Interest	16,885.08	19,172.79	6,846.60	350.24
Subordinated liabilities:				
– Principal	–	1,000.00	18,200.00	27,000.00
– Interest	4,082.05	8,162.72	7,296.46	5,659.34
Other financial liabilities:	27,879.12	1,938.24	1,316.63	867.71
Total	248,642.55	404,524.13	119,000.76	58,729.10

iv) Measurement of Fair Value

Valuation technique for fair value measurement

Fair value of loans and borrowings are calculated using a portfolio based approach, grouping them as far as possible into homogenous groups based on similar characteristics (such as tenor and rates of interest). Using the discounted cash flow approach, the values are then calculated for the portfolio considering all significant characteristics of the loans and borrowings.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Financial instruments measured at amortised cost

Particulars	Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	**31,494.46**	**31,494.46**	**31,494.46**	**–**	**–**
b) Bank balances other than (a) above	**88,702.87**	**88,702.87**	**88,702.87**	**–**	**–**
c) Loans	**684,524.55**	**684,355.15**	**–**	**–**	**684,355.15**
d) Other financial assets	**3,332.71**	**3,332.71**	**–**	**3,332.71**	**–**
Total	**808,054.59**	**807,885.19**	**120,197.33**	**3,332.71**	**684,355.15**
Financial liabilities					
a) Trade Payables	**4,367.72**	**4,367.72**	**–**	**4,367.72**	**–**
b) Other Payable	**22.28**	**22.28**	**–**	**22.28**	**–**
c) Debt securities	**316,771.91**	**314,654.45**	**314,654.45**	**–**	**–**
d) Borrowings other than debt securities	**319,162.66**	**318,550.07**	**–**	**318,550.07**	**–**
e) Subordinated Liabilities	**46,049.24**	**46,130.90**	**46,130.90**	**–**	**–**
f) Other financial liabilities	**35,107.89**	**35,107.89**	**–**	**35,107.89**	**–**
Total	**721,481.70**	**718,833.31**	**360,785.35**	**358,047.96**	**–**
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	42,369.05	42,369.05	42,369.05	–	–
b) Bank balances other than (a) above	23,145.05	23,145.05	23,145.05	–	–
c) Loans	702,884.34	703,814.14	–	–	703,814.14
d) Other financial assets	1,193.50	1,193.50	–	1,193.50	–
Total	769,591.94	770,521.74	65,514.10	1,193.50	703,814.14
Financial liabilities					
a) Trade payables	7,527.24	7,527.24	–	7,527.24	–
b) Other payable	22.28	22.28	–	22.28	–
c) Debt securities	334,445.20	337,921.70	337,921.70	–	–
d) Borrowings other than debt securities	283,476.77	283,586.04	–	283,586.04	–
e) Subordinated liabilities	46,028.50	47,214.89	47,214.89	–	–
f) Other financial liabilities	30,916.87	30,916.87	–	30,916.87	–
Total	702,416.86	707,189.02	385,136.59	322,052.43	–

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Financial instruments regularly measured using fair value - recurring items

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets/ financial liabilities	Category	As at 31 March 2023	As at 31 March 2022					
Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**22,088.07**	53,604.25	Level 1	Quoted market price			
Investment in Government Securities	Financial Assets	Financial instrument measured at FVTOCI	**12,006.99**	8,357.09	Level 1	Quoted market price			

45 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress:

(i) "In the year ending 31 March 2022 to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 on Resolution Framework – 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021. This is in continuation to the restructuring plan implemented for the customers as per the RBI circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 on Resolution Framework for COVID-19-related Stress dated 6 August 2020.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

As at 31 March 2023

(i) Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the year ended 31 March 2023 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	264.52	–	–	49.11	231.14

* Represents amount outstanding as at the end of 30 September 2022

** Represents the closing balance of loan accounts as at 31 March 2023

(ii) Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the year ended 31 March 2023 for the restructuring plans implemented as per RBI circular dated 5 May 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year ***	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ****
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	163,872.28	31,404.34	–	40,911.80	132,794.35

*** Represents amount outstanding as at the end of 30 September 2022

**** Represents the closing balance of loan accounts as at 31 March 2023

As at 31 March 2022

(i) Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the period ended 31 March 2022 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	248.35	–	–	36.57	300.90

* Represents amount outstanding as at the end of 30 September 2021

** Represents the closing balance of loan accounts as at 31 March 2022

(ii) Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the period ended 31 March 2022 for the restructuring plans implemented as per RBI circular dated 5 May 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year ***	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ****
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	239,572.52	20,467.96	–	39,988.42	224,463.09

*** Represents amount outstanding as at the end of 30 September 2021

**** Represents the closing balance of loan accounts as at 31 March 2022

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

46 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended

31 March 2023

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	534,683.02	5,201.00	529,482.02	5,572.33	(371.33)
	Stage 2	45,498.67	3,988.55	41,510.12	2,140.92	1,847.63
Subtotal for standard		**580,181.69**	**9,189.55**	**570,992.14**	**7,713.25**	**1,476.30**
Non-Performing Assets (NPA)						
Substandard	Stage 1	1,974.10	27.66	1,946.44	282.62	(254.96)
	Stage 2	62,161.68	5,434.98	56,726.70	8,814.60	(3,379.62)
	Stage 3	42,647.35	11,406.19	31,241.16	6,057.41	5,348.78
Subtotal for standard		**106,783.13**	**16,868.83**	**89,914.30**	**15,154.63**	**1,714.20**
Doubtful - up to 1 year	Stage 1	9.17	0.14	9.03	2.22	(2.08)
	Stage 2	344.90	30.15	314.75	80.48	(50.33)
	Stage 3	12,060.83	3,216.15	8,844.68	2,566.57	649.58
Subtotal for doubtful up to 1 year		12,414.90	3,246.44	9,168.46	2,649.27	597.17
Doubtful - 1 to 3 years	Stage 1	2.56	0.04	2.52	0.97	(0.93)
	Stage 2	11.93	1.04	10.89	4.53	(3.49)
	Stage 3	19,630.57	5,581.18	14,049.39	5,284.05	297.13
Subtotal for doubtful up to 1 to 3 years		**19,645.06**	**5,582.26**	**14,062.80**	**5,289.55**	**292.71**
More than 3 years	Stage 3	757.93	371.08	386.85	351.85	19.23
Subtotal for Doubtful - More than 3 years		**757.93**	**371.08**	**386.85**	**351.85**	**19.23**
Subtotal for Doubtful		**32,817.89**	**9,199.78**	**23,618.11**	**8,290.67**	**909.11**
Loss	Stage 3	210.05	210.05	–	204.17	5.88
Subtotal for NPA		**139,811.07**	**26,278.66**	**113,532.41**	**23,649.47**	**2,629.19**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	47,707.32	336.68	47,370.64	–	336.68
	Stage 2	7.44	0.65	6.79	–	0.65
	Stage 3	0.26	0.07	0.19	–	0.07
Subtotal		**47,715.02**	**337.40**	**47,377.62**	**–**	**337.40**
Total	Stage 1	584,376.17	5,565.52	578,810.65	5,858.14	(292.62)
	Stage 2	108,024.62	9,455.37	98,569.25	11,040.53	(1,585.16)
	Stage 3	75,306.99	20,784.72	54,522.27	14,464.05	6,320.67
Total (Including commitments)		**767,707.78**	**35,805.61**	**731,902.17**	**31,362.72**	**4,442.89**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

31 March 2022

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	471,872.38	9,481.92	462,390.46	10,002.09	(520.17)
	Stage 2	202,370.17	24,264.52	178,105.65	17,437.98	6,826.54
Subtotal for standard		**674,242.55**	**33,746.44**	**640,496.11**	**27,440.07**	**6,306.37**
Non-Performing Assets (NPA)						
Substandard	Stage 3	23,055.33	6,989.10	16,066.23	3,623.07	3,366.03
Doubtful - up to 1 year	Stage 3	16,865.64	4,563.77	12,301.87	3,590.57	973.20
1 to 3 years	Stage 3	42,974.86	10,546.88	32,427.98	11,646.46	(1,099.58)
More than 3 years	Stage 3	2,827.14	1,234.99	1,592.15	1,319.15	(84.16)
Subtotal for doubtful		**62,667.64**	**16,345.64**	**46,322.00**	**16,556.18**	**(210.54)**
Loss	Stage 3	379.77	379.77	–	384.25	(4.48)
Subtotal for NPA		86,102.74	23,714.51	62,388.23	20,563.50	3,151.01
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	42,815.49	307.42	42,508.07	–	307.42
	Stage 2	476.90	40.41	436.49	–	40.41
	Stage 3	7.02	1.66	5.36	–	1.66
Subtotal		**43,299.41**	**349.49**	**42,949.92**	**–**	**349.49**
Total	Stage 1	514,687.87	9,789.34	504,898.53	10,002.09	(212.75)
	Stage 2	202,847.07	24,304.93	178,542.14	17,437.98	6,866.95
	Stage 3	86,109.76	23,716.17	62,393.59	20,563.50	3,152.67
Total (Including commitments)		**803,644.70**	**57,810.43**	**745,834.26**	**48,003.57**	**9,806.86**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2023, no amount is required to be transferred to 'Impairment Reserve' for the financial year. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI

ii) In terms of recommendations as per above referred notification, the Company has complied with Ind AS 109, Financial Instruments and the Board approved Expected Credit Loss (ECL) policy in the computation and measurement of impairment allowance. For the purpose of provisions as per IRACP norms the Company has adopted the definition used for regulatory purposes.

As at 31 March 2023 and 31 March 2022, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ days ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

47 Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

Annexure A

Initial Disclosure to be made by an entity identified as a Large Corporate

(To be submitted to the Stock Exchange(s) with in 30 days from the beginning of the FY)

Sr.no.	Particulars	Details
1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Outstanding borrowing of company as on 31 March 2023	Rs. 6,81,983.81 Lakhs
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	a) Bank Borrowings – CRISIL AAA/ Stable/IND AA+/Stable b) NCD/Sub-Debt – CRISIL AAA/ Stable/IND AA+/ Stable, CARE AA+/ Stable, CRISIL PPMLD AAA/Stable', IND PPMLD AA+/ Stable' c) Short term external credit rating (Commercial Papers)-IND A1+, CRISIL A1+
5	Name of Stock Exchange in which the fine shall be paid, incase of shortfall in the required borrowing under the framework	BSE Limited

Annexure B

1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Report filed for FY	2022-23
4	Details of the current block	FY2022, FY2023 and FY2024

Sr.	Particulars	31 March 2023
(i)	3-year block period	FY2022, FY2023 and FY2024
(ii)	Incremental borrowing done (a)	182,647.39
(iii)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	45,661.85
(iv)	Actual borrowings done through debt securities (c)	57,500.00
(v)	Shortfall in the borrowing through debt securities, if any, for FY carried forward to FY (d)	Not Applicable
(vi)	Quantum of (d), which has met from (c) (e)	NIL
(vii)	Shortfall, if any, in the mandatory borrowing through debt securities, for FY (f) = b- [(c) - (e)]	NIL

5 Details of penalty to be paid, if any, in resepect of previous block:

Sr.	Particulars	31 March 2023
(i)	3-year block period	FY2022, FY2023 and FY2024
(ii)	Amount of the fine to be paid for the block, if applicable. Fine = 0.2% ((d) - (e))	NIL

48 Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees.

Name of the KMP	Nature of transactions	31 March 2023	31 March 2022
Mr. Shantanu Rege (Managing Director)			
(Appointed from 1 October 2022)	Gross Salary including perquisites	**63.10**	–
	Others - Contribution to Funds	**–**	–
	Stock Option	**5.79**	–
		68.89	–
Mr. Rajnish Agarwal (Managing Director)			
(Appointed from 1 October 2021 and ceased to be a director from 30 September 2022)	Gross Salary including perquisites	**188.19**	45.44
	Others - Contribution to Funds	**2.71**	3.24
	Stock Option	**–**	20.15
		190.90	68.83
Mr. Anuj Mehra (Managing Director)			
(Ceased to be a director from 30 Sepetember 2021)	Gross Salary including perquisites	**–**	210.82
	Others - Contribution to Funds	**–**	3.00
	Stock Option	**–**	–
		–	213.82
Mr. Dharmesh Vakharia (Chief Financial Officer)			
	Gross Salary including perquisites	**149.94**	117.20
	Others - Contribution to Funds	**11.27**	5.74
	Stock Option	**7.85**	1.61
		169.06	124.55
Mrs. Anjali Raina (Independent Director)			
	Commission \ Remuneration	**8.25**	8.25
	Other benefits	**5.80**	5.90
		14.05	14.15
Mr. Jyotin Mehta (Independent Director)			
	Commission \ Remuneration	**8.25**	8.25
	Other benefits	**6.20**	6.30
		14.45	14.55

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

Name of the KMP	Nature of transactions	31 March 2023	31 March 2022
Mr. Narendra Mairpady (Independent Director)			
	Commission \ Remuneration	**8.25**	8.25
	Other benefits	**4.80**	5.10
		13.05	13.35

49 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Ultimate Holding Company**	Mahindra & Mahindra Limited
b)	**Holding Company**	Mahindra & Mahindra Financial Services Limited
c)	**Fellow Subsidiaries:** (entities with whom the Company has transactions)	Mahindra Insurance Brokers Limited NBS International Limited Mahindra Integrated Business Solutions Private Limited Mahindra Holidays and Resorts India Limited Mahindra Defence Systems Limited Mahindra First Choice Wheels Limited Mahindra Water Utilities Limited
d)	**Other Related Parties:**	Kanha & Company
e)	**Joint Ventures/ Associates** (entities with whom the Company has transactions)	Tech Mahindra Limited Swaraj Engines Limited Mahindra University Mahindra Manulife Investment Management Private Limited Medwell Ventures Private Limited
f)	**Key Management Personnel:**	Mr. Shantanu Rege (Managing Director) (w.e.f. 01 October 2022) Mr. Rajnish Agarwal (Managing Director) (w.e.f. 01 October 2021 to 30 September 2022) Mr. Anuj Mehra (Managing Director) (Ceased to be a director w.e.f. 30 September 2021) Mr. Dharmesh Vakharia (Chief Financial Officer) Mr. Jyotin Mehta (Independent Director) Mrs. Anjali Raina (Independent Director) Mr. Narendra Mairpady (Independent Director)

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

	Holding Company		**Fellow Subsidiaries/ Other Related Parties**		**Joint Ventures/ Associates**		**Key Management Personnel**	
Particulars	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Interest expense								
– Mahindra & Mahindra Limited	**–**	130.99	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**1,575.38**	2,430.41	**–**	–	**–**	–
– Mahindra Manulife Investment Management Private Limited	**–**	–	**–**	–	**409.80**	409.80	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**603.00**	1,161.27	**–**	–	**–**	–
– Tech Mahindra Limited	**–**	–	**–**	–	**–**	332.24	**–**	–
– Swaraj Engines Limited	**–**	–	**–**	–	**–**	41.27	**–**	–
– Mahindra Water Utilities Limited	**–**	–	**–**	54.54	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**–**	77.92	**–**	–	**–**	–
Other expenses								
– Mahindra & Mahindra Limited	**137.77**	124.06	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**483.60**	448.96	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**5.77**	3.28	**–**	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**1,122.28**	940.85	**–**	–	**–**	–
– Mahindra Defence Systems Limited	**–**	–	**–**	5.70	**–**	–	**–**	–
– Medwell Ventures Private Limited	**–**	–	**–**	–	**0.05**	–	**–**	–
– Mahindra University	**–**	–	**–**	–	**2.36**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**30.00**	52.52	**–**	–	**–**	–
– Kanha & Company	**–**	–	**113.87**	–	**–**	–	**–**	–
ESOP Expenses								
– Mahindra & Mahindra Limited	**1.91**	–	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**20.01**	25.33	**–**	–	**–**	–	**–**	–
Remuneration \ Sitting fees \ Commission								
– Mr. Shantanu Rege	**–**	–	**–**	–	**–**	–	**68.89**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

	Holding Company		Fellow Subsidiaries/ Other Related Parties		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
– Mr. Rajnish Agarwal	**–**	–	**–**	–	**–**	–	**190.90**	68.83
– Mr. Anuj Mehra	**–**	–	**–**	–	**–**	–	**–**	213.82
– Mr. Dharmesh Vakharia	**–**	–	**–**	–	**–**	–	**169.06**	124.55
– Mr. Jyotin Mehta	**–**	–	**–**	–	**–**	–	**14.45**	14.55
– Mrs. Anjali Raina	**–**	–	**–**	–	**–**	–	**14.05**	14.15
– Mr. Narendra Mairpady	**–**	–	**–**	–	**–**	–	**13.05**	13.35
Purchase of fixed assets								
– Mahindra & Mahindra Limited	**375.08**	121.80	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**2.17**	20.54	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**14.28**	4.46	**–**	–	**–**	–
Capital Advance								
– Mahindra & Mahindra Limited	**9.58**	42.85	**–**	–	**–**	–	**–**	–
Inter corporate deposits taken								
– Mahindra Insurance Brokers Limited	**–**	–	**13,050.00**	3,225.00	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**–**	9,000.00	**–**	–	**–**	–
Inter corporate deposits repaid/matured								
– Mahindra & Mahindra Limited	**–**	5,000.00	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**16,575.00**	11,465.00	**–**	–	**–**	–
– Swaraj Engines Limited	**–**	–	**–**	–	**–**	1,000.00	**–**	–
– Mahindra Water Utilities Limited	**–**	–	**–**	800.00	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**–**	20,500.00	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**–**	2,500.00	**–**	–	**–**	–
Subordinate debt repaid								
– Tech Mahindra Limited	**–**	**–**	**–**	**–**	**–**	**15,000.00**	**–**	**–**

iii) Balances as at the end of the year:

	Holding Company		Fellow Subsidiaries/ Other Related Parties		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Balances as at the end of the year								
Subordinate debt held (including interest accrued but not due)								
– Mahindra Manulife Investment Management Private Limited	**–**	–	**–**	–	**4,856.15**	4,856.88	**–**	–
Payables								
– Mahindra & Mahindra Limited	**16.39**	61.79	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**0.61**	106.41	**–**	–	**–**	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**65.34**	86.88	**–**	–	**–**	–
– NBS International Limited	**–**	–	**0.29**	1.52	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**1.74**	5.58	**–**	–	**–**	–
– Others	**–**	–	**–**	–	**–**	–	**22.28**	22.28
Inter corporate deposits outstanding (including interest accrued but not due)								
– Mahindra Insurance Brokers Limited	**–**	–	**22,793.35**	26,599.15	–	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**9,396.99**	9,395.50	**–**	–	**–**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

50 Balance Sheet Disclosures as required under Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

'These disclosures are made pursuant to Reserve Bank of India Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), to the extent applicable to the Company and outlining the regulatory guidance in relation to Ind AS financial statements. This includes guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, Capital to Risk (weighted) Assets Ratio (CRAR) and other disclosures have been computed in accordance with these requirements read with the requirements of the Indian Accounting Standards prescribed under Sec 133 of The Companies Act, 2013.

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 2 to the financial statement for the year ended 31 March 2023.

I Capital

Particulars	31 March 2023	31 March 2022
(i) CRAR (%)	**45.12%**	41.56%
(ii) CRAR - Tier I Capital (%)	**34.95%**	30.94%
(iii) CRAR - Tier II Capital (%)	**10.17%**	10.62%
(iv) Amount of subordinated debt raised as Tier - II Capital	**35,220**	40,760
(v) Amount raised by issue of Perpetual Debt Instruments	**Nil**	Nil

II Investments

The investments outstanding details are as under :

Particulars	31 March 2023	31 March 2022
1 Value of Investments		
(i) Gross value of Investments*		
(a) In India	**34,095.06**	61,961.34
(b) Outside India	**–**	–
(ii) Provisions for Depreciation		
(a) In India	**–**	–
(b) Outside India	**–**	–
(iii) Net value of Investments		
(a) In India	**34,095.06**	61,961.34
(b) Outside India	**–**	–
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	**–**	–
(ii) Add: Provisions made	**–**	–
(iii) Less: Write-off/Written-back of excess provisions during the year	**–**	–
(iv) Closing balance	**–**	–

* Value of investments represent fair value of investment

III Derivatives

The Company has not entered into any derivatives during the current year or previous year.

a) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

Particulars	31 March 2023	31 March 2022
(i) The notional principal of swap agreements	**Not Applicable**	Not Applicable
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii) Collateral required by the HFC upon entering into swaps		
(iv) Concentration of credit risk arising from the swaps		
(v) The fair value of the swap book		

b) Exchange Traded Interest Rate (IR) Derivative

Particulars	31 March 2023	31 March 2022
(i) The notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	**Not Applicable**	Not Applicable
(a)		
(b)		
(c)		
(ii) The notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument wise)		
(a)		
(b)		
(c)		
(iii) The notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
(a)		
(b)		
(c)		
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
(a)		
(b)		
(c)		

c) Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure:

The Company does not trade in derivatives and hence, this disclosure is not applicable.

B Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	**Not Applicable**	Not Applicable
(ii) Marked to Market Positions		
(a) Assets (+)		
(b) Liability (-)		
(iii) Credit Exposure		
(iv) Unhedged Exposures		

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

IV Assets Liability Management

31 March 2023

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	–	–	8,775.00	2,873.55	11,355.75	23,755.26	46,388.68	108,954.89	84,098.81	1,785.71	287,987.65
Market borrowing	–	–	–	44,862.89	15,981.40	79,768.87	22,553.73	166,255.28	21,650.13	42,923.85	393,996.15
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	4,687.27	5,094.86	10,597.31	15,710.71	19,210.74	43,916.79	77,245.23	198,953.27	99,955.88	209,152.49	684,524.55
Investments	22,088.07	–	–	4,002.69	–	–	8,004.30	–	–	–	34,095.06
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

31 March 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	–	–	–	10,997.54	25,510.00	28,421.66	11,232.19	96,240.41	71,017.84	5,357.14	248,776.78
Market borrowing	–	350.00	1,875.00	3,748.44	3,925.00	38,518.52	43,065.67	253,095.50	29,140.67	41,454.90	415,173.70
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	5,316.05	5,530.16	11,982.13	18,675.55	17,886.24	35,677.90	102,265.24	234,139.36	117,352.87	154,058.83	702,884.33
Investments	53,604.25	–	–	–	–	–	8,357.09	–	–	–	61,961.34
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

V Exposure

a) Exposure to real estate sector

Category			31 March 2023	31 March 2022
a)	Direct exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	**719,685.32**	760,212.46
		Of the above Individual housing loan upto Rs.15 lakh	**601,644.44**	693,100.10
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**208.64**	Nil
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	**Nil**	Nil
		b) Commercial Real Estate	**Nil**	Nil

Notes to the Financial Statements for the year ended 31 March 2023

Category			31 March 2023	31 March 2022
b)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**Nil**	Nil

b) The Company does not have any exposure towards capital market.

Particulars		31 March 2023	31 March 2022
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**Not Applicable**	Not Applicable
(ii)	advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equityoriented mutual funds;	**Not Applicable**	Not Applicable
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**Not Applicable**	Not Applicable
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	**Not Applicable**	Not Applicable
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Not Applicable**	Not Applicable
(vi)	loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**Not Applicable**	Not Applicable
(vii)	bridge loans to companies against expected equity flows/issues;	**Not Applicable**	Not Applicable
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	**Not Applicable**	Not Applicable
	Total exposure to capital market	**Not Applicable**	Not Applicable

c) The Company has not financed any parent Company products and accordingly no disclosure is made.

d) The Company has not exceeded the prudential exposure limits w.r.t. Single Borrower Limit (SBL)/Group Borrower Limit (GBL) and accordingly no disclosure is made.

e) The Company has not given any unsecured advances against collateral of rights, licenses, authorisations, etc. and accordingly no disclosure is made.

f) Exposure to group companies engaged in real estate business.

(Rs. in Lakhs)

SN	Particulars	31 March 2023	% of NOF	31 March 2022	% of NOF
(i)	Exposure to any single entity in a group engaged in real estate business*	**192.38**	**0.14%**	92.38	0.07%
(ii)	Exposure to all entities in a group engaged in real estate business*	**192.38**	**0.14%**	92.38	0.07%

* This exposure is towards the retail individual home buyers.

VI Miscellaneous

a) The Company has not obtained registration from any Financial sector regulator other than National Housing Bank.

b) No penalty has been imposed on the Company by National Housing Bank/ Reserve Bank of India or any other regulator, except for Rs. 10,000/- by Bombay Stock Exchange (BSE) during the year ended 31 March 2023.

c) Related Party Policy :

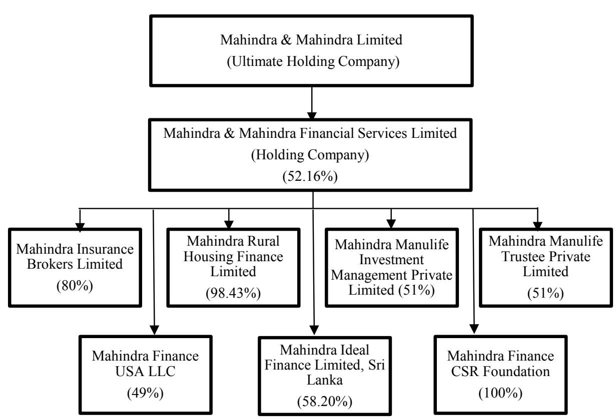
All contracts/arrangements/transactions entered into by the Company during the current year with related parties were in the ordinary course of business and on an arm's length basis (refer note 49).

Pursuant to section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

The policy on related party transactions is approved by the Audit Committee and the Board Of Directors of the Company and is available on the website of the Company.

d) Group Structure

Below is the diagramatic representation of group structure as of 31 March 2023:



e) Rating assigned by Credit Rating Agencies and migration of rating during the year.

During the year under consideration, CRISIL Ratings Limited has upgraded Company's rating from 'CRISIL AA+/Stable' outlook to 'CRISIL AAA/Stable' outlook to the Company's Bank facilities, Non-Convertible Debentures and Subordinated Debt and re-affirmed 'CRISIL A1+' rating to the Company's Commercial Paper.

Notes to the Financial Statements for the year ended 31 March 2023

During the year under consideration, CRISIL Ratings Limited has assigned 'CRISIL PPMLD AAA/Stable' outlook to the Company's Long Term Principal Protected Market Linked Debentures (MLDs)

India Ratings & Research Private Limited has re-affirmed the rating to the Company's Bank facilities, Non-Convertible Debentures and Subordinated Debt as 'IND AA+/stable' outlook, and 'IND A1+' rating to the Commercial Paper.

During the year under consideration, India Ratings & Research Private Limited has assigned 'IND PPMLD AA+/Stable' outlook to the Company's Principal Protected Market Linked Debentures (MLDs)

CARE Ratings Limited (Formerly known as 'Credit Analysis & Research Limited') has re-affirmed the rating to the Company's Non-Convertible Debentures and Subordinated Debt as 'CARE AA+/stable' outlook.

f) Remuneration of Independent Directors

(Rs. in Lakhs)

Particulars of Remuneration	Names of Directors			
Independent Directors	Mr. Jyotin Mehta	Mrs. Anjali Raina	Mr. Narendra Mairpady	Total
Fee for attending board/committee meetings	6.20	5.80	4.80	**16.80**
	(6.30)	(5.90)	(5.10)	**(17.30)**
Remuneration/Commission	8.25	8.25	8.25	**24.75**
	(8.25)	(8.25)	(8.25)	**(24.75)**
Total	**14.45**	**14.05**	**13.05**	**41.55**
	(14.55)	(14.15)	(13.35)	(42.05)

Notes: Figures in bracket represent corresponding figures of previous year.

g) Net profit or loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to accounts in terms of the relevant accounting standards.

VII During the year there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

VIII Other Disclosures

a) Provisions and Contingencies

(Rs. in Lakhs)

Breakup of "Provisions & Contingencies" shown under the head Expenditure in Statement of Profit and Loss	**31 March 2023**	31 March 2022
1. Provisions for depreciation on Investment	–	–
2. Provision towards non performing assets (Stage 3 assets)	**(2,929.87)**	(4,180.74)
3. Provision made towards Income Tax	**–**	4,385.77
4. Other Provision and Contingencies	**–**	–
5. Provision for Standard Assets (Stage 1 and Stage 2 assets)	**(19,062.87)**	9,781.45

The Company has complied with Ind AS 109, Financial Instruments and the Board approved Expected Credit Loss (ECL) policy in the computation and measurement of impairment allowance. In the disclosures required under RBI/NHB, the references of amounts to Non Performing Assets refers to Stage 3 amounts as per Ind AS 109.

(Rs. in Lakhs)

Breakup of Loan & Advances and Provisions thereon	**Housing**		**Non Housing**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Standard Assets				
a) Total Outstanding Amount	**601,924.56**	644,897.00	**42,761.47**	29,345.55
b) Provisions made	**13,952.37**	32,446.17	**731.20**	1,300.27
Sub-Standard Assets				
a) Total Outstanding Amount	**41,143.51**	22,066.18	**1,503.84**	989.16
b) Provisions made	**11,017.57**	6,727.22	**388.63**	261.86
Doubtful Assets - Category – I				
a) Total Outstanding Amount	**11,549.86**	16,212.43	**510.96**	653.21
b) Provisions made	**3,083.75**	4,389.71	**132.40**	174.06
Doubtful Assets - Category – II				
a) Total Outstanding Amount	**18,963.78**	41,352.02	**666.79**	1,622.83
b) Provisions made	**5,382.67**	10,078.32	**198.50**	468.57
Doubtful Assets - Category – III				
a) Total Outstanding Amount	**725.86**	2,741.83	**32.07**	85.31
b) Provisions made	**350.01**	1,196.09	**21.07**	38.91
Loss Assets				
a) Total Outstanding Amount	**198.28**	350.12	**11.76**	29.65
b) Provisions made	**198.28**	350.12	**11.76**	29.65
a) Total Outstanding Amount	**674,505.85**	727,619.58	**45,486.89**	32,725.71
b) Provisions made	**33,984.65**	55,187.63	**1,483.56**	2,273.32

Notes to the Financial Statements for the year ended 31 March 2023

Insurance/fees component in Loans has been classified under Non Housing Loans amounting to Rs. 25,461.07 Lakhs as of 31 March 2023 and Rs 26,719.66 Lakhs as of 31 March 2022.

b) Draw Down from Reserves

The Company has not withdrawn any amount from any reserve in the current year or in the previous year.

c) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/ holding HFCs)

Particulars	31 March 2023	31 March 2022
Total deposits of twenty largest depositors	Not Applicable	Not Applicable
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC		

ii) Concentration of Loans & Advances

(Rs. in Lakhs)

Particulars	31 March 2023	31 March 2022
Total loans & advances to twenty largest borrowers	**1,098.20**	749.25
Percentage of loans & advances to twenty largest borrowers to total advances of the HFC	**0.15%**	0.10%

iii) Concentration of all exposure (including off-balance sheet exposure)

(Rs. in Lakhs)

Particulars	31 March 2023	31 March 2022
Total exposure to twenty largest borrowers/customers	**1,171.24**	851.71
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	**0.15%**	0.11%

iv) Concentration of NPAs

(Rs. in Lakhs)

Particulars	31 March 2023	31 March 2022
Total exposure to top ten NPA accounts	**317.33**	352.45

v) Sector – wise NPAs

Sl. No.		Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing loans:**		
	1	Individuals	10.76%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil
B.	**Non-housing loans:**		
	1	Individuals	5.99%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil

d) i) Movement of NPAs

(Rs. in Lakhs)

Particulars		31 March 2023	31 March 2022
(I)	**Net NPAs to Net Advances (%)**	**7.80%**	8.47%
(II)	**Movement of NPAs (Gross)**		
a)	**Opening balance**	**86,102.74**	100,593.39
b)	Additions during the year	**82,025.09**	64,508.62
c)	Reductions during the year	**(92,821.10)**	(78,999.27)
d)	**Closing balance**	**75,306.73**	86,102.74
(III)	**Movement of Net NPAs**		
a)	**Opening balance**	**62,388.23**	72,698.13
b)	Additions during the year	**44,830.57**	38,454.92
c)	Reductions during the year	**(52,696.72)**	(48,764.82)
d)	**Closing balance**	**54,522.08**	62,388.23
(IV)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
a)	**Opening balance**	**23,714.52**	27,895.25
b)	Provisions made during the year	**37,194.52**	26,053.70
c)	Write-off of short provision/ write-back of excess provisions	**(40,124.39)**	(30,234.43)
d)	**Closing balance**	**20,784.65**	23,714.52

ii) Movement of standard assets provision

(Rs. in Lakhs)

Particulars		31 March 2023	31 March 2022
a)	Opening balance	**33,746.44**	23,964.99
b)	Provisions made during the year	**(19,062.87)**	9,781.45
c)	Closing balance	**14,683.57**	33,746.44

e) Overseas Assets

The Company does not own any overseas asset and the area of operations is only India. The Company does not have any joint venture partners or overseas subsidiaries

Particulars	31 March 2023	31 March 2022
No overseas assets	**Not Applicable**	Not Applicable

f) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
Not Applicable	Not Applicable

IX Disclosure of customers complaints

(Rs. in Lakhs)

Particulars		31 March 2023	31 March 2022
a)	No. of complaints pending at the beginning of the year	**53**	71
b)	No. of complaints received during the year	**2478**	3354
c)	No. of complaints redressed during the year	**2444**	3372
d)	No. of complaints pending at the end of the year	**87**	53

Notes to the Financial Statements for the year ended 31 March 2023

X Movement of Statutory Reserve

(As per Section 29C of the National Housing Bank Act, 1987)

(Rs. in Lakhs)

Particulars		31 March 2023	31 March 2022
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**210.00**	185.00
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**31,124.93**	28,619.93
Total		**31,334.93**	28,804.93
Addition/Appropriation/Withdrawal during the year			
Add:			
a)	Amount Transferred u/s 29C of the NHB Act, 1987"	**25.00**	25.00
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**450.00**	2,505.00
Less:			
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act 1987	**–**	–
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	**–**	–
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**235.00**	210.00
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**31,574.93**	31,124.93
Total		**31,809.93**	31,334.93

XI As required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019 and Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

Public disclosure on liquidity risk

Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Type of instrument	Number of Significant Counter parties	Amount (Rs. In Lakhs)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	20	5,90,118.05	NA	81.55%

Top 20 large deposits (amount in Rs. lakhs and % of total deposits)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Deposits
1	NA	Nil	Nil

Top 10 borrowings (amount in Rs. lakhs and % of total borrowings)

(Rs. in Lakhs)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Borrowings
1	Total for top 10 borrowings	4,55,067.86	66.73%

Funding concentration based on significant instrument/product

(Rs. in Lakhs)

Sr. No.	Name of the instrument /product	Amount (Rs. in Lakhs)	% of Total Liabilities
1	Bank borrowings	2,87,993.05	39.80%
2	Non-convertible debentures	3,17,510.00	43.88%
3	Inter corporate deposits	31,175.00	4.31%
4	Sub debt	46,200.00	6.38%
		6,82,878.05	94.37%
Funding concentration pertaining to insignificant instruments/products		–	0.00%
Total borrowings under all instruments/ products		**6,82,878.05**	**94.37%**

Notes to the Financial Statements for the year ended 31 March 2023

Stock Ratios:

(Rs. in Lakhs)

Sr. No.	Name of instrument/ product	Amount (Rs. in Lakhs)	% of Total Public funds	% of Total Liabilities	% of Total deposits
1	Commercial papers (CPs)	Nil	Nil	Nil	Nil
2	NCDs with original maturity of less than one year	Nil	Nil	Nil	Nil
3	Other short-term liabilities	14,050.00	2.06%	1.94%	Nil

Institutional set-up for liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset and Liability Management Committee (ALCO), Asset and Liability Management Committee (ALMCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The ALCO and ALMCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities to hedge against unexpected requirements.

In order to achieve above, the Company also has an Investment Policy to ensure that safety, liquidity and return on the surplus funds are given appropriate weightages and are placed in that order of priority. Investments are as per the operational parameters and framework within the limits as may be set by the Board for investment. The Board approves revising the limit as and when required. The policy is also reviewed periodically in the background of developments in the money markets and the on the external factors proactively to reduce the risk in the investments. A well-defined front and back office mechanism is in place to ensure a system of checks and balances.

Definition of terms as used in the table above:

a) **Significant counterparty**

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) **Significant instrument/product:**

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) **Total liabilities:**

Total liabilities include all external liabilities (other than equity).

d) **Public funds:**

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

It includes total borrowings outstanding under all types of instruments/products.

e) **Other short-term liabilities:**

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

XII Liquidity Coverage Ratio (LCR)

S. No.	Particulars	Quarter ended 31 March 2023		Quarter ended 31 December 2022##		Quarter ended 30 September 2022##		Quarter ended 30 June 2022##	
		Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	**10,020.76**	**10,020.76**	8,025.94	8,025.94	8,028.82	8,028.82	8,025.37	8,025.37
Cash Outflows									
2	Deposits (for deposit taking companies)	**–**	**–**	–	–	–	–	–	–
3	Unsecured wholesale funding	**7,314.41**	**8,411.57**	3,279.08	3,770.94	8,064.84	9,274.56	5,586.55	6,424.53
4	Secured wholesale funding	**10,035.16**	**11,540.44**	5,972.16	6,867.98	16,482.03	18,954.34	19,926.03	22,914.94
5	Additional requirements, of which								
(i)	*Outflows related to derivative exposures and other collateral requirements*	**–**	**–**	–	–	–	–	–	–
(ii)	*Outflows related to loss of funding on debt products*	**–**	**–**	–	–	–	–	–	–
(iii)	*Credit and liquidity facilities*	**–**	**–**	–	–	–	–	–	–
6	Other contractual funding obligations	**9,534.55**	**10,964.74**	12,482.79	14,355.21	14,100.05	16,215.06	14,978.29	17,225.03
7	Other contingent funding obligations	**28,219.87**	**32,452.85**	28,672.65	32,973.54	28,120.73	32,338.84	28,930.39	33,269.95
8	**TOTAL CASH OUTFLOWS**	**55,103.99**	**63,369.60**	50,406.68	57,967.67	66,767.65	76,782.80	69,421.26	79,834.45

Notes to the Financial Statements for the year ended 31 March 2023

S. No.	Particulars	Quarter ended 31 March 2023 Total Un-Weighted	Quarter ended 31 March 2023 Total Weighted	Quarter ended 31 December 2022## Total Un-Weighted	Quarter ended 31 December 2022## Total Weighted	Quarter ended 30 September 2022## Total Un-Weighted	Quarter ended 30 September 2022## Total Weighted	Quarter ended 30 June 2022## Total Un-Weighted	Quarter ended 30 June 2022## Total Weighted
Cash Inflows									
9	Secured lending	**–**	**–**	–	–	–	–	–	–
10	Inflows from fully performing exposures (Secured)	**24,064.20**	**18,048.15**	22,394.27	16,795.70	23,167.39	17,375.54	22,576.92	16,932.69
11	Other cash inflows	**1,50,927.97**	**1,13,195.98**	1,08,700.00	81,525.00	1,04,145.27	78,108.95	1,44,840.54	1,08,630.41
12	**TOTAL CASH INFLOWS**	**1,74,992.17**	**1,31,244.13**	1,31,094.27	98,320.70	1,27,312.66	95,484.49	1,67,417.46	1,25,563.10
13	**TOTAL HQLA**		**10,020.76**		**8,025.94**		**8,028.82**		8,025.37
14	**TOTAL NET CASH OUTFLOWS**		**15,842.40**		**14,491.92**		**19,195.70**		19,958.61
15	**LIQUIDITY COVERAGE RATIO (%)**		**63%**		**55%**		**42%**		40%

Notes:

1) Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

2) Components of High Quality Liquid Assets (HQLA)

Particulars	Quarter ended 31 March 2023 Total Un-Weighted Value (Average)*	Quarter ended 31 March 2023 Total Weighted Value (Average)#	Quarter ended 31 December 2022## Total Un-Weighted Value (Average)*	Quarter ended 31 December 2022## Total Weighted Value (Average)#	Quarter ended 30 September 2022## Total Un-Weighted Value (Average)*	Quarter ended 30 September 2022## Total Weighted Value (Average)#	Quarter ended 30 June 2022## Total Un-Weighted Value (Average)*	Quarter ended 30 June 2022## Total Weighted Value (Average)#
Assets to be included as HQLA:								
– Government Securities	**9,991.37**	**9,991.37**	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
– Cash Balance	**30.48**	**30.48**	25.99	25.99	28.82	28.82	25.37	25.37
Total	**10,021.85**	**10,021.85**	8,025.99	8,025.99	8,028.82	8,028.82	8,025.37	8,025.37

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to 31 December, 2022, 30 September, 2022 & 30 June, 2022 are unaudited and are as represented by the management, which have been relied upon by auditors.

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs comprise of Cash (including cash on hand and demand deposits with Scheduled Commercial Banks), Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the regulatory norms.

The average LCR is computed as simple averages of daily observations over the previous quarter. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31 March 2023 was 63% and for the quarter ended 31 December 2022 is 55% which is above the regulatory requirement of 50% and for the quarter ended 30 September 2022 average LCR was stood at 42%, For the quarter ended 30 June 2022 average LCR was stood at 40%, which is above the regulatory requirement of 30%.

Notes to the Financial Statements for the year ended 31 March 2023

XIII Schedule to the Balance Sheet of the Company

In compliance with Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021

(Rs. in Lakhs)

Particulars Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	**1,57,707.26**	–
		: Unsecured	**1,73,870.08**	–
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred credits		
	(c)	Term loans	**2,88,377.79**	–
	(d)	Inter-corporate loans and borrowing	**32,190.34**	–
	(e)	Commercial paper	**–**	–
	(f)	Public deposits*	**–**	–
	(g)	Other loans (Subordinate debt)	**48,299.70**	–
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	**–**	–
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	**–**	–
	(c)	Other public deposits	**–**	–
Assets side			**Amount outstanding (net of provisions)**	
(3)	**Break-up of loans and advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured	**6,84,427.25**	
	(b)	Unsecured	**97.30**	
(4)	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a) Financial lease	**NA**	
		(b) Operating lease	**NA**	
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a) Assets on hire	**NA**	
		(b) Repossessed assets	**NA**	
	(iii)	Other loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed	**NA**	
		(b) Loans other than (a) above	**NA**	
(5)	**Break-up of Investments**			
	Current investments			
	1	**Quoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**22,088.07**	**–**
		(iv) Government securities	**12,006.99**	**–**
		(v) Others	**–**	**–**
	2	**Unquoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others	**–**	**–**
	Long term investments			
	1	**Quoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others (please specify)	**–**	**–**
	2	**Unquoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others (please specify)	**–**	**–**

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

(Rs. in Lakhs)

			Amount net of provisions		
Category			**Secured**	**Unsecured**	**Total**
	1	**Related Parties ****			
		(a) Subsidiaries	–	–	–
		(b) Companies in the same group	–	–	–
		(c) Other related parties	–	–	–
	2	**Other than related parties**	**6,84,427.25**	**97.30**	**6,84,524.55**

Notes to the Financial Statements for the year ended 31 March 2023

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)

(Rs. in Lakhs)

Category			Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1	Related Parties **		
		(a) Subsidiaries	–	–
		(b) Companies in the same group	–	–
		(c) Other related parties	–	–
	2	Other than related parties	**34,095.06**	**34,095.06**

(8) Other information

(Rs. in Lakhs)

Particulars			Amount
	(i)	Gross non-performing assets	
		(a) Related parties	–
		(b) Other than related parties	**75,306.73**
	(ii)	Net non-performing assets	
		(a) Related parties	–
		(b) Other than related parties	**54,522.08**
	(iii)	Assets acquired in satisfaction of debt	–

* As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

** All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

XIV The Company has not granted any loans or advances against collateral of gold jewellery.

XV Principal Business Criteria for HFCs

Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.
RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22,2020 defined the principal business criteria for HFCs. The Company meets the aforesaid principal business criteria for HFCs.

Particulars	31 March 2023	31 March 2022
Total Assets	**8,71,776.51**	8,51,359.95
Less: Intangible assets	**(11,052.37)**	(11,823.46)
Net total Assets	**8,60,724.14**	8,39,536.49
Housing Finance	**6,40,538.80**	6,72,431.97
Individual Housing Finance	**6,40,538.80**	6,72,431.97
Percentage of housing finance to total assets (netted off intangible assets)	**74.42%**	80.10%
Percentage of individual housing finance to total assets (netted off intangible assets)	**74.42%**	80.10%

XVI As per the disclosure prescribed under RBI Notification RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 - Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated 24 September 2021, details of loans acquired through assignment, in respect of loans not in default for the year ended 31 March 2023:

Particulars	
Count of loan accounts acquired	700.00
Amount of loan accounts acquired (Rs. in lakhs)	6,253.05
Retention of beneficial economic interest (MRR) (Rs. in lakhs)	694.78
Weighted average maturity (Residual Maturity) (Months)	233.97
Weighted average holding period (Months)	14.44
Coverage tangible security coverage (LTV)	51%
Rating-wise distribution of rated loans	Unrated

XVII Disclosure on loans and advances, etc., if any, taken by the Directors and SMPs from the Company under scale-based Regulations issued by the Reserve Bank of India

Pursuant to the circular no. RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22 dated 22 October 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India (the RBI) read with Circular no. RBI/2022-23/29 DOR.CRE. REC.No.25/03.10.001/2022-23 dated 19 April 2022 on 'Loans and Advances – Regulatory Restrictions – NBFCs' issued by the RBI, the details of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding are as under:

Accordingly, refer below details for loans and advances granted to Directors and Senior Officers, their relatives -

	31 March 2023		31 March 2022	
Particulars	**Transaction during the year**	**Outstanding balance at year end**	Transaction during the year	Outstanding balance at year end
Directors and their relatives	–	–	–	–
Entities associated with directors and their relatives	–	–	–	–
Senior Officers and their relatives*	**0.70**	–	7.26	4.75

* The transactions undertaken were prior to the 1 October 2022, i.e. applicability of the said regulations.

51 Balance Sheet disclosures as required under scale based regulations

A Exposure

1) Exposure to real estate sector

(Rs. In Lakhs)

Category			31 March 2023	31 March 2022
i)	Direct exposure			
	a)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	**7,19,685.32**	7,60,212.46

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

(Rs. In Lakhs)

Category			31 March 2023	31 March 2022
	b)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	**208.64**	Nil
	c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	**Nil**	Nil
		b) Commercial Real Estate	**Nil**	Nil
ii)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**Nil**	Nil
Total Exposure to Real Estate Sector			**7,19,893.96**	7,60,212.46

2) **Exposure to capital market**

Particulars		31 March 2022	31 March 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	**Not Applicable**	Not Applicable
(ii)	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	**Not Applicable**	Not Applicable
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**Not Applicable**	Not Applicable
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances	**Not Applicable**	Not Applicable
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**Not Applicable**	Not Applicable
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**Not Applicable**	Not Applicable
(vii)	Bridge loans to companies against expected equity flows/issues	**Not Applicable**	Not Applicable
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**Not Applicable**	Not Applicable
ix)	Financing to stockbrokers for margin trading	**Not Applicable**	Not Applicable
x)	All exposures to Alternative Investment Funds:	**Not Applicable**	Not Applicable
	(i) Category I	**Not Applicable**	Not Applicable
	(ii) Category II	**Not Applicable**	Not Applicable
	(iii) Category III	**Not Applicable**	Not Applicable
Total exposure to capital market		**Not Applicable**	Not Applicable

3) **Sectoral exposure**

Sectors	**31 March 2023**			31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector***	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector*
1. Agriculture and Allied Activities	**Not Applicable**	**Not Applicable**	**Not Applicable**	Not Applicable	Not Applicable	Not Applicable
2. Industry						
3. Services						
4. Personal Loans						
i. Housing Loans	**7,19,555.22**	**72,581.30**	**10.09%**	7,70,365.63	82,722.59	10.74%
ii. Non Housing Loan	**48,152.56**	**2,725.43**	**5.66%**	33,279.07	3,380.15	10.16%
Total of Personal Loans	**7,67,707.78**	**75,306.73**	**9.81%**	8,03,644.70	86,102.74	10.71%

* Percentage of Gross NPAs to total exposure is arrived after considering on-balance sheet and off-balance sheet exposures in total exposure.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2023

4) Intra-group exposures

There is no Intra-group exposure for the current year along with comparatives for the previous year

5) Unhedged foreign currency exposure

There is no unhedged foreign currency exposure during the current year.

B Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Fellow Subsidiaries		Total	
Items	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Borrowings	–	–	–	–	4,700.00	4,700.00	–	–	–	–	–	–	31,175.00	34,700.00	35,875.00	39,400.00
Maximum outstanding of Borrowings during the year	–	5,000.00	–	–	4,700.00	5,700.00			–	–	–	–	34,700.00	58,540.00	39,400.00	69,240.00
Interest acrued but not due on ICD / Debentures	–	–	–	–	156.15	156.88	–	–	–	–	–	–	1,015.34	1,294.65	1,171.49	1,451.53
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of fixed/other assets	377.25	142.34	–	–	–	–	–	–	–	–	–	–	14.28	4.46	391.53	146.80
Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest paid	–	130.99	–	–	409.80	783.31	–	–	–	–	–	–	2,178.38	3,724.14	2,588.18	4,638.44
Interest received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others :															–	–
– ESOP Expenses	21.92	25.33	–	–	–	–	–	–	–	–	–	–	–	–	21.92	25.33
– Remuneration\ Sitting fees \ Commission	–	–	–	–	–	–	470.40	449.25	–	–	–	–	–	–	470.40	449.25
– Other Expenses	621.37	573.02	–	–	2.41	–	–	–	–	–	113.87	–	1,158.05	1,002.35	1,895.70	1,575.37
– Capital Advance	9.58	42.85	–	–	–	–	–	–	–	–	–	–	–	–	9.58	42.85
– Inter corporate deposits taken	–	–	–	–	–	–	–	–	–	–	–	–	13,050.00	12,225.00	13,050.00	12,225.00
– Inter corporate deposits repaid / matured	–	5,000.00	–	–	–	1,000.00	–	–	–	–	–	–	6,575.00	35,265.00	16,575.00	41,265.00
– Subordinate debt repaid	–	–	–	–	–	15,000.00	–	–	–	–	–	–	–	–	–	15,000.00
– Payables	17.00	168.20	–	–	–	–	22.28	22.28	–	–	–	–	67.37	93.98	106.65	284.46

C Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

SN	Particulars	31 March 2023	31 March 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	**53**	71
2	Number of complaints received during the year	**2,478**	3,354
3	Number of complaints disposed during the year	**2,444**	3,372
3.1	Of which, number of complaints rejected by the NBFC	**2**	–
4	Number of complaints pending at the end of the year	**87**	53
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	**NA**	NA
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	**NA**	NA
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	**NA**	NA
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	**NA**	NA
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	**NA**	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Notes to the Financial Statements for the year ended 31 March 2023

2) Top five grounds of complaints received by the NBFCs from customers

31 March 2023

SN	**Grounds of complaints, (i.e. complaints relating to)**	**Number of complaints pending at the beginning of the year**	**Number of complaints received during the year ending 31 March 2023**	% increase/ decrease in the number of complaints received over the previous year ended 31 March 2022	Number of complaints pending at the end of the year	Of 5, the number of complaints pending beyond 30 days
1	NOC Not Received	**13**	**820**	(16%)	27	–
2	Mortgage Release Documents Not Received	**12**	**507**	123%	25	–
3	CIBIL Related	**14**	**234**	(16%)	13	–
4	Insurance Refund Not Received	**0**	**154**	130%	7	–
5	Original Documents Not Received	**0**	**121**	81%	4	–
6	Others	**14**	**642**	(63%)	11	–
	Total	**53**	**2478**	(26%)	87	–

31 March 2022

SN	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year ending 31 March 2022	% increase/ decrease in the number of complaints received over the previous year ended 31 March 2021	Number of complaints pending at the end of the year	Of 5, the number of complaints pending beyond 30 days
1	NOC Not Received	18	982	31%	13	–
2	PMAY Subsidy Related	6	425	383%	0	–
3	Second Cheque Not Received	7	308	(43%)	2	–
4	CIBIL Related	2	279	350%	14	–
5	Mortgage Release Documents Not Received	14	227	97%	12	–
6	Others	24	1133	(36%)	12	–
	Total	71	3354	1%	53	–

Section II

A Breach of covenant

During the current year, there is no instance of breach of covenant of loan availed or debt securities issued.

B Divergence in Asset Classification and Provisioning

No divergence in asset classification and provisioning was assessed by the RBI/NHB.

52 Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.

53 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

Signatures to Notes 1 to 53

As per our report of even date attached.
For **Gokhale & Sathe**

Chartered Accountants
Firm's Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
19 April 2023

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Investment Management Private Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of **Mahindra Manulife Investment Management Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act,2013, as amended ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid dividend during the financial year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXP3328
Mumbai, April 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Mahindra Manulife Investment Management Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXP3328
Mumbai, April 18, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Manulife Investment Management Private Limited** for the year ended March 31, 2023.

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management to cover all the items of PPE. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the program, the Company has physically verified all property, plant and equipment during the year and no discrepancies were noticed on such verification.

(c) Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into financial services business and does not hold any inventory, and hence reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted any loans, provided guarantees and made investments during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. The Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 2,429 lakhs during the current financial year and Rs. 3,546 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXP3328
Mumbai, April 18, 2023

BALANCE SHEET AS AT 31 MARCH 2023

Rs. in lakhs

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	**9.95**	12.02
b) Receivables	4		
i) Trade receivables		**549.16**	287.74
c) Investments	5	**9,721.02**	15,147.76
d) Other financial assets	6	**12,308.31**	10,893.68
		22,588.44	26,341.20
Non-financial Assets			
a) Current tax assets (Net)	7	**5.43**	122.23
b) Property, Plant and Equipment	8	**367.84**	205.19
c) Right of Use Asset	8	**1,568.02**	517.68
d) Other intangible assets	9	**2.96**	6.71
e) Other non-financial assets	10	**361.34**	358.76
		2,305.59	1,210.57
Total Assets		**24,894.03**	27,551.77
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Payables	11		
I) Trade Payables			
i) total outstanding dues of micro and small enterprises		**16.88**	45.54
ii) total outstanding dues of creditors other than micro and small enterprises		**94.14**	75.40
b) Other financial liabilities	12	**2,228.50**	1,438.46
		2,339.52	1,559.40
Non-financial Liabilities			
a) Provisions	13	**727.89**	1,093.72
b) Other non-financial liabilities	14	**224.15**	217.75
		952.04	1,311.47
EQUITY			
a) Equity Share capital	15	**38,294.12**	38,294.12
b) Other Equity	16	**(16,691.65)**	(13,613.22)
		21,602.47	24,680.90
Total Liabilities and Equity		**24,894.03**	27,551.77
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

sd/-
Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 18, 2023

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 0000220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

sd/-
Chitra Andrade
Director
[DIN: 0008090478]

sd/-
Vijay Ramchandran
Director
[DIN: 0002639324]
Place : Mumbai
Date : April 18, 2023

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS 20803]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

Rs. in lakhs

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
Fees and commission Income	**17**	**3,038.96**	2,040.83
Total Revenue from operations		**3,038.96**	2,040.83
Other Income	**18**	**1,372.89**	1,486.61
Total Income		**4,411.85**	3,527.44
Expenses			
Employee Benefits Expenses	**19**	**4,942.47**	4,704.98
Finance costs	**20**	**53.06**	38.83
Depreciation, amortization and impairment	**21**	**258.22**	192.82
Others expenses	**22**	**2,244.07**	2,396.82
Total Expenses		**7,497.82**	7,333.45
Profit/(Loss) Before Tax		**(3,085.97)**	(3,806.01)
Tax Expense :			
(i) Current tax		**–**	–
(ii) Deferred tax		**–**	–
		–	–
Profit/(Loss) After Tax	**A**	**(3,085.97)**	(3,806.01)
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss:-			
- Remeasurement gain / (loss) on defined benefit plans		**5.94**	(9.54)
- Net gain / (loss) on fair valuation of equity instruments		**1.60**	18.42
(ii) Income tax impact thereon		**–**	–
		7.54	8.88
(B) (i) Items that will be reclassified to profit or loss		**–**	–
(ii) Income tax impact thereon		**–**	–
		–	–
Total Other Comprehensive Income	**B**	**7.54**	8.88
Total Comprehensive Income for the year	**(A+B)**	**(3,078.43)**	(3,797.13)
Earnings per equity share			
Basic (INR)	**23**	**(0.81)**	(0.99)
Diluted (INR)		**(0.81)**	(0.99)
Summary of significant accounting policies	**2**		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.

Chartered Accountants
Firm's Registration No: 105102W

sd/-

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 18, 2023

For and on behalf of the Board of Directors of

Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 0000220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

sd/-
Chitra Andrade
Director
[DIN: 0008090478]

sd/-
Vijay Ramchandran
Director
[DIN: 0002639324]
Place : Mumbai
Date : April 18, 2023

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS 20803]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

Rs. in lakhs

Particulars	Amount
As at 1 April 2022	38,294.12
Changes in equity share capital during the year	–
As at 31 March 2023	**38,294.12**
As at 1 April 2021	38,294.12
Changes in equity share capital during the year	–
As at 31 March 2022	**38,294.12**

B. Other Equity

Rs. in lakhs

Particulars	Securities Premium	Reserves and Surplus Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 1 April 2022	7,046.46	(20,646.80)	(12.88)	(13,613.22)
Profit / (Loss) for the year	–	(3,085.97)	–	(3,085.97)
Remeasurement gain / (loss) on defined benefit plans	–	–	5.94	5.94
Net gain / (loss) on fair valuation of equity instruments	–	–	1.60	1.60
Total Comprehensive Income for the year	–	**(3,085.97)**	**7.54**	**(3,078.43)**
Balance as at 31 March 2023	**7,046.46**	**(23,732.77)**	**(5.34)**	**(16,691.65)**

Rs. in lakhs

Particulars	Securities Premium	Reserves and Surplus Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2021	7,046.46	(16,840.79)	(21.76)	(9,816.09)
Profit / (Loss) for the year	–	(3,806.01)	–	(3,806.01)
Remeasurement gain / (loss) on defined benefit plans	–	–	(9.54)	(9.54)
Net gain / (loss) on fair valuation of equity instruments			18.42	18.42
Total Comprehensive Income for the year	–	**(3,806.01)**	**8.88**	**(3,797.13)**
Balance as at 31 March 2022	**7,046.46**	**(20,646.80)**	**(12.88)**	**(13,613.22)**

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W
sd/-
Shirish Rahalkar
Partner
Membership No: 111212
Place : Mumbai
Date : April 18, 2023

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 0000220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

sd/-
Chitra Andrade
Director
[DIN: 0008090478]

sd/-
Vijay Ramchandran
Director
[DIN: 0002639324]
Place : Mumbai
Date : April 18, 2023

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS 20803]

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Rs. in lakhs

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before exceptional items and taxes	**(3,085.97)**	(3,806.01)
	Adjustments to reconcile Loss before tax to net cash flows:		
	Add: Non-cash expenses		
	Depreciation, amortization and impairment	**126.08**	85.53
	Interest on lease liability	**53.06**	38.83
	Amortization on Right of Use asset	**132.14**	107.29
	Share based compensation to employees provision	**179.61**	290.92
	Remeasurement gain / (loss) on defined benefit plans	**5.94**	(9.54)
		496.83	513.03
	Less: Income considered separately and Non-Cash Income		
	Net gain on fair value changes (unrealised) - Mutual fund units	**330.30**	(207.61)
	Interest income from investing activities	**(1,084.93)**	(891.60)
	(Net gain)/loss on derecognition of property, plant and equipment	**4.53**	–
	Remeasurement of ROU assets and lease liability	**(8.88)**	(45.01)
	Net gain on sale investments	**(596.85)**	(336.38)
		(1,355.83)	(1,480.60)
	Operating Loss before working capital changes	**(3,944.97)**	(4,773.58)
	Changes in working capital		
	Trade receivables	**(261.43)**	(112.19)
	Interest accrued on investments	**(228.76)**	4.34
	Other financial assets	**(85.89)**	(6.25)
	Other non-financial assets	**(2.59)**	(110.22)
	Trade Payables	**(9.93)**	(137.26)
	Other financial liabilities	**(275.45)**	75.26
	Other non-financial liabilities	**6.40**	79.73
	Provisions	**(545.45)**	(105.38)
	Cash used in operations	**(1,403.10)**	(311.97)
	Income taxes paid (net of refunds)	**116.80**	(38.05)
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(5,231.27)**	(5,123.60)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(310.55)**	(124.50)
	Proceeds from sale of Property, plant and equipment	**21.10**	–
	Placement of term deposit with banks	**(11,500.00)**	(10,400.00)
	Proceeds from term deposit with banks	**10,400.00**	10,400.00
	Purchase of Equity investment	**–**	(35.46)
	Purchase of investments at FVTPL	**(6,077.10)**	(2,638.00)
	Proceeds from sale of investments at FVTPL	**11,772.00**	7,173.50
	Interest income received on investments measured at amortised cost	**1,084.93**	891.60
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**5,390.38**	5,267.14

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Rs. in lakhs

	Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Equity shares (net of issue expenses)	**–**	–
	Payment of principal portion of lease liability	**(108.12)**	(130.11)
	Payment of interest portion of lease liability	**(53.06)**	(7.59)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**(161.18)**	(137.70)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(2.07)**	5.84
	Cash and Cash Equivalents at the beginning of the year	**12.02**	6.18
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note no. 3)	**9.95**	12.02
	Components of Cash and Cash Equivalents		
	Particulars		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**0.56**	0.46
	– Balances with banks in current accounts	**9.39**	11.56
	Total	**9.95**	12.02

Notes:
The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date attached.

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

sd/-
Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 18, 2023

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 0000220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

sd/-
Chitra Andrade
Director
[DIN: 0008090478]

sd/-
Vijay Ramchandran
Director
[DIN: 0002639324]
Place : Mumbai
Date : April 18, 2023

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS 20803]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. CORPORATE INFORMATION

Mahindra Manulife Investment Management Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on June 20, 2013 with its registered office in Mumbai, Maharashtra, India. The company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte. Ltd. The Company has a license from the Securities & Exchange Board of India to provide investment management services to the schemes of Mahindra Manulife Mutual Fund. SEBI granted the certificate of registration to Mahindra Manulife Mutual Fund on February 4, 2016. The Company is primarily engaged to act as an investment manager to Mahindra Manulife Mutual Fund and was managing twenty schemes of Mahindra Manulife Mutual Fund as on March 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Company's Board of Directors on April 18, 2023.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within other Ind AS.

The Company recognises revenue from contracts with customers based on five-step model as set out in Ind AS 115:

Step 1: identification of contract(s) with customers: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identification of the separate performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determination of transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocation of transaction price to the separate performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognition of revenue when (or as) the Company satisfies a performance obligation.

Investment management fees

Fees from management of mutual fund schemes are recognised on an accrual basis at specific rates, applied on the average daily net assets of the schemes of Mahindra Manulife Mutual Fund in accordance with the Investment Management Agreement between the Company and the Trustees of Mahindra Manulife Mutual Fund and SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. Amount disclosed as fees are exclusive of Goods and Services Tax.

Investment Advisory Fees

Investment Advisory Fees are recognised on satisfaction of a performance obligation at a point in time in accordance with the respective terms of contract with counterparties.

Other Income

The gains / losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

2.7. Property, Plant and Equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

In accordance with Ind AS 116 - Leases, applicable effective from 01 April 2019, the Right-of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- Motor vehicles where useful life is assumed at four years as against eight years as per Schedule II since the employees to whom these vehicles have been allotted, in accordance with the terms of their employment, are entitled to change their vehicles every four years
- Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition.

Further, residual value for all assets is considered as zero due to the difficulty in estimating the same.

Accordingly, useful life of assets is estimated as follows:

Assets	Useful life
Vehicles	- 4 years
Computers	- 3 years
Furniture and fixtures	- 10 years
Office equipment	- 2 to 5 years
Right-Of-Use assets (Leasehold premises)	- Over the period of lease

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as - measured at:

— Amortised cost; or

— Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

— Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

— Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Accordingly, the Company measures investment in Non-Convertible debentures at amortised cost. Interest income and impairment if any, is recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation of medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured as FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expenses are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

2.12. Security deposits measured at amortised cost

The Company's rent/lease agreements for the rented/ leased office premises are cancellable with a notice period of 2-3 months. All the agreements are considered to be short term in nature. Accordingly, the Company has not applied the provisions of Ind AS 109 - Financial Instruments for taking the effect of fair valuation of security deposits in the financial statements and the deposits.

2.13. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contribution to provident fund

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

Gratuity

The Company's liability towards gratuity scheme is determined by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation under this scheme beyond its contribution.

Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

Employee Share based payments

Cash-settled share-based payments to employees are measured at the fair value of the equity instruments at each reporting date. Any change in fair value is recognized for the vested period in the Statement of Profit and Loss for the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2.14. Scheme related expenses

As per SEBI circular dated October 22, 2018, all scheme related expenses subsequent to that date are to be borne by the mutual fund schemes. As a result, the investment management fees subsequent to this date are received net of all scheme expenses. Expenses of schemes of Mahindra Manulife Mutual Fund in excess of the limits in accordance with the SEBI (Mutual Fund) Regulations, 1996 are borne by the Company and are recognised in the Statement of Profit and Loss.

New Fund Offer ('NFO') expenses

Expenses pertaining to NFO are charged to the Statement of Profit and Loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations, 1996.

2.15. Finance Costs

Finance costs include interest expense accrued on a time basis, by reference to the principal outstanding. Effective from 1 April 2019, on application of Ind AS 116 (Leases), interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.16. Income taxes

Current tax

Current tax comprises amount of tax payable in respect of the taxable income for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.17. Securities issue expenses

Expenses incurred in connection with the fresh issue of share capital are adjusted against Securities premium.

2.18. Impairment of non-financial assets

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash generating unit) in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

2.19. Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised in the balance sheet when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.20. Leasing

Where the Company is the lessee

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipment used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Company had adopted Ind AS 116 dealing with leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. The Company recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

2.21. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3. Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	**0.56**	0.46
Balances with banks in current accounts	**9.39**	11.56
Total	**9.95**	12.02

4. Receivables

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
i) Trade receivables		
Unsecured, considered good:	**549.16**	287.74
Total	**549.16**	287.74

a) No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

b) Trade receivable is due within 30 to 90 days from the date of the invoice.

Trade Receivables Ageing Schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	549.16	–	–	–	–	549.16
Total	**549.16**	**–**	**–**	**–**	**–**	**549.16**

Trade Receivables Ageing Schedule as at March 31, 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	287.74	–	–	–	–	287.74
Total	**287.74**	**–**	**–**	**–**	**–**	**287.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. Investments

	Particulars	As at 31 March 2023 Units	As at 31 March 2023 NAV (Rs. in Lakhs)	As at 31 March 2022 Units	As at 31 March 2022 NAV (Rs. in Lakhs)
A)	**At Fair Value**				
i)	Through Other Comprehensive Income				
	Unquoted Investment in Equity Shares				
	Equity Investment in MF Utilities India Pvt Ltd (Face value of Rs. 1/- each)	**5,00,000**	**29.90**	5,00,000	28.02
	Equity Investment in AMC Repo Clearing Limited (Face value of Rs. 10/- each)	**3,54,600**	**35.18**	3,54,600	35.46
ii)	Through Profit or Loss				
	Unquoted Investment in Mutual Fund				
	Mahindra Manulife Liquid Fund – Direct Growth (Face value of Rs. 1000/- each)	**1,94,025**	**2,841.75**	6,22,264	8,613.27
	Mahindra Manulife Ultra Short Duration Fund – Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**59.65**	5,000	56.48
	Mahindra Manulife Low Duration Fund – Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**73.72**	5,000	69.99
	Mahindra Manulife ELSS Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**105.89**	5,00,000	103.82
	Mahindra Manulife Equity Savings Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**87.89**	5,00,000	85.97
	Mahindra Manulife Multi Cap Fund – Direct Growth (Face value of Rs. 10/- each)	**8,40,370**	**189.52**	5,00,000	113.5
	Mahindra Manulife Mid Cap Fund – Direct Growth (Face value of Rs. 10/- each)	**7,19,270**	**135.9**	5,00,000	93.47
	Mahindra Manulife Dynamic Bond Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**63.71**	5,00,000	61.48
	Mahindra Manulife Consumption Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**76.31**	5,00,000	72.41
	Mahindra Manulife Large Cap Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**81.86**	5,00,000	81.96
	Mahindra Manulife Aggressive Hybrid Fund – Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**91.37**	5,00,000	89.3
	Mahindra Manulife Overnight Fund – Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**58.03**	5,000	55.02
	Mahindra Manulife Large & Mid Cap Fund – Direct Growth (Face value of Rs. 10/- each)	**7,49,634**	**129.91**	5,00,000	89.05
	Mahindra Manulife Arbitrage Fund – Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**55.47**	4,99,975	52.91
	Mahindra Manulife Focused Fund – Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**82.98**	4,99,975	78.81
	Mahindra Manulife Short Duration Fund – Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**55.23**	4,99,975	52.81
	Mahindra Manulife Flexicap Fund – Direct Growth (Face value of Rs. 10/- each)	**12,64,765**	**133.28**	4,99,975	51.4
	Mahindra Manulife Asia Pacific REITs FOF – Direct Growth (Face value of Rs. 10/- each)	**53,49,733**	**482.06**	53,49,733	512.65
	Mahindra Manulife Balanced Advantage Fund – Direct Growth (Face value of Rs. 10/- each)	**8,54,635**	**87.28**	4,99,975	49.98
	Mahindra Manulife Small Cap Fund – Direct Growth (Face value of Rs. 10/- each)	**6,49,968**	**64.12**	–	–
	Total (Gross)		**5,021.02**		10,447.76
	Less : Impairment loss allowance		**–**		–
	Total (Net) - A		**5,021.02**		10,447.76
B)	**At Amortised cost**				
	Secured redeemable non-convertible debentures 8.9% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**300**	**3,000**	300	3,000
	8.4% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**170**	**1,700**	170	1,700
	Total (Gross)		**4,700**		4,700
	Less : Impairment loss allowance		–		–
	Total (Net) - B		**4,700**		4,700
	Total (Gross)		**9,721.02**		15,147.76
	Less : Impairment loss allowance		–		–
	Total (Net) - C=A+B		**9,721.02**		15,147.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Other financial assets

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued on investments	**636.82**	408.07
Term deposit with banks	**11,500.00**	10,400.00
Security Deposits for office premises/others	**171.49**	85.61
Total	**12,308.31**	10,893.68

7. Current tax assets

(i) Tax deducted / collected at source net of provision for taxes

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
TDS / TCS Receivable	**5.43**	122.23
Total	**5.43**	122.23

(ii) Unused tax losses - Revenue in nature

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Expiry period		
Upto Five years	**13,291.47**	9,799.46
More than Five years	**9,472.74**	9,868.16
No Expiry Date	**498.94**	389.74
Total	**23,263.15**	20,057.36

8. Property, Plant and Equipments

As at 31 March 2023 **(Rs. in Lakhs)**

	GROSS BLOCK AT COST				**DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2022**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2023**	**As at 01 April 2022**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**
Computers	**156.62**	**46.58**	**5.78**	**197.42**	**121.36**	**25.37**	**5.80**	**140.93**	**56.49**	**35.26**
Furniture and fixtures	**51.06**	**1.99**	**11.80**	**41.25**	**19.78**	**6.45**	**6.94**	**19.29**	**21.96**	**31.28**
Vehicles	**395.40**	**252.65**	**136.86**	**511.19**	**269.95**	**81.74**	**116.58**	**235.11**	**276.08**	**125.45**
Office equipments	**41.61**	**6.31**	**2.49**	**45.43**	**28.41**	**5.75**	**2.04**	**32.12**	**13.31**	**13.20**
Leased Asset (ROU)	**732.55**	**1,186.51**	**16.06**	**1,903.00**	**214.87**	**132.14**	**12.03**	**334.98**	**1,568.02**	**517.68**
Total	**1,377.24**	**1,494.04**	**172.99**	**2,698.29**	**654.37**	**251.45**	**143.39**	**762.43**	**1,935.86**	**722.87**

As at 31 March 2022 (Rs. in Lakhs)

	GROSS BLOCK AT COST				DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 01 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computers	127.87	28.75	–	156.62	105.19	16.17	–	121.36	35.26	22.68
Furniture and fixtures	43.56	7.50	–	51.06	14.26	5.52	–	19.78	31.28	29.30
Vehicles	316.41	78.99	–	395.40	220.67	49.28	–	269.95	125.45	95.74
Office equipments	32.65	8.96	–	41.61	23.49	4.92	–	28.41	13.20	9.16
Leased Asset (ROU)	713.45	308.48	289.38	732.55	319.81	107.29	212.23	214.87	517.68	393.64
Total	1,233.94	432.68	289.38	1,377.24	683.42	183.18	212.23	654.37	722.87	550.52

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.
The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

9. Other Intangible Assets

As at 31 March 2023 **(Rs. in Lakhs)**

	GROSS BLOCK AT COST				**AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2022**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2023**	**As at 01 April 2022**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**
Computer software	**94.81**	**3.02**	**10.50**	**87.33**	**88.10**	**6.77**	**10.50**	**84.37**	**2.96**	**6.71**
Total	**94.81**	**3.02**	**10.50**	**87.33**	**88.10**	**6.77**	**10.50**	**84.37**	**2.96**	**6.71**

As at 31 March 2022 (Rs. in Lakhs)

	GROSS BLOCK AT COST				AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 01 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	94.51	0.30	–	94.81	78.46	9.64	–	88.10	6.71	16.05
Total	94.51	0.30	–	94.81	78.46	9.64	–	88.10	6.71	16.05

The Company has not revalued its Intangible Assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. Other non-financial assets

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	**34.23**	–
Prepaid expenses	**165.79**	147.47
Balances with Government Authorities	**141.41**	202.00
Other advances	**19.91**	9.29
Total	**361.34**	358.76

11. Trade Payables

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprise and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of Micro and small enterprises		
a) Dues remaining unpaid to any supplier at the year end		
– Principal	**16.88**	45.54
– Interest on the above	**–**	–
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
– Principal paid beyond the appointed date	**–**	–
– Interest paid in terms of section 16 of the MSMED Act	**–**	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	**–**	–
d) Amount of interest accrued and remaining unpaid at the year end	**–**	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
Total outstanding dues of creditors other than micro and small enterprises	**94.14**	75.40
Total	**111.02**	120.94

Trade Payables Ageing Schedule as at March 31, 2023
Trade Payables - Undisputed

(Rs. in Lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	**16.88**	**–**	**–**	**–**	**16.88**
(ii) Others	**94.14**	**–**	**–**	**–**	**94.14**
Total	**111.02**	**–**	**–**	**–**	**111.02**

Trade Payables Ageing Schedule as at March 31, 2022
Trade Payables - Undisputed

(Rs. in Lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	45.54	–	–	–	45.54
(ii) Others	75.40	–	–	–	75.40
Total	120.94	–	–	–	120.94

12. Other financial liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Salary, Bonus and performance pay	**580.51**	859.49
Provision for expenses	**8.07**	4.53
Long term Lease Liability	**1,639.92**	574.44
Total	**2,228.50**	1,438.46

Terms & Conditions of financial liabilities

- Trade payables are normally settled on 30 days terms
- Other financial liabilities are normally settled as and when due

13. Provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
– Gratuity	**127.22**	207.55
– Leave encashment	**194.22**	275.92
– Share based compensation to employees	**406.45**	610.25
Total	**727.89**	1,093.72

14. Other non-financial liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
TDS Payable	**109.44**	137.23
GST Payable	**86.17**	50.31
Other statutory dues and taxes payable	**28.54**	30.21
Total	**224.15**	217.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Note on Equity Share capital and Shareholding Pattern

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Rs. in Lakhs	As at 31 March 2022 No. of shares	As at 31 March 2022 Rs. in Lakhs
Authorised capital :				
Equity shares of Rs.10/- each	**40,00,00,000**	**40,000.00**	40,00,00,000	40,000.00
	40,00,00,000	**40,000.00**	40,00,00,000	40,000.00
Issued capital :				
Equity shares of Rs.10/- each	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
	38,29,41,180	**38,294.12**	38,29,41,180	38,294.12
Subscribed and paid-up capital :				
Equity shares of Rs.10/- each	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
Total	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**Rs. in Lakhs**	No. of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares				
Balance at the beginning of the year	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
Add : Fresh allotment of shares :				
- Shares issued during the year	**–**	**–**	–	–
Balance at the end of the year	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/associates:				
Holding company				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**19,53,00,000**	**19,530.00**	19,53,00,000.00	19,530.00
c) Shareholders holding more than 5 percent shares:				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**19,53,00,000**	**19,530.00**	19,53,00,000	19,530.00
Manulife Investment Management (Singapore) Pte Limited	**18,76,41,180**	**18,764.12**	18,76,41,180	18,764.12
Percentage of holding (49%)				

d) The Company has only one class of equity shares having a par value of Rs.10/- per share.

16. Other Equity

Description of the nature and purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

Retained earnings or Profit & loss account: Retained earnings or Profit & loss account represents the undistributed earnings.

Other Comprehensive Income (OCI): Other Comprehensive Income (OCI) represents remeasurements of defined benefits plans comprising of actuarial gains and losses on its net liabilities / assets and fair valuation of financial instruments.

(Rs. in Lakhs)

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2021	7,046.46	(16,840.79)	(21.76)	(9,816.09)
Profit / (Loss) for the year	–	(3,806.01)	–	(3,806.01)
Remeasurement gain / (loss) on defined benefit plans	–	–	(9.54)	(9.54)
Net gain / (loss) on fair valuation of equity instruments	–	–	18.42	18.42
Total Comprehensive Income for the year	**–**	**(3,806.01)**	**8.88**	**(3,797.13)**
Balance as at 31 March 2022	**7,046.46**	**(20,646.80)**	**(12.88)**	**(13,613.22)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Rs. in Lakhs)

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2022	7,046.46	(20,646.80)	(12.88)	(13,613.22)
Profit / (Loss) for the year	–	(3,085.97)	–	(3,085.97)
Remeasurement gain / (loss) on defined benefit plans	–	–	5.94	5.94
Net gain / (loss) on fair valuation of equity instruments	–	–	1.60	1.60
Total Comprehensive Income for the year	**–**	**(3,085.97)**	**7.54**	**(3,078.43)**
Balance as at 31 March 2023	**7,046.46**	**(23,732.77)**	**(5.34)**	**(16,691.65)**

17. Fees and commission income

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees earned from management of mutual fund schemes	**2,676.77**	1,877.10
Investment Advisory Fees	**362.19**	163.73
Total	**3,038.96**	2,040.83

Note: The Investment Advisory Fees stated above is earning in foreign currency.

18. Other income

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial instruments measured at amortised cost	**1,084.93**	891.60
Interest on Income Tax Refund	**9.42**	4.87
Net profit / (loss) on sale of investments	**596.85**	336.38
Net gain / (loss) on fair value changes		
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Unrealised gain on Investments	**(330.30)**	207.61
Other Non Operating Income		
- Non operating income	**11.99**	46.15
Total	**1,372.89**	1,486.61

19. Employee benefits expenses

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	**4,495.63**	4,138.58
Contribution to provident funds and other funds	**248.24**	248.80
Share based compensation to employees	**179.61**	290.92
Staff welfare expenses	**18.99**	26.68
Total	**4,942.47**	4,704.98

20. Finance costs

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On Lease Liability		
Interest on lease liability	**53.06**	38.83
Total	**53.06**	38.83

21. Depreciation, amortization and impairment

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Property, Plant and Equipment	**119.31**	75.89
Amortization and impairment of intangible assets	**6.77**	9.64
Amortization on leased assets	**132.14**	107.29
Total	**258.22**	192.82

22. Other expenses

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent, taxes and energy costs	**99.11**	88.93
Repairs and maintenance	**20.34**	18.73
Communication Costs	**56.15**	74.39
Information Technology	**236.00**	221.93
Printing and stationery	**22.20**	23.41
Advertisement and publicity	**173.55**	464.76
Marketing & Sales Promotion	**507.81**	535.21
Directors' sitting fees	**24.60**	26.70
Auditor's fees and expenses -		
– Audit fees	**5.50**	6.00
– Other services	**2.25**	3.10
Legal and professional fees	**97.75**	131.05
Fund accounting charges	**105.91**	77.87
Scheme related expenses	**105.41**	52.96
Insurance	**109.32**	83.56
Manpower outsourcing cost	**175.63**	143.47
Conference & Seminar	**29.23**	39.21
Membership & Subscription	**229.60**	160.80
Travelling & Conveyance	**105.29**	82.21
Other expenditure	**138.42**	162.53
Total	**2,244.07**	2,396.82

Note 1: Membership & subscription fees includes Rs.19 lakhs expenditure in foreign currency. (Previous year - Rs. 1.33 lakhs)

Note 2: Previous year's figures have been regrouped/ reclassified wherever found necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23. Earning Per Share (EPS)

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/ (Loss) for the year	**(3,085.97)**	(3,806.01)
Weighted average number of Equity Shares used in computing basic EPS	**3,829.41**	3,829.41
Effect of potential dilutive Equity Shares	**–**	–
Weighted average number of Equity Shares used in computing diluted EPS	**3,829.41**	3,829.41
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(0.81)**	(0.99)
Diluted Earnings per share (Rs.)	**(0.81)**	(0.99)

24. Employee benefits

Details of defined benefit plans as per actuarial valuation are as follows:

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	2023	2022	2023	2022
I. Amounts recognised in the Statement of Profit & Loss				
Current service cost	**50.92**	55.03	**42.56**	66.50
Net Interest cost	**15.19**	9.43	**15.14**	17.57
Actuarial (gain)/loss	**(5.94)**	9.54	**(55.28)**	(62.44)
Interest income	**(10.51)**	(2.95)	**–**	–
Total expenses included in employee benefits expense	**49.66**	71.05	**2.42**	21.63
II. Amount recognised in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial (gains)/losses arising from changes in -				
– demographic changes	**(2.86)**	(2.57)	**–**	–
– financial assumptions	**0.29**	(10.86)	**–**	–
– experience adjustments	**(5.70)**	19.94	**–**	–
b) Return on plan assets, excluding amount included in net interest expense/(income)	**2.33**	3.03	**–**	–
Total amount recognised in other comprehensive income	**(5.94)**	9.54	**–**	–
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	**239.43**	180.45	**275.92**	254.29
Current service cost	**50.92**	55.03	**42.56**	66.50
Past service cost	**–**	–	**–**	–
Interest expense	**17.53**	12.46	**15.14**	17.57
Remeasurement (gains)/losses arising from changes in -		–		–
– demographic changes	**(2.86)**	(2.57)	**0.23**	3.58
– financial assumptions	**0.29**	(10.86)	**(2.15)**	(14.23)
– experience adjustments	**(5.70)**	19.94	**(53.36)**	(51.79)
Benefits paid/extinguished	**(44.86)**	(15.02)	**(84.12)**	–
Closing defined benefit obligation	**254.74**	239.43	**194.22**	275.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	**2023**	2022	**2023**	2022
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	**31.87**	43.94	**–**	–
Interest income	**10.51**	2.95	**–**	–
Expected return on plan assets	**–**	–	**–**	–
Contributions by employer	**130.00**	–	**–**	–
Adjustment due to change in opening balance of Plan assets	**–**	–	**–**	–
Actual Benefits paid	**(44.86)**	(15.02)	**–**	–
Closing Fair value of plan assets	**127.51**	31.87	**–**	–
V. Net defined benefit obligation				
Defined benefit obligation	**254.74**	239.43	**194.22**	275.92
Fair value of plan assets	**127.51**	31.87	**–**	–
Surplus/(Deficit)	**(127.23)**	(207.56)	**(194.22)**	(275.92)
Current portion of the above	**(34.06)**	(61.81)	**(31.42)**	(30.10)
Non current portion of the above	**(93.17)**	(145.75)	**(162.80)**	(245.82)

Details of defined benefit plans as per actuarial valuation are as follows:

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	**2023**	2022	**2023**	2022
Actuarial assumptions and Sensitivity				
I. Actuarial assumptions				
Discount Rate (p.a.)	**7.52%**	7.32%	**7.52%**	7.32%
Attrition rate	**14.81% - 21.74%**	8.70% - 40.00%	**14.81% - 21.74%**	8.70% - 40.00%
Rate of Salary increase (p.a.)	**7.00%**	7.00%	**7.00%**	7.00%
In-service Mortality	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	**(15.21)**	(11.82)	**(8.69)**	(34.16)
One percentage point decrease in discount rate	**16.62**	12.98	**11.46**	32.43
One percentage point increase in Salary growth rate	**16.54**	12.89	**11.41**	32.19
One percentage point decrease in Salary growth rate	**(15.46)**	(11.95)	**(8.82)**	(34.52)
III. Maturity profile of defined benefit obligation				
Within 1 year	**48.67**	81.60	**28.18**	37.57
Between 2 and 5 years	**405.50**	189.91	**150.35**	150.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

25. Financial Instruments

i) Financial Instruments regularly measured using Fair Value - recurring items

(Rs. in Lakhs)

Financial assets/ financial liabilities	Financial assets/ financial liabilities	Category	Fair Value As at 31 March 2023	As at 31 March 2022	Fair value hierarchy	Valuation technique(s)
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	4,955.94	10,384.28	Level 1	NAV
2) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVTOCI	65.08	63.48	Level 3	Based on latest available net worth of investee company

ii) Financial Instruments measured at amortised cost

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	**9.95**	**9.95**	**9.95**	**–**	**–**
b) Trade Receivables	**549.16**	**549.16**	**–**	**549.16**	**–**
c) Financial investments - at amortised cost	**4,700.00**	**4,700.00**	**4,700.00**	**–**	**–**
d) Other financial assets	**12,308.31**	**12,308.31**	**636.82**	**11,671.49**	**–**
Total	**17,567.42**	**17,567.42**	**5,346.77**	**12,220.65**	**–**
Financial liabilities					
a) Trade Payables	**111.02**	**111.02**	**–**	**111.02**	**–**
b) Other financial liabilities	**2,228.50**	**2,228.50**	**–**	**2,228.50**	**–**
Total	**2,339.52**	**2,339.52**	**–**	**2,339.52**	**–**
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	12.02	12.02	12.02	–	–
b) Trade Receivables	287.74	287.74	–	287.74	–
c) Financial investments - at amortised cost	4,700.00	4,700.00	4,700.00	–	–
d) Other financial assets	10,893.68	10,893.68	408.07	10,485.61	–
Total	**15,893.44**	**15,893.44**	**5,120.09**	**10,773.35**	**–**
Financial liabilities					
a) Trade Payables	120.94	120.94	–	120.94	–
b) Other financial liabilities	1,438.46	1,438.46	–	1,438.46	–
Total	**1,559.40**	**1,559.40**	**–**	**1,559.40**	**–**

There were no transfers between Level 1 and Level 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

26. Financial Risk Management

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
As at 31 March 2023					
Trade Payables	**111.02**	–	–	–	**111.02**
Other financial liabilities	**759.47**	**384.85**	**353.26**	**730.92**	**2,228.50**
Total	**870.49**	**384.85**	**353.26**	**730.92**	**2,339.52**
As at 31 March 2022					
Trade Payables	120.94	–	–	–	120.94
Other financial liabilities	963.64	170.97	151.14	152.71	1,438.46
Total	1,084.58	170.97	151.14	152.71	1,559.40

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

27. Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company**
Mahindra & Mahindra Financial Services Ltd

b) **Ultimate Holding Company**
Mahindra & Mahindra Ltd

c) **Fellow Subsidiaries / Associate Companies / Joint Ventures:**
(entities with whom the Company has transactions)
Manulife Investment Management Singapore Pte Ltd
Mahindra Rural Housing Finance Limited
NBS International Limited
Mahindra Integrated Business Solutions Private Limited
Mahindra Engineering & Chemical Products Ltd
Mahindra Defence Systems Ltd
Manulife Investment Management (Hong Kong) Limited

d) **Key Management Personnel:**
Mr. Anthony Heredia - Managing Director & CEO (since 1st April, 2022)
Mr. Gianni Fiacco - Director
Mr. Sethu Gururajan - Independent Director
Mrs. Chitra Andrade - Independent Director
Mr. Vijay Ramachandran - Independent Director
Mr. Ashutosh Bishnoi - Managing Director & CEO (till 31st March, 2022)

ii) The nature and volume of transactions of the Company during the year with the above related parties were as follows:

(Rs. in Lakhs)

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures		Key Management Personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Purchase / Transfer of fixed assets								
Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	1.59	–	–
Mahindra & Mahindra Ltd	–	–	**133.68**	18.52	–	–	–	–
Mahindra & Mahindra Financial Services Ltd	**0.70**	–						
Interest income								
Mahindra Rural Housing Finance Ltd	–	–	–	–	**409.80**	409.80	–	–
Other expenses								
Mahindra Integrated Business Solutions Pvt Ltd	–	–	–	–	**78.49**	52.91	–	–
NBS International Limited	–	–	–	–	**23.21**	4.61	–	–
Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	16.35	–	–
Mahindra & Mahindra Financial Services Ltd	**60.85**	62.12	–	–	–	–	–	–
Mahindra & Mahindra Ltd	–	–	**26.96**	25.41	–	–	–	–
Mahindra Defence Systems Ltd	–	–	–	–	–	5.96	–	–
Reimbursement of expenses								
Mahindra & Mahindra Financial Services Ltd	–	6.45	–	–	–	–	–	–
Mahindra & Mahindra Ltd	–	–	–	0.07	–	–	–	–
Investment Advisory Fees Income								
Manulife Investment Management (Hong Kong) Ltd	–	–	–	–	**362.19**	163.73	–	–
'Directors' Sitting Fees	–	–	–	–	–	–	**24.60**	26.70
Remuneration to Managing Director & Chief Executive Officer								
Mr. Anthony Heredia	–	–	–	–	–	–	**287.50**	–
Mr. Ashutosh Bishnoi	–	–	–	–	–	–	**348.78**	425.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

iii) Balances as at the end of the year:

Rs. in lakhs

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures	
	As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Balances as at the end of the period						
Investments						
Investments in Non convertible debentures (including interest accrued but not due)						
Mahindra Rural Housing Finance Limited	**–**	–	**–**	–	**4,856.15**	4,856.88
Trade Receivables						
Manulife Investment Management (Hong Kong) Ltd	**–**	–	**–**	–	**92.42**	84.51
Trade Payables						
Mahindra & Mahindra Financial Services Ltd	**–**	4.62	**–**	–	**–**	–
Mahindra Integrated Business Solutions Private Ltd	**–**	–	**–**	–	**1.58**	3.00
Mahindra & Mahindra Ltd	**–**	–	**–**	12.96	**–**	–
Mahindra Engineering & Chemical Products Ltd	**–**	–	**–**	–	**–**	4.89
NBS International Limited	**–**	–	**–**	–	**5.95**	–

28. Disclosure on Employee Share-based Compensation Scheme (Cash-settled phantom share based payments)

The Company has a Long Term Incentive Compensation Scheme ('LTIC') for eligible employees. The same was announced in Financial Year 2018-19. The LTIC payment calculation is based on a framework of phantom shares. The cash-settled share-based amount is measured at the fair value of the liability as per the requirements of Ind AS 102 Share-based payments. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of profit and loss for the period. Accordingly, a charge to Statement of Profit and loss for the year ended March 31, 2023 is Rs. 179.61 lakhs (previous year Rs. 290.92 lakhs).

Summary of phantom shares

Particulars	FY 2021-22 No. of phantom shares	FY 2021-22 Weighted average allocation price (Rs.)	FY 2022-23 No. of phantom shares	FY 2022-23 Weighted average allocation price (Rs.)
Phantom shares outstanding as on 1st April 2021 & 2022	1,00,69,394	2.71	**1,10,92,346**	**3.38**
Phantom shares granted during the year	35,06,521	4.87	**8,95,784**	**6.45**
Phantom shares exercised during the year	–	–	**(53,03,118)**	**2.05**
Phantom shares forfeited during the year	(24,83,569)	2.80	**(7,62,039)**	**4.87**
Phantom shares outstanding as on 31st March 2022 & 2023	1,10,92,346	3.38	**59,22,973**	**4.84**

Information in respect of outstanding phantom shares as at 31st March 2023:

Fair Value of phantom shares at the allocation date	**Range of Allocation price**	**Number of Phantom shares outstanding as on 31.03.2023**	**Weighted average remaining period**	**Fair Value of Share as on 31.03.2023**
Rs. 11.32	**Rs. 4.53 (at 60% discount)**	**12,23,336**	**–**	**Rs. 18.24**
Rs. 9.95	**Rs. 3.98 (at 60% discount)**	**5,97,299**	**5 months**	**Rs. 18.24**
Rs. 8.70	**Rs. 3.48 (at 60% discount)**	**4,62,072**	**14 months**	**Rs. 18.24**
Rs. 12.16	**Rs. 4.87 (at 60% discount)**	**27,44,481**	**26 months**	**Rs. 18.24**
Rs. 16.12	**Rs. 6.45 (at 60% discount)**	**8,95,784**	**38 months**	**Rs. 18.24**

Information in respect of outstanding phantom shares as at 31st March 2022:

Fair Value of phantom shares at the allocation date	**Range of Allocation price**	**Number of Phantom shares outstanding as on 31.03.2022**	**Weighted average remaining period**	**Fair Value of Share as on 31.03.2022**
Rs. 10.27	Rs. 2.05 (at 80% discount)	53,03,118	–	Rs. 16.12
Rs. 11.32	Rs. 4.53 (at 60% discount)	12,23,336	5 months	Rs. 16.12
Rs. 9.95	Rs. 3.98 (at 60% discount)	5,97,299	14 months	Rs. 16.12
Rs. 8.70	Rs. 3.48 (at 60% discount)	4,62,072	26 months	Rs. 16.12
Rs. 12.16	Rs. 4.87 (at 60% discount)	35,06,521	38 months	Rs. 16.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Period of payout	Payout period completed as on 31 March 2023	Payout period remaining as on 31 March 2023	Provision (Rs. in Lakhs)
April 1 2018 to March 31 2022	**48 months**	**–**	**15.42**
April 1 2018 to March 31 2023	**60 months**	**–**	**75.47**
April 1 2019 to March 31 2023	**48 months**	**–**	**25.55**
April 1 2019 to March 31 2024	**48 months**	**12 months**	**30.66**
April 1 2020 to March 31 2023	**36 months**	**–**	**17.05**
April 1 2020 to March 31 2024	**36 months**	**12 months**	**15.35**
April 1 2020 to March 31 2025	**36 months**	**24 months**	**18.41**
April 1 2021 to March 31 2024	**24 months**	**12 months**	**61.18**
April 1 2021 to March 31 2025	**24 months**	**24 months**	**55.06**
April 1 2021 to March 31 2026	**24 months**	**36 months**	**66.07**
April 1 2022 to March 31 2025	**12 months**	**24 months**	**8.80**
April 1 2022 to March 31 2026	**12 months**	**36 months**	**7.92**
April 1 2022 to March 31 2027	**12 months**	**48 months**	**9.51**
Total Provision made as on 31 March 2023			**406.45**

Period of payout	Payout period completed as on 31 March 2022	Payout period remaining as on 31 March 2022	Provision (Rs. in Lakhs)
April 1 2017 to March 31 2022	60 months	–	335.65
April 1 2018 to March 31 2022	48 months	–	42.54
April 1 2018 to March 31 2023	48 months	12 months	51.05
April 1 2019 to March 31 2022	36 months	–	18.13
April 1 2019 to March 31 2023	36 months	12 months	16.31
April 1 2019 to March 31 2024	36 months	24 months	19.58
April 1 2020 to March 31 2023	24 months	12 months	9.73
April 1 2020 to March 31 2024	24 months	24 months	8.76
April 1 2020 to March 31 2025	24 months	36 months	10.51
April 1 2021 to March 31 2024	12 months	24 months	32.88
April 1 2021 to March 31 2025	12 months	36 months	29.60
April 1 2021 to March 31 2026	12 months	48 months	35.51
Total Provision made as on 31 March 2022			**610.25**

Valuation of the Company has been done by assigning a valuation percentage to the average assets under management of the company for March 2023 plus cash and cash equivalent as of 31st March 2023. A different valuation percentage was assigned to different asset classes. The total value of the company is divided by the total number of shares outstanding as on reporting date, to arrive at the fair value per share of the Company.

29. Leases

Company as a lessee

Following are the changes in the carrying value of Right to Use asset for the year ended 31 March 2023

(Rs. in Lakhs)

Particulars	Category of Asset Building Year ended 31 March 2023	 Year ended 31 March 2022
Balance at the beginning	**517.68**	393.64
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**1,186.51**	306.94
Restatement of ROU Asset	**(4.03)**	1.54
Deletions	**–**	(77.15)
Amortisation on ROU Asset for the year	**(132.14)**	(107.29)
Balance as at the end of the year	**1,568.02**	517.68

Following is the movement in the lease liabilities during the year ended 31 March 2023

Rs. in lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning	**574.44**	486.99
Additions	**1,186.51**	306.94
Deletions	**–**	(77.15)
Restatement of lease liability	**(12.91)**	(43.47)
Finance Cost accrued during the year	**53.06**	38.83
Payment of lease liabilities	**(161.18)**	(137.70)
Balance as at the end of the year	**1,639.92**	574.44

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	**286.67**	135.93
One to five years	**1,062.06**	408.81
More than five years	**827.87**	182.15
Balance as at the end of the year	**2,176.60**	726.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

30. Additional disclosures

i) Financials Ratios

Ratio	Numerator	Denominator	Ratio as on 31 March 2023	Ratio as on 31 March 2022	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	11.63	10.95	6%	NA
Return on Equity (in %)	Profit/(loss) for the year less Preference dividend (if any)	Total Equity	-14%	-15%	1%	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	7.26	8.81	-18%	NA
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	0.18	0.10	84%	Increase in Schemes AUM and Advisory fee income resulted in increase in Revenue from operations in current year.
Net Profit Ratio (in %)	Profit/(loss) for the year	Revenue from operations	-102%	-186%	85%	Increase in Schemes AUM and Advisory fee income resulted in increase in Revenue from operations in current years. Also, Loss for current year has decreased.
Return on Capital employed Ratio (in %)	Profit/(loss) before tax and interest	Total Assets less Total Current Liabilities	-13%	-15%	2%	NA
Return on investment (in %)	Income from invested funds	Average invested funds	6%	9%	-3%	NA
Capital to risk-weighted assets ratio (CRAR)*	–	–	–	–	–	NA
Tier I CRAR*	–	–	–	–	–	NA
Tier II CRAR*	–	–	–	–	–	NA
Liquidity Coverage Ratio*	–	–	–	–	–	NA

* Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

ii) During the financial years ended 31st March, 2023 and 31st March, 2022, the Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Management Personnel and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

iii) There is no Benami Property held by the Company and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iv) The Company does not have any transactions with companies stuck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

v) There are no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

viii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

ix) There are no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

x) There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

xi) The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

31. Operating Segments

The Company is in the business of providing investment management services to the Mahindra Manulife Mutual Fund and offshore advisory to clients. The primary segment is identified as investment management services. As such the Company's financial statements are largely reflective of the investment management business and there is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

32. Social Security code

The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code and the Rules become effective.

33. Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

Signatures to Significant accounting policies and notes to the financial statements – 1 to 33

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

sd/-
Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 18, 2023

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 0000220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

sd/-
Chitra Andrade
Director
[DIN: 0008090478]

sd/-
Vijay Ramchandran
Director
[DIN: 0002639324]
Place : Mumbai
Date : April 18, 2023

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS 20803]

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Trustee Private Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS Financial Statements of **Mahindra Manulife Trustee Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Audited Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

   h) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

(iv) No dividend (declared/paid/declared and paid) during the year by the Company and therefore the compliance with Section 123 of the Act is not applicable.

(v) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXQ6859

Mumbai, April 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Mahindra Manulife Trustee Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXQ6859

Mumbai, April 21, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Manulife Trustee Private Limited** for the year ended March 31, 2023.

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(a) (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) Company does not hold any immovable property and thus this clause is not applicable.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, thus this clause does not applicable to the company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii) (f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) As per Section 138 of the Companies Act, 2013, Internal Audit is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, Section 135 of the Companies Act, 2013 does not applicable to the Company. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary companies. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXQ6859

Mumbai, April 21, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Rs. in lakhs)

	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**0.15**	0.29
		0.15	0.29
CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**126.54**	104.70
(ii) Trade receivables	5	**4.45**	8.10
(iii) Cash and cash equivalents	6	**1.49**	1.66
(b) Current Tax Assets (Net)	7	**6.32**	7.26
(c) Other Current Assets	8	**0.63**	1.24
		139.43	122.96
TOTAL ASSETS		**139.58**	123.25
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	**98.04**	98.04
(b) Other Equity	10	**34.13**	19.79
		132.17	117.83
LIABILITIES			
Non-current liabilities			
Other Non-current Liabilities & Provisions	11	**1.40**	1.41
		1.40	1.41
CURRENT LIABILITIES			
(a) Financial Liabilities			
Trade Payables	12		
i) Total outstanding dues of micro and small enterprise		**–**	0.08
ii) Total outstanding dues of creditors other than micro and small enterprise		**0.73**	0.88
(b) Other Current Liabilities & Provisions	11	**5.28**	3.05
		6.01	4.01
TOTAL EQUITY AND LIABILITIES		**139.58**	123.25
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Avni Shroff
Company Secretary
[ACS 28391]

Place: Mumbai
Date: April 21, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Rs. in lakhs)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	13	**73.76**	72.59
Other Income	14	**7.28**	3.49
Total Income		**81.04**	76.08
Expenses			
Employee benefits expense	15	**23.34**	16.60
Depreciation and amortization expense	16	**0.14**	0.19
Other expenses	17	**41.50**	36.53
Total Expenses		**64.98**	53.32
Profit/(Loss) Before Tax		**16.06**	22.76
Tax expense:	18		
Current tax		**1.05**	–
Tax expense of earlier years		**0.67**	–
		1.72	–
Profit/ (Loss) for the year		**14.34**	22.76
Other comprehensive income			
(i) Items that will not be reclassified to Statement of Profit and Loss		**–**	–
(a) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
Total Comprehensive Income for the year		**14.34**	22.76
Earnings per equity share (Rs.) :	19		
Basic (INR)		**1.46**	2.32
Diluted (INR)		**1.46**	2.32
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Avni Shroff
Company Secretary
[ACS 28391]

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

	(Rs. in lakhs)
Particulars	**Amount**
As at 1 April 2022	98.04
Changes in equity share capital during the year	–
As at 31 March 2023	**98.04**

	(Rs. in lakhs)
Particulars	**Amount**
As at 1 April 2021	98.04
Changes in equity share capital during the year	–
As at 31 March 2022	**98.04**

B. Other Equity

(Rs. in lakhs)

Particulars	**Securities Premium**	**Profit & Loss Balance**	**Total**
As at 1 April 2022	27.63	(7.84)	19.79
Profit / (Loss) for the year	–	14.34	14.34
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income for the year	**–**	**14.34**	**14.34**
As at 31 March 2023	**27.63**	**6.50**	**34.13**

Rs. in lakhs

Particulars	**Securities Premium**	**Profit & Loss Balance**	**Total**
As at 1 April 2021	27.63	(30.60)	(2.97)
Profit / (Loss) for the year	–	22.76	22.76
Other Comprehensive Income / (Loss)	–	–	**–**
Total Comprehensive Income for the year	**–**	**22.76**	**22.76**
As at 31 March 2022	**27.63**	**(7.84)**	**19.79**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Avni Shroff
Company Secretary
[ACS 28391]

Place: Mumbai
Date: April 21, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Rs. in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit / (Loss) before tax for the year	**16.06**	22.76
Adjustments for:		
Investment income recognised in Statement of Profit and Loss	**(7.02)**	(3.21)
Depreciation debited to Statement of Profit and Loss	**0.14**	0.19
Operating Profit / (Loss) before working capital changes (I)	**9.18**	19.74
Movements in working capital:		
(Increase) / decrease in trade receivables	**3.65**	(3.18)
(Increase) / decrease in other assets	**0.61**	3.58
Increase / (decrease) in trade and other payables	**(0.23)**	(0.99)
Increase / (decrease) in other liabilities	**2.22**	2.61
Net movements in working capital (II)	**6.25**	2.02
Cash generated from / (used in) operations (I+II)	**15.43**	21.76
Income taxes paid (net of refunds) (III)	**(0.78)**	(2.66)
Net cash generated from / (used in) operating activities (I+II+III)	**14.65**	19.10
Cash flows from investing activities		
Purchase of investments	**(75.88)**	(68.81)
Proceeds from sale of investments	**61.06**	49.88
Net cash (used in) / generated by investing activities (IV)	**(14.82)**	(18.93)
Cash flows from financing activities		
Issue of equity shares (net off share issue expenses)	–	–
Securities Premium received	–	–
Net cash generated from financing activities (V)	–	–
Net increase in cash and cash equivalents (I+II+III+IV+V)	**(0.17)**	0.17
Cash and cash equivalents at the beginning of the year	**1.66**	1.49
Cash and cash equivalents at the end of the year	**1.49**	1.66
Components of Cash and Cash equivalents		
Particulars		
- Cash on hand	**–**	–
- Balances with banks	**1.49**	1.66
Total	**1.49**	1.66

Note: The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7)- 'Statement of Cash Flows'.

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Avni Shroff
Company Secretary
[ACS 28391]

Place: Mumbai
Date: April 21, 2023

Notes forming part of the Financial Statements for the year ended March 31, 2023

1. CORPORATE INFORMATION

Mahindra Manulife Trustee Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on July 10, 2013. The company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte. Ltd. The Company is incorporated to function as a Trustee to Mahindra Manulife Mutual Fund. The Company has entered into Investment Management Agreement with Mahindra Manulife Investment Management Private Limited ('Investment Manager') for managing the schemes of Mahindra Manulife Mutual Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue by the Company's Board of Directors on April 21, 2023.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

2.6. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within other Ind AS.

The Company recognises revenue from contracts with customers based on five-step model as set out in Ind AS 115:

Step 1: identification of contract(s) with customers: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identification of the separate performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determination of transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocation of transaction price to the separate performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognition of revenue when (or as) the Company satisfies a performance obligation.

Trusteeship Fees (net of tax)

Trusteeship Fees are recognised as revenue when the trusteeship services are performed for the schemes of Mahindra Manulife Mutual Fund. Amount disclosed as fees are exclusive of GST.

Other Income

The gains / losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

2.7. Property, plant and equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under long term loans and advances. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets:

Notes forming part of the Financial Statements for the year ended March 31, 2023

Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition. Further, residual value for all assets is considered as zero due to the difficulty in estimating the same. Accordingly, useful life of assets is estimated as follows:

Computer	– 3 years
Furniture	– 10 years
Office Equipment	– 5 years

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight-line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified as - measured at:

– Amortised cost; or

– Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

– Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Interest income and impairment, if any, are recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

These investments in equity are not held for trading. Instead, they are held for medium or long- term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expenses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Notes forming part of the Financial Statements for the year ended March 31, 2023

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier. The reversal of an impairment loss is recognised in Statement of Profit and Loss.

2.12. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

2.13. Income taxes

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14. Securities issue expenses

Expenses incurred in connection with fresh issue of Share capital were adjusted against Securities premium as per the provisions of Ind AS 32 – Financial Instruments Presentation, however there are no such Expenses which were incurred during the current or previous year.

2.15. Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Notes forming part of the Financial Statements for the year ended March 31, 2023

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.16. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares, etc that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	0.66	0.66
Additions during the year	–	–
Disposals during the year	–	–
Balance as at 31 March 2023	**0.66**	**0.66**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	0.37	0.37
Depreciation expense for the year	0.14	0.14
Eliminated on disposal of assets	–	–
Balance as at 31 March 2023	**0.51**	**0.51**
III. Net carrying amount (I-II)	**0.15**	**0.15**

(Rs. in lakhs)

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	0.66	0.66
Additions during the year	–	–
Disposals during the year	–	–
Balance as at 31 March 2022	0.66	0.66
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	0.18	0.18
Depreciation expense for the year	0.19	0.19
Eliminated on disposal of assets	–	–
Balance as at 31 March 2022	**0.37**	**0.37**
III. Net carrying amount (I-II)	**0.29**	**0.29**

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

4 INVESTMENTS

(Rs. in lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Investments Carried at Fair Value				
Unquoted				
Mahindra Manulife Liquid Fund	**126.54**	**–**	104.70	–
8640 units in Current Year (7,564 units in Previous Year)				
Total Investments	**126.54**	**–**	104.70	–

5 TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Trade receivables				
(a) Unsecured, considered good	**4.45**	**–**	8.10	–
(b) Doubtful	**–**	**–**	–	–
Less: Allowance for Credit Losses	**–**	**–**	–	–
Total	**4.45**	**–**	8.10	–
Of the above, trade receivables from:				
– Related Parties	**–**	**–**	–	–
– Others	**4.45**	**–**	8.10	–
Total Trade receivables	**4.45**	**–**	8.10	–

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable is due within 30 days from the date of the invoice.

Notes forming part of the Financial Statements for the year ended March 31, 2023

Trade Receivable Ageing schedule

Trade Receivables - Undisputed Trade receivables – considered good

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 6 months	**4.45**	8.10
6 months - 1 year	**–**	–
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Total	**4.45**	8.10

6 CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Balances with banks	**1.49**	1.66
(b) Cash on hand	**–**	–
Total Cash and cash equivalents	**1.49**	1.66

7 CURRENT TAX ASSETS (NET)

(i) Tax deducted at source net of provision for tax

(Rs. in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
(a) Advance Income Tax				
(i) TDS Receivable (Net of provision for tax)	**6.32**	**–**	7.26	–
Total Income Tax Assets	**6.32**	**–**	7.26	–

(ii) Unused tax losses - Revenue in nature

(Rs. in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Expiry period				
Upto Five years	**–**	**2.17**	–	2.43
More than Five years	**–**	**–**	–	4.23
No Expiry Date	**–**	**0.41**	–	0.41
Total	**–**	**2.58**	–	7.07

8 OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
(a) Advances other than capital advances				
(i) Other assets	**0.63**	**–**	1.24	–
Total Other Assets	**0.63**	**–**	1.24	–

9 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**10,00,000**	**100.00**	10,00,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**9,80,400**	**98.04**	9,80,400	98.04
Total	**9,80,400**	**98.04**	9,80,400	98.04

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(Rs. in lakhs)

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*				
Year Ended 31 March 2023				
No. of Shares	**9,80,400**	**–**	**–**	**9,80,400**
Amount (Rs. in Lakhs)	**98.04**	**–**	**–**	**98.04**
Year Ended 31 March 2022				
No. of Shares	9,80,400	–	–	9,80,400
Amount (Rs. in Lakhs)	98.04	–	–	98.04

***Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their associates and subsidiaries:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2023			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	**5,00,000**	**–**	**–**
As at 31 March 2022			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	5,00,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**5,00,000**	**51%**	5,00,000	51%
Manulife Investment Management (Singapore) Pte Limited	**4,80,400**	**49%**	4,80,400	49%

Notes to the Financial Statements for the year ended March 31, 2023

10 OTHER EQUITY

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013

Retained earning or Profit and loss account: Retained Earnings represents the undistributed earnings.

(Rs. in lakhs)

Particulars	Reserves and Surplus		
	Securities premium	Retained earnings or Profit & loss account	Total
Balance as at 01 April 2021	27.63	(30.60)	(2.97)
Profit / (Loss) for the year	–	22.76	22.76
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	**–**	**22.76**	**22.76**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
Balance as at 31 March 2022	**27.63**	**(7.84)**	**19.79**
Balance as at 01 April 2022	27.63	(7.84)	19.79
Profit / (Loss) for the year	–	14.34	14.34
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	**–**	**14.34**	**14.34**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
Balance as at 31 March 2023	**27.63**	**6.50**	**34.13**

11 OTHER NON-CURRENT LIABILITIES & PROVISIONS

(Rs. in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
(a) Other non-current liabilities	–	**1.00**	–	1.00
(b) Other Current Liabilities & Provisions				
Other Current Liabilities				
i Employee benefits payables	**4.19**	**–**	–	–
ii Statutory dues				
- Taxes payable (other than income taxes)	**0.75**	**–**	2.17	–
- Income taxes payable	**0.33**	**–**	0.87	–
- Professional tax payable	**–**	**–**	–	–
Provisions				
- Provision for leave encashment	**0.01**	**0.40**	0.01	0.41
Total Other liabilities	**5.28**	**1.40**	3.05	1.41

12 TRADE PAYABLES

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprise and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(Rs. in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Total outstanding dues of Micro and small enterprises				
a) Dues remaining unpaid to any supplier at the year end				
- Principal	**–**	**–**	0.08	–
- Interest on the above				
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	**–**	–	–
- Principal paid beyond the appointed date	**–**	**–**	–	–
- Interest paid in terms of section 16 of the MSMED Act	**–**	**–**	–	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	**–**	**–**	–	–
d) Amount of interest accrued and remaining unpaid at the year end	**–**	**–**	–	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	**–**	–	–
Total outstanding dues of creditors other than micro and small enterprises	**0.73**	**–**	0.88	–
Total trade payables	**0.73**	**–**	0.96	–

Terms and Conditions of financials liabilities:

- Trade Payables are non-interest bearing and are normally settled on 30 days terms.

Trade Payables Ageing Schedule as at March 31, 2023

Trade Payables - Undisputed

(Rs. in lakhs)

Particulars	Outstanding for following periods				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**–**	**–**	**–**	**–**	**–**
(ii) Others	**0.73**	**–**	**–**	**–**	**0.73**
Total	**0.73**	**–**	**–**	**–**	**0.73**

Trade Payables Ageing Schedule as at March 31, 2022

Trade Payables - Undisputed

(Rs. in lakhs)

Particulars	Outstanding for following periods				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.08	–	–	–	0.08
(ii) Others	0.88	–	–	–	0.88
Total	0.96	–	–	–	0.96

Notes to the Financial Statements for the year ended March 31, 2023

13 REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Trusteeship Fees	**73.76**	72.59
Total Revenue from Operations	**73.76**	72.59

14 OTHER INCOME

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Profit on sale/redemption of Investment	**3.94**	2.37
(b) Unrealised gain/(loss) on Mutual Fund Investment	**3.08**	0.84
(c) Interest on Income tax refund	**0.26**	0.28
Total Other Income	**7.28**	3.49

15 EMPLOYEE BENEFIT EXPENSES

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Salaries and wages	**23.34**	16.59
(b) Staff welfare expenses	**–**	0.01
Total Employee Benefit Expenses	**23.34**	16.60

16 DEPRECIATION AND AMORTISATION

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Depreciation on Property, Plant and Equipment	**0.14**	0.19
Total Depreciation and amortisation	**0.14**	0.19

17 OTHER EXPENSES

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Rates & Taxes	**0.02**	0.05
(b) Legal and professional fees	**0.60**	0.65
(c) Directors' Sitting Fees	**37.10**	33.10
(d) Travelling & Conveyance	**1.70**	0.43
(e) Marketing Expenses	**0.75**	1.00
(f) Auditors remuneration and out-of-pocket expenses		
– Audit fees	**0.50**	0.50
– Other services	**–**	0.50
(g) Other Expenses	**0.83**	0.30
Total Other expenses	**41.50**	36.53

18 INCOME TAX EXPENSE

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
In respect of current year	**1.05**	–
In respect of prior years	**0.67**	–
	1.72	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**–**	–
	–	–
Total income tax expense on continuing operations	**1.72**	–

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**16.06**	22.76
Income tax expense calculated at 25.168%	**4.04**	5.73
Effect of income that is exempt from taxation	**(0.78)**	(0.22)
Effect of expenses that is non-deductible in determining taxable profit		
Effect of tax on income chargeable at different rate including exempt income/loss	**(2.22)**	(5.52)
Changes in recognised deductible temporary differences	**0.01**	0.01
	1.05	0.00
Adjustments recognised in the current year in relation to the current tax of prior years	**0.67**	–
Total Tax expense	**1.72**	0.00

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the rate of income tax applicable to the company is (Base rate-22%, plus 10% surcharge and 4% cess = 25.168%)

19 EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) for the year (Rs. in Lakhs)	**14.34**	22.76
Weighted average number of equity shares	**9,80,400**	9,80,400
Earnings per share - Basic (INR)	**1.46**	2.32
Earnings per share - Diluted (INR)	**1.46**	2.32

Notes forming part of the Financial Statements for the year ended March 31, 2023

20 ADDITIONAL REGULATORY INFORMATION

i) Financials Ratios

Ratio	Numerator	Denominator	Ratio as on 31 March 2023	Ratio as on 31 March 2022	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	**23.20**	30.68	-24%	NA
Return on Equity (in %)	Profit for the year less Preference dividend (if any)	Total Equity	**11%**	19%	-8%	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	**11.75**	11.15	5%	NA
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	**0.58**	0.68	-14%	NA
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	**19%**	31%	-12%	NA
Return on Capital employed Ratio (in %)	Profit before tax and interest	Total Assets less Total Current Liabilities	**12%**	19%	-7%	NA
Return on investment (in %)	Income from invested funds	Average invested funds	**6%**	4%	2%	NA

ii) During the financial years ended 31st March, 2023 and 31st March, 2022, the Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Management Personnel and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

iii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iv) The Company does not have any transactions with companies stuck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

v) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

ix) There are no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

x) There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

xi) The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

21 EMPLOYEE BENEFITS

Details of defined benefit plans as per actuarial valuation are as follows:

(Rs. in lakhs)

		Unfunded Plans	
		Exigency and Earned leave	
		Year ended 31 March	
Particulars		**2023**	2022
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	**0.18**	0.34
	Past Service Cost	**0.02**	0.08
	Net Interest cost	**–**	–
	Actuarial (gain)/loss	**(0.08)**	–
	Total expenses included in employee benefits expense	**0.12**	0.42
II.	**Amount recognised in Other Comprehensive income**	**–**	–
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	**0.42**	–
	Current service cost	**0.18**	0.34
	Past service cost	**0.02**	0.08
	Interest expense	**–**	–
	Remeasurement (gains)/losses arising from changes in -		
	- demographic changes	**–**	–
	- financial assumptions	**(0.02)**	–
	- experience adjustments	**(0.06)**	–
	Benefits paid//extinguished	**(0.13)**	–
	Closing defined benefit obligation	**0.41**	0.42
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	**–**	–
	Interest income	**–**	–
	Closing Fair value of plan assets	**–**	–
V.	**Net defined benefit obligation**		
	Defined benefit obligation	**0.41**	0.42
	Fair value of plan assets	**–**	–
	Surplus/(Deficit)	**(0.41)**	(0.42)

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Rs. in lakhs)

Particulars	Unfunded Plans Exigency and Earned leave Year ended 31 March 2023	2022
Current portion of the above	**(0.01)**	(0.01)
Non current portion of the above	**(0.40)**	(0.41)
Actuarial assumptions and Sensitivity		
VI. Actuarial assumptions		
Discount Rate (p.a.)	**7.52%**	7.32%
Attrition rate	**1-3%**	1-3%
Expected rate of return on plan assets (p.a.)		
Rate of Salary increase (p.a.)	**7.00%**	7.00%
In-service Mortality	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)
VII. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	**(0.07)**	(0.07)
One percentage point decrease in discount rate	**0.09**	0.09
One percentage point increase in Salary growth rate	**0.09**	0.09
One percentage point decrease in Salary growth rate	**(0.07)**	(0.08)
VIII. Maturity profile of defined benefit obligation		
Within 1 year	**0.01**	0.01
Between 2 and 5 years	**0.05**	0.06

22 FINANCIAL INSTRUMENTS

i) Financial Instruments regularly measured using Fair Value - recurring items

(Rs. in lakhs)

Financial assets/ financial liabilities	Financial assets / financial liabilities	Category	Fair Value As at 31 March 2023	As at 31 March 2022	Fair value hierarchy	Valuation technique(s)
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**126.54**	104.70	Level 1	NAV

ii) Financial Instruments measured at amortised cost

(Rs. in lakhs)

Particulars	Carrying Value	Fair value	Fair Value Level 1	Level 2	Level 3
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	**1.49**	**1.49**	**1.49**	**–**	**–**
b) Trade Receivables	**4.45**	**4.45**	**–**	**4.45**	**–**
Total	**5.94**	**5.94**	**1.49**	**4.45**	**–**
Financial liabilities					
a) Trade Payables	**0.73**	**0.73**	**–**	**0.73**	**–**
Total	**0.73**	**0.73**	**–**	**0.73**	**–**
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	1.66	1.66	1.66	–	–
b) Trade Receivables	8.10	8.10	–	8.10	–
Total	9.76	9.76	1.66	8.10	–
Financial liabilities					
a) Trade Payables	0.96	0.96	–	0.96	–
Total	0.96	0.96	–	0.96	–

There were no transfers between Level 1 and Level 2 during the year.

23 FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

(Rs. in lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2023				
Trade Payables	**0.73**	**–**	**–**	**–**
Total	**0.73**	**–**	**–**	**–**
As at 31 March 2022				
Trade Payables	0.96	–	–	–
Total	0.96	–	–	–

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

24 RELATED PARTY DISCLOSURES:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

(a) Holding Company

Mahindra & Mahindra Financial Services Ltd

(b) Ultimate Holding Company

Mahindra & Mahindra Ltd

(c) Fellow Subsidiaries / Associate Companies / Joint Ventures

Manulife Investment Management Singapore Pte Ltd

Mahindra Integrated Business Solutions Private Limited

(d) Key Management Personnel

(i) Mr. Manohar G. Bhide - Chairman

(ii) Mr. Gautam G. Parekh - Independent Director

(iii) Mr. Suneet K. Maheshwari - Independent Director

(iv) Mr. Nilesh Sathe - Independent Director

(v) Mr. A. K. Sridhar - Independent Director

(vi) Mr. Michael Fitzgerald - Director (from 27th March 2023)

(vii) Mukul Gupta - Director (till 28th October 2022)

Notes forming part of the Financial Statements for the year ended March 31, 2023

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(Rs. in lakhs)

Particulars	Holding Company		Fellow Subsidiaries / Associate Companies/ Joint Ventures		Key Managerial Personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Expenses						
Mahindra & Mahindra Financial Services Ltd	**0.84**	1.12	**–**	–	**–**	–
Mahindra Integrated Business Solutions Private Limited	**–**	–	**0.14**	0.14	**–**	–
Directors' Sitting Fees	**–**	–	**–**	–	**37.10**	33.10

iii) Balances as at the end of the year:

(Rs. in lakhs)

Particulars	Holding Company		"Fellow Subsidiaries / Associate Companies / Joint Ventures"	
	As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Other Non-current Liabilities				
Mahindra & Mahindra Financial Services Ltd	**1.00**	1.00	**–**	–
Trade Payables				
Mahindra Integrated Business Solutions Private Limited	**–**	–	**0.01**	0.01

25 OPERATING SEGMENTS

The Company is in the business of providing Trusteeship services to the Mahindra Manulife Mutual Fund. The primary segment is identified as Trusteeship services. As such the Company's financial statements are largely reflective of the Trusteeship services and there is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

26 SOCIAL SECURITY CODE

The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code and the Rules become effective.

27 EVENTS AFTER THE REPORTING DATE

There have been no other events after the reporting date that require disclosure in these financial statements.

28 Previous year figures have been regrouped /reclassified wherever nessesary to conform to current year presentation.

Signatures to significant accounting policies and Notes to the financial statements 1 to 28

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 21, 2023

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Avni Shroff
Company Secretary
[ACS 28391]

Place: Mumbai
Date: April 21, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MAHINDRA IDEAL FINANCE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAHINDRA IDEAL Finance Limited ("the Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

For **Ernst & Young**
Chartered Accountants

Mr. Buwanesh Wijesuriya
Audit Partner
21 April 2023
Colombo

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2023

	Notes	2023 LKR	2022 LKR
Income	3	**1,924,279,355**	1,321,536,812
Interest Income	4.1	**1,805,299,948**	1,242,067,922
Interest Expenses	4.2	**(921,725,959)**	(328,347,452)
Net Interest Income		**883,573,989**	913,720,470
Fees and Commission Income	5	**13,067,675**	12,097,982
Net Fee and Commission Income		**13,067,675**	12,097,982
Other Operating Income	6	**105,911,732**	67,370,908
Total Operating Income		**1,002,553,396**	993,189,360
Impairment Charges for Loans and other Losses	7	**(70,983,116)**	(88,336,470)
Net Operating Income		**931,570,280**	904,852,890
Operating Expenses			
Personnel Expenses	8	**(349,974,582)**	(272,916,930)
Depreciation of Property Plant & Equipment	22.2	**(93,972,623)**	(71,243,356)
Amortization of Intangible Assets	23	**(3,333,640)**	(6,292,103)
Other Operating Expenses	9	**(236,296,248)**	(153,606,816)
Operating Profit before VAT on Financial Services and Social Security Contribution Levy		**247,993,187**	400,793,685
Value Added Tax on Financial Services	10	**(88,673,219)**	(90,504,774)
Social Security Contribution Levy	10	**(6,227,766)**	–
Profit before Taxation		**153,092,202**	310,288,911
Income Tax Expenses	11.1	**(66,194,388)**	(71,067,116)
Profit/ (Loss) for the period		**86,897,814**	239,221,795
Basic and Diluted Earning per Share	12.2	**0.60**	1.64
Profit/ (Loss) for the period		**86,897,814**	239,221,795
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/ (Loss) on Defined Benefit Obligations	28.3	**2,130,956**	2,083,840
Deferred Tax (Charge)/Reversal on Other Comprehensive Income	29	**(639,287)**	(500,122)
Other Comprehensive Income for the period, Net of Tax		**1,491,669**	1,583,718
Total Comprehensive Income for the period, Net of Tax		**88,389,483**	240,805,513

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 LKR	2022 LKR
ASSETS			
Cash and Bank Balances	13	**165,583,696**	135,648,058
Investment in Government Securities at Amortized cost	14	**458,137,517**	248,709,944
Placements with Banks and Other Financial Institutions	15	**445,268,915**	287,743,917
Gold Advances	16	**3,950,688,495**	2,258,859,086
Lease Rentals Receivable and Stock out on Hire	17	**2,374,025,383**	3,564,076,376
Loans and Advances	18	**798,812,852**	1,406,622,800
Other Financial Assets	19	**24,340,891**	16,373,433
Other Non Financial Assets	20	**58,781,143**	177,169,452
Financial Investments-Measured at Fair Value through OCI	21	**457,700**	457,700
Inventories		**–**	328,056
Property, Plant and Equipment	22.3	**470,357,459**	346,499,489
Intangible Assets	23	**18,047,136**	19,196,706
Deferred Tax Assets	29	**27,648,433**	23,683,867
TOTAL ASSETS		**8,792,149,620**	8,485,368,885
LIABILITIES			
Interest Bearing Borrowings	24	**1,989,957,781**	2,872,386,024
Due to the Customers	25	**3,487,076,917**	2,195,018,842
Other Financial Liabilities	26	**379,280,751**	550,307,273
Other Non Financial Liabilities	27	**37,393,905**	44,966,937
Post Employment Benefit Liability	28	**30,896,045**	26,338,562
Current Tax Liabilities		**32,921,837**	50,118,346
TOTAL LIABILITIES		**5,957,527,236**	5,739,135,984
EQUITY			
Stated Capital	30	**1,908,247,125**	1,908,247,125
Retained Earnings		**878,196,794**	794,226,785
Reserves	31	**48,178,465**	43,758,991
TOTAL EQUITY		**2,834,622,384**	2,746,232,901
TOTAL LIABILITIES AND EQUITY		**8,792,149,620**	8,485,368,885

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

Mr Rohit Agarwalla
Head of Finance

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board of by;

Mr Nalin J Welgama
Chairman

Mr P A De Silva
Deputy Chairman

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

21 April 2023
Colombo

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2023

	Stated Capital LKR	Retained Earnings LKR	Statutory Reserve Fund LKR	Total LKR
Balance As at 31 March 2021	1,908,247,125	565,461,548	31,718,715	2,505,427,388
Total Income / (Loss) for the Period	–	239,221,795	–	239,221,795
Other Comprehensive Income (Net of Tax)	–	1,583,718	–	1,583,718
Transfer to Statutory Reserve Fund	–	(12,040,276)	12,040,276	–
Balance As at 31 March 2022	1,908,247,125	794,226,786	43,758,990	2,746,232,902
Balance As at 1 April 2022	**1,908,247,125**	**794,226,786**	**43,758,990**	**2,746,232,902**
Total Income / (Loss) for the Period	**–**	**86,897,814**	**–**	**86,897,814**
Other Comprehensive Income (Net of Tax)	**–**	**1,491,669**	**–**	**1,491,669**
Transfer to Statutory Reserve Fund	**–**	**(4,419,474)**	**4,419,474**	**–**
Balance As at 31 March 2023	**1,908,247,125**	**878,196,794**	**48,178,465**	**2,834,622,384**

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2023

	Note	2023 LKR	2022 LKR
Cash Flows From / (Used in) Operating Activities			
Profit before Income Tax Expense		**153,092,202**	310,288,911
Adjustment for Other Non Cash Items Included in Profit Before Tax			
Depreciation of Property, Plant and Equipment & ROU Assets	22.3	**93,972,623**	71,243,356
Amortization of Intangible Assets	23	**3,333,640**	6,292,103
Provision for Impairment	7	**70,983,116**	88,336,470
Interest expenses on Borrowings	4.2	**434,895,016**	183,688,204
Defined Benefit Obligation	8	**9,450,813**	5,434,262
Dividend Income	6	**(240,000)**	(240,000)
Disposal (Gain)/Loss on Fixed Assets		**–**	(4,366,107)
Operating Profit before Working Capital Changes		**765,487,410**	660,677,199
(Increase)/Decrease in Lease Rentals Receivable & Stock out on Hire		**1,135,054,895**	(1,175,879,395)
(Increase)/Decrease in Loan Stock		**603,795,207**	(555,430,251)
(Increase)/Decrease in Gold Advance		**(1,703,801,685)**	(1,075,095,022)
(Increase)/Decrease in Other Financial Assets		**(7,967,458)**	(18,533,533)
(Increase)/Decrease in Other Non Financial Assets		**113,784,455**	(150,114,732)
(Increase)/Decrease in Inventories		**328,056**	183,217
Increase/(Decrease) in Amounts Due to Customers		**1,292,058,075**	1,265,379,384
Increase/(Decrease) in Other Financial Liabilities		**(110,978,929)**	313,863,656
Increase/(Decrease) in Other Non Financial Liabilities		**(7,573,033)**	18,672,458
Increase/(Decrease) in Current Tax liabilities		**3,633,728**	–
Cash Generated from Operations		**2,083,820,723**	(716,277,018)
Retirement Benefit Liabilities Paid	28.2	**(2,762,375)**	(61,250)
Income Tax Paid		**(87,024,625)**	(137,748,935)
Net Cash Flows from/(Used in) Operating Activities		**1,994,033,723**	(854,087,203)
Cash Flows from / (Used in) Investing Activities			
Purchase of Property, Plant and Equipment	22.1	**(141,303,856)**	(75,779,480)
Purchase of Right of Use Assets	22.1	**(76,526,736)**	(160,707,218)
Purchase of Intangible Assets	23	**(2,184,070)**	(12,530,268)
Disposal of Property, Plant and Equipment		**–**	10,675,000
Dividend Received	6	**240,000**	240,000
Investment in Treasury Bills	14	**(300,329,263)**	–
Investing in Fixed Deposits	15	**(157,524,998)**	(71,441,158)
Net Cash Flows from/(Used in) Investment Activities		**(677,628,924)**	(309,543,124)
Cash Flows from / (Used in) Financing Activities			
Proceeds from Bank Borrowings		**6,424,000,000**	2,673,000,000
Repayment of Bank Borrowings		**(7,494,177,824)**	(1,866,078,525)
Rental Paid for Lease Obligation		**(60,047,593)**	(46,849,881)
Repayment of Other Borrowed Funds		**–**	(1,182,051)
Net Cash Flows from/(Used in) Financing Activities		**(1,130,225,417)**	758,889,543
Net Increase/(Decrease) in Cash & Cash Equivalents		**186,179,382**	(404,740,785)
Cash and Cash Equivalents at the Beginning of the Period		**65,735,701**	470,476,486
Cash and Cash Equivalents at the End of the Year	32	**251,915,083**	65,735,701

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1. CORPORATE INFORMATION

1.1 General

IDEAL Investment Limited is a limited liability company, incorporated on 24 January 2012 under companies Act No.7 of 2007 and then changed the name as IDEAL Finance Limited on 12 March 2012 and domiciled in Sri Lanka. The registered office of the company is situated at No.299, Dr. Colvin R De. Silva Mawatha (Union Place), Colombo 02. On 28th January 2022 the company changed its' name to MAHINDRA IDEAL Finance Limited.

MAHINDRA IDEAL Finance Limited is licensed by Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, and also registered under the Finance Leasing Act No.56 of 2000.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were Acceptance of Deposits, Granting Lease, Loan Facilities and Gold Advances.

1.3 Parent Entity and Ultimate Parent Entity

Mahindra and Mahindra Financial Services Limited, India is the parent of MAHINDRA IDEAL Finance Limited. Further the company does not have any investments in the form of subsidiary, joint venture or associate.

1.4 Date of Authorization for Issue

The financial statements of MAHINDRA IDEAL Finance Limited for the period ended 31 March 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 21 April 2023.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with Accounting Policies and Notes, ('Financial Statements'),as at 31 March 2023 and for the period then ended, have been prepared in accordance with Sri Lanka Accounting Standards (hereafter referred as "SLFRS"), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007 and amendments thereto.

2.1.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for these Financial Statements of the Company as per Sri Lanka Accounting Standards (SLFRSs and LKASs) and the provisions of the Companies Act No 7 of 2007.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost basis except retirement benefits obligation, which was ascertained by an actuarial valuation.

2.1.4 Presentation of Financial Statements

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial.

The company presents its Statements of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 36.

2.1.5 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, except when otherwise is indicated. No adjustments have been made for inflationary factors.

2.1.6 Materiality, Aggregation Offsetting and Rounding Off

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, unless they are immaterial.

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

The amounts in the financial statements have been rounded off to the nearest Sri Lankan Rupee, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard (LKAS 1) – 'Presentation of Financial Statements'.

2.1.7 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous financial year. Further comparative information is reclassified whenever necessary to comply with the current presentation in the Financial Statements. However, the Company has not restated comparative information for 2022.

2.1.8 Statement of Cash Flow

The cash flow statement has been prepared by using the indirect method in accordance with the Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash Flows), whereby operating, investing and financial activities have been separately recognised. Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash in hand, balances with banks, placements with banks (less than 3 months), net of unfavorable bank balances and securities purchased under repurchase agreement (less than three months).

2.1.9 Events After the Reporting Date

Events after the Reporting Date are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period have been considered and appropriate disclosures are made in note 38 to the Financial Statements.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

i. Going Concern

The board has made an assessment of the company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Further, the Directors have considered the potential downsides that the COVID-19 pandemic could bring to the business operations of the Company, in making this assessment. Therefore, the financial statements continue to be prepared on the going concern basis.

ii. Impairment losses on loans and receivables

The measurement of impairment losses under SLFRS 9 across all categories of financial assets requires judgement, in particular,

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Number of days past due and the Guidelines issued by the Central Bank of Sri Lanka
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

iii. Fair Value of Financial Instruments

The determination of fair values of financial assets and financial liabilities recorded in the Statement of Financial Position for which there is no observable market price is based on using a variety of valuation techniques that include the use of mathematical models. The valuation of financial instruments is described in Note 35 to the Financial Statements. The Company measures fair value using the fair value hierarchy that reflects the significance of input used in making measurements. The fair value hierarchy is given in Note 35.1 to the Financial Statements.

iv. Financial Assets and Financial Liabilities Classification

The Company's accounting policies provide scope for assets and liabilities to be classified, at inception in to different accounting categories. The classification of financial instruments is given in Note 34 "Analysis of Financial Instruments by Measurement Basis".

v. Defined Benefit Plan

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 29.

vi. Useful Life-time of the Property, Plant, Equipment and Intangible Assets

The Company reviews the residual values, useful lives and methods of depreciation and amortization of property, plant, equipment and intangible assets at each reporting date. The judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

vii. Fair value of Property, Plant & Equipment

The free hold land of the Company is reflected at fair value at the date of revaluation less any accumulated impairment losses. The Company engages an independent valuation specialist to determine the fair value of free hold land in terms of Sri Lanka Accounting Standard –SLFRS 13, (Fair Value Measurement). The details of freehold land including methods of valuation are given in Note 26 to the Financial Statements. The Company has not revalued its freehold lands and buildings during this year for accounting purposes, on the basis that changes in property prices were not significant compared to the previous year

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its Financial Statements are included in below.

2.3.1 SLFRS 09 Financial Instrument

SLFRS 9 –Financial Instruments replaces LKAS 39 for annual periods on or after 1 January 2018. The company has adopted SLFRS-09 Financial Instruments with an initial application date of 1 April 2018.

2.3.1.1 Classification & Measurement of Financial Assets and Liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised Cost,
- Fair Value through Other Comprehensive Income (FVOCI),
- Fair Value through Profit or Loss

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL or the fair value designation is applied.

2.3.1.2 Financial Assets and liabilities

2.3.1.2.1 Lease rental receivables, Loans and Receivables to Other Customers, Financial Investments at Amortised Cost.

The company only measures Lease, Loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The classification of financial liabilities under SLFRS 9 does not follow the approach for the classification on financial assets. Financial liabilities are measured at amortised cost or fair value through profit or loss.

The details of conditions of business model assessment and the SPPI test are outlined below.

(a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

(b) The SPPI Test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

An entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

2.3.1.2.2 Reclassification of Financial Assets and Liabilities

The company does not reclassify its financial assets or liability subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company did not reclassify any of its financial assets or liabilities in year 2022/23.

2.3.1.3 De-recognition of Financial Instruments

2.3.1.3.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired.

2.3.1.3.2 Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

2.3.1.4 Impairment of Financial Assets

Overview of the Expected Credit Loss (ECL) Principles

The Company's loan loss impairment method by using forward-looking Expected Credit Loss (ECL) approach. From 1 April 2018, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset. The 12 months ECL is the portion of Life time ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Life time ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3.

Stage 1

When loans are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Life time ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3

Loans considered credit-impaired. The Company records an allowance for the Life time ECLs.

2.3.1.4.1 The Calculation of Expected Credit Loss (ECL)

The Company calculates ECLs under three staging approaches to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes 90 days past due on its contractual payments.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Probability of Default (PD)

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously recognised and is still in the portfolio.

However, for placements with Banks and other financial investments classified as amortised cost and fair value through other Comprehensive Income the Company relies on external credit rating in determining their respective PDs.

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

2.3.1.4.2 The mechanics of the ECL method are summarized below:

Stage 1

The 12 months ECL is calculated as the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For loans considered credit-impaired, the Company recognises the LTECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%. The Company recognises the interest income on loans classified under stage 3 at the effective interest rate on amortised cost.

Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer with an increased credit risk level, following are such instances:

- Stage 1 and Stage 2 facilities of a Stage 3 customer are also classified as Stage 3.
- Stage 1 facilities of a Stage 2 customer are classified as Stage 2.
- Facilities related to management identified risk elevated industries are classified as Stage 3.
- Rescheduled facilities are categorized based on their aggregate days past due, ie, the aggregate of the present age of the facility and the age prior to reschedule.

Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

Quantitative	**Qualitative**
GDP Growth	Government Policies
Inflation	Status of the Industry Business
Unemployment	Regulatory Impact
Interest Rates	Global Economic Environment
Exchange Rates	

The inputs and models used for calculating ECLs may not always capture all the characteristics of the market at the date of the financial statements.

To reflect the uncertainties in the calculation of expected credit losses, the Company has changed the weightages assigned for multiple economic scenarios during the year. Weightages assigned for each scenario is given below along with the weightages used in 2022/23.

	2022/23	**2021/22**
Base case	50%	30%
Best case	10%	10%
Worst case	40%	60%

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

The inputs and models used for calculating ECLs may not always capture all characteristics of the market as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

To ensure completeness and accuracy, the company obtains necessary data primarily from publications of Central Bank of Sri Lanka.

2.3.1.5 Determination of Fair Value

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The disclosure of fair value of financial instruments is disclosed in Note 35 to the Financial Statements.

2.3.2 Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.3.2.1 Finance Lease

Company as a lessor

Assets leased to customers which transfer substantially all the risks and rewards associated with ownership other than legal title, are classified as 'Finance Lease". Amount receivables under finance lease are included under 'Lease Rentals Receivable and Stock Out on Hire' in the Statement of Financial Position after deduction of unearned lease income and accumulated impairment losses. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognized as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognized as unearned finance income, which is allocated to accounting periods reflect a constant periodic rate of return.

2.3.2.2 SLFRS 16 – Leases

Company as a lessee

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. lessee and lessor. SLFRS 16 supersedes Sri Lanka Accounting Standard - LKAS 17 (Leases) and related interpretations, SLFRS 16 introduces a single accounting model for the lessee, eliminating the present classification of leases in LKAS 17 as either operating leases or finance leases.

The company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. At the date of adoption, right of use was recognized as amount equal to the lease liability, adjusted by the amount of prepaid lease rentals.

Under this method, the standard is applied retrospectively and the cumulative effect as at initial date of application of the standard i.e 1 April 2019 has been duly adjusted. The company elected to use the transitional practical expedient to not reassess whether an existing contract forms a lease as at 1st April 2019, under the definitions provided in the standard. Instead, the company applied the standard only to contracts that were previously identified as leases applying LKAS 17 at the date of initial application.

The contracts which were previously classified as "operating leases" under the principles of LKAS 17 -Leases, have been recognize as "right of- use assets" with the adoption of SLFRS 16 -Leases.

2.3.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, and amounts due from banks on demand or with an original maturity of three months or less.

2.3.4 Property, Plant and Equipment

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

Category	Years
Furniture & Fittings	05
Office Equipment	05
Motor Vehicles	05
Computer Equipment	05

The depreciation method and residual values of assets are reviewed at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method shall be changed to reflect the changed pattern.

Property plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is recognized in 'Other Operating Income' in the Statement of Comprehensive Income (Profit or Loss) in the year the asset is recognized.

2.3.5 Right-Of-Use Assets

2.3.5.1 Basis of recognition

The Company applies Sri Lanka Accounting Standard SLFRS 16 "Leases" in accounting for all lease hold rights except for leases due to expire during the financial year and leases on which implications to the financial statements are not considered to be material. The company uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The company applies judgements in evaluating the level of certainty whether the option of renewing the lease exits or otherwise. That is, it considers all relevant factors that create an economic benefits for it to exercise either the renewal or termination.

Basis of measurement

The company recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated amortization and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on the straight line basis over the lease term.

When measuring lease liabilities for leases that were classified previously as operating leases, the company discounted future lease payments due as of 1 April 2019 using the incremental borrowing rate as at 1 April 2019. The rate applicable was 14%.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3.6 Intangible assets

The company's other intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial yearend.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income.

Computer System software is amortised over: 10 years

2.3.7 Other Assets

All other assets are stated at amortised cost less accumulated impairment losses.

2.3.8 Inventories

Inventories include stationeries and these are valued at the lower of cost and net realizable value.

2.3.9 Impairment of non–financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

2.3.10 Employee Retirement Benefits

Defined Contribution Plan Costs

Defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to a defined contribution plan are recognized as a Personnel Expenses in the Statement of comprehensive income in the periods during which services are rendered by employees. Employees are eligible for employees' Provident Fund and Employees Trust Fund Contributions in line with the respective Statutes and regulations. Accordingly, the company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employee Trust Fund respectively and is recognized as an expense under "Personnel Expenses".

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Defined Benefit Plan Costs

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rate that are denominated in the currency in which the benefit will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19-"Employee Benefits".

However, according to the payment of Gratuity Act No.12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued services. The liability is not externally funded.

2.3.11 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

2.3.12 Other Liabilities

Other liabilities are recorded at the cash value to be realized when settled.

2.3.13 Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date. All differences arising on non–trading activities are taken to 'Other operating income' in the income statement.

2.3.14 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest income and interest expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate. Effective Interest Rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original Effective Interest Rate and the change in carrying amount is recorded as 'Interest Income' for financial assets and Interest Expense for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the Effective Interest Rate from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

– Fee income earned from services that are provided over a certain period of time.

– Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and service charges.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

(iv) Expenditure Recognition

Expenses are recognized in profit or loss in the statement of comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of Comprehensive Income (Profit or loss). For the purpose of presentation of the statement of comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the element of the company's performance.

2.3.15 Taxes

a. Current Tax

The provision for the income tax is based on the elements of the income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of Inland Revenue Act, No. 24 of 2017.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

b. Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Value Added Tax on Financial Services and Social Security Contribution Levy

Value Added Tax on Financial Services is calculated at the rate of 18% in accordance with the provisions of the Value Added Tax Act No. 14 of 2002 and amendments thereto. The Social Security Contribution Levy is calculated at the rate of 2.5% on the turnover applicable for Value Added Tax on Financial Services with effect from 01st October 2022.

2.3.16 Regulatory provisions

a) Deposit Insurance and Liquidity Support Scheme

In terms of the Finance Companies Direction No.2 of 2010 “Insurance of Deposit Liabilities” issued on 27 September 2010 and subsequent amendments thereto, all Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No.1 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1 October 2010.The said Scheme was renamed as the “Sri Lanka Deposit Insurance and Liquidity Support Scheme” as per the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulation No. 1 of 2013.

The deposits to be insured shall include demand, time and savings deposit liabilities and exclude the following.

- Deposit liabilities to member institutions
- Deposit liabilities to the Government of Sri Lanka
- Deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act (Corporate Governance) Direction No.3 of 2008 for Registered Finance Companies
- Deposit liabilities held as collateral against any accommodation granted
- Deposits falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to the Central Bank of Sri Lanka in terms of the relevant Directions issued by the Monetary Board.

Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposits as at end of the month with in a period of 15 days from the end of the respective month.

b) Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No.12 of 2013, the CIL was introduced with effect from April 1, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

2.3.17 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is being charged.

2.3.18 Segment Reporting

The Company’s segmental reporting is based on the following operating segments identified based on products and services;

– Finance Lease and Stock Out on Hire

– Term Loans

– Gold Loans

– Others

A segment is a distinguishable component of a Company that is engaged in providing products and services. (Business segment, which is subject to risks and rewards that are different from those of other segments).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies adopted for segment reporting are those accounting policies adopted for preparing the financial statements of the Company.

2.3.19 Sri Lanka Accounting Standards Not Yet Effective as at 31 March 2023

– SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. On effective, SLFRS 17 will replace SLFRS 4 (Insurance Contracts)

No material impact on the financial statements of the Company.

– Amendments to LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

These amendments clarify the following,

Distinction between changes in accounting estimates, changes in accounting policies and the correction of errors.

How entities use measurement techniques and inputs to develop accounting estimates

A change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

No material impact on the financial statements of the Company.

– Amendments to LKAS 1 – Presentation of Financial Statements

Replaces the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose ‘material accounting policies’.

Provides guidance on how the entities apply the concept of materiality in making decisions about accounting policy decisions.

Specify the requirements for classifying liabilities as current or non-current.

No material impact on the financial statements of the Company.

– Amendments to LKAS 12 – Income taxes

The amendments introduce an exception to the initial recognition exemption in LKAS 12. The effect of these amendments essentially mean that the initial recognition exemption is not available for transactions which involve the recognition of both an asset and liability which in turn leads to equal and opposite temporary differences. Therefore, deferred taxes are calculated and booked for both temporary differences, at initial recognition and subsequent.

No material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

3. INCOME

	2023 LKR	2022 LKR
Interest Income (4.1)	**1,805,299,948**	1,242,067,922
Fee and Commission Income (5)	**13,067,675**	12,097,982
Other Operating Income (6)	**105,911,732**	67,370,908
Total Income	**1,924,279,355**	1,321,536,812

4. NET INTEREST INCOME

4.1 Interest Income

	2023 LKR	2022 LKR
From Placements with Banks and Other Financial Institutions	**55,087,026**	11,404,986
From Government Securities	**60,364,968**	20,171,944
From Lease Rental Receivable & Stock Out on Hire	**641,168,494**	644,897,703
From Loans and Advances	**239,486,405**	220,135,915
From Gold Advances	**807,982,594**	344,470,014
From Refundable Deposits	**1,210,461**	987,360
Total Interest Income	**1,805,299,948**	1,242,067,922

4.2 Interest Expense

	2023 LKR	2022 LKR
Due to Banks	**434,895,016**	183,688,204
Due to Customers	**452,995,806**	126,140,678
On Intercompany Borrowings	**–**	–
On Obligation to Make the Lease Payment for Right of Use Assets	**33,835,137**	18,518,570
Total Interest Expenses	**921,725,959**	328,347,452
Net Interest Income	**883,573,989**	913,720,470

5. FEE AND COMMISSION INCOME

	2023 LKR	2022 LKR
Commission Income	**13,067,675**	12,097,982
Fee and Commission Income	**13,067,675**	12,097,982

6. OTHER OPERATING INCOME

	2023 LKR	2022 LKR
Dividend Income	**240,000**	240,000
Net Income from Real Estate Operations	**–**	6,491,505
Service Charges Gold Loan	**88,672,799**	42,484,947
Other Operating Income	**16,998,933**	18,154,456
Total Other Operating Income	**105,911,732**	67,370,908

7. IMPAIRMENT CHARGES FOR LOANS AND OTHER LOSSES

	2023 LKR	2022 LKR
Charge/(write-back) to the statement of comprehensive income		
– Impairment on individually significant loans	**1,568,253**	(18,305,295)
– Impairment on collective loan portfolio	**20,749,444**	106,857,765
– Write-offs net of recoveries	**48,665,419**	(216,000)
Total Impairment Charge	**70,983,116**	88,336,470

Lease Rentals Receivable and Stock out on Hire (Note 17.2.a)	2023 LKR	2022 LKR
Stage 1	**(20,244,828)**	24,236,878
Stage 2	**5,722,590**	17,631,143
Stage 3	**20,852,917**	12,506,829
	6,330,679	54,374,850

Loans and Advances (Note 18.2.a)		
Stage 1	**(18,581,605)**	16,691,200
Stage 2	**1,983,542**	5,147,957
Stage 3	**20,612,805**	10,099,872
	4,014,741	31,939,029

8. PERSONNEL EXPENSES

	2023 LKR	2022 LKR
Salaries	**278,909,249**	179,467,956
Employers' Contribution to Employee's Provident Fund	**27,527,802**	19,998,779
Employers' Contribution to Employee's Trust Fund	**6,881,950**	4,999,695
Gratuity Charge for the year	**9,450,813**	5,434,262
Other Staff Related Expenses	**27,204,768**	63,016,238
Total Personnel expenses	**349,974,582**	272,916,930

9. OTHER OPERATING EXPENSES

	2023 LKR	2022 LKR
Directors' Emoluments	**5,600,000**	6,100,000
Auditors' Remuneration	**965,613**	1,593,648
Professional and Legal Expenses	**8,989,716**	8,337,708
Office Administration and Establishment Expenses	**126,056,473**	52,818,638
Advertising and Promotional Expenses	**35,933,596**	66,287,857
License and Renewal Fees	**4,051,298**	2,364,774
Other Expenses	**54,699,552**	16,104,191
Total Other Operating expenses	**236,296,248**	153,606,816

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

10. VALUE ADDED TAX AND NBT ON FINANCIAL SERVICES

	2023 LKR	2022 LKR
VAT on Financial Services	**88,673,219**	90,504,774
Social Security Contribution Levy (SSCL)	**6,227,766**	–
	94,900,985	90,504,774

11. INCOME TAX EXPENSES

11.1 The major component of income tax for the period ended 31 March 2022 as follows;

Income Statement	2023 LKR	2022 LKR
Current Income Tax		
Income Tax for the Period	**71,056,252**	121,130,279
Due to rate reduction	**–**	(20,626,459)
Tax Adjustment with Final Payment	**(258,011)**	
Deferred Tax (Note 29)		
Due to change in temporary differences	**2,255,098**	(30,187,092)
Due to rate change	**(6,858,952)**	750,388
Income Tax Expenses reported in the Income Statement	**66,194,388**	71,067,116
Statement of Other Comprehensive Income		
Deffered Tax related to items recognized in OCI during the year		
Net Gain/(Loss) on Actuarial Gains/Losses during the year	**639,287**	500,122
Income Tax Expenses reported in the Other Comprehensive Income	**639,287**	500,122
Total Income Tax Expense for the year	**66,833,675**	71,567,237
Income Tax Rate Applicable		
For the First Six Months	**24%**	24%
For the Balance Six Months	**30%**	24%

11.2 Reconciliation of Accounting Profit and Taxable Income

A reconciliation between the tax expense and the accounting profit multiplied by Income tax rate for the year ended 31 March 2023 as follows.

Accounting Profit / (Loss) Before Income Taxation	**153,092,202**	310,288,911
Aggregate allowable expenditure	**(169,784,887)**	(174,768,110)
Tax loss utilised	**–**	–
Aggregate disallowable expenditure	**279,979,545**	369,188,695
	263,286,860	504,709,497
Tax at statutory rates	**71,056,252**	121,130,279
Less : Due to rate reduction	**–**	(20,626,459)
Less : Tax Adjustment with Final Payment	**(258,011)**	**–**
	70,798,241	**100,503,820**
Deferred taxation charged/(Reversal)	**2,255,098**	(30,187,092)
Less : Due to rate change	**(6,858,952)**	750,388
	66,194,388	71,067,116
Effective Tax Rate	**43.24%**	22.90%

Amendments to the Income Tax Rate announced by the Government

Income tax rate applicable on the Company's operations is 30% from 01 October 2022 and 24% up to 30 September 2022 (2021: 24%).

12. BASIC AND DILUTED EARNING PER ORDINARY SHARES

12.1 Basic and diluted earning per share is calculated by dividing net profit for the period attributable to ordinary share holders by weighted average number of ordinary shares outstanding during the period, as per LKAS-33-Earning Per Share.

12.2 The following reflect the income and share details used in Basic and Diluted Earning Per Share computation;

	2023 LKR	2022 LKR
Amount Used as Numerators		
Profit attributable to Ordinary Share Holders	**86,897,814**	239,221,795
Number of Ordinary shares used as Denominator		
Weighted Average Number of Ordinary Shares	**145,639,098**	145,639,098
Basic and Diluted Earning Per Ordinary Shares	**0.60**	1.64

13. CASH AND BANK BALANCES

	2023 LKR	2022 LKR
Cash in Hand	**127,864,098**	43,786,257
Bank Balances	**37,719,598**	91,861,801
	165,583,696	135,648,058

14. INVESTMENT IN GOVERNMENT SECURITIES

	2023 LKR	2022 LKR
Investment in Treasury Bills with original maturity less than 3 months	**157,808,254**	–
Investment in Treasury Bills with original maturity more than 3 months	**300,329,263**	–
Investment in Reverse Repurchase Agreements (less than 3 months)	**–**	248,709,944
	458,137,517	248,709,944

15. PLACEMENT WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2023 LKR	2022 LKR
Fixed Deposits placed with banks	**445,268,915**	287,743,917
	445,268,915	287,743,917

16. GOLD ADVANCES

	2023 LKR	2022 LKR
Gold Advances	**3,971,326,248**	2,267,524,563
Less : Allowance for Impairment Losses	**(20,637,753)**	(8,665,477)
Net Gold Advances	**3,950,688,495**	2,258,859,086

Collective Impairment	2023 LKR	2022 LKR
As at 1 April	**8,665,477**	4,134,626
Charges/(reversals) for the year	**11,972,276**	4,530,851
As at 31 March	**20,637,753**	8,665,477

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

17. LEASE RENTALS RECEIVABLE AND STOCK OUT ON HIRE

	2023 LKR	2022 LKR
Rental Receivable on Lease	**3,224,676,754**	5,015,220,313
Gross Rentals Receivables	**3,224,676,754**	5,015,220,313
Less: Unearned Income	**(656,352,549)**	(1,243,256,425)
	2,568,324,205	3,771,963,888
Less : Rentals Received in Advance	**(14,828,488)**	(34,747,857)
Net Rentals Receivables before charging Allowance for Impairment Losses	**2,553,495,717**	3,737,216,031
Less : Allowance for Impairment Losses (Note 17.2)	**(179,470,334)**	(173,139,655)
Total Net Rentals Receivable	**2,374,025,383**	3,564,076,376

17.1 Net Rentals Receivable on Lease and Stock Out on Hire ‘LKR

	As at 31st March 2023			As at 31st March 2022		
	Gross Rentals Receivables	Allowance for Impairment Losses	Net Rentals Receivables	Gross Rentals Receivables	Allowance for Impairment Losses	Net Rentals Receivables
Stage - 1	1,120,683,413	29,933,069	1,090,750,344	2,363,139,989	49,803,710	2,313,336,278
Stage - 2	833,587,566	43,176,219	790,411,347	841,524,574	37,453,629	804,070,945
Stage - 3	599,224,738	106,361,046	492,863,691	532,551,469	85,882,316	446,669,153
	2,553,495,717	179,470,334	2,374,025,382	3,737,216,031	173,139,655	3,564,076,376

17.2 Allowance for Impairment Losses ‘LKR.

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1	Stage -2	Stage -3	Stage -3	Total
Balance as at 01 April 2022	50,177,896	37,453,629	74,982,956	10,525,173	173,139,654
Charges/(Reversals) for the year	(20,244,828)	5,722,590	26,330,044	(5,477,127)	6,330,679
Amount written off	–	–	–	–	–
Balance as at 31 March 2023	**29,933,069**	**43,176,219**	**101,312,999**	**5,048,046**	**179,470,334**

(b) Movement in allowance for impairment

	2023 LKR	2022 LKR
As at 01 April	**173,139,654**	118,214,132
Charges/(reversals) for the year	**6,330,679**	54,925,522
Amounts written off	**–**	–
As at 31 March	**179,470,334**	173,139,654
Individual impairment	**5,048,046**	10,525,173
Collective impairment	**174,422,287**	162,614,481
Total	**179,470,334**	173,139,654

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

(c) Movements in Individual and Collective impairment allowance for Leasing & Hire Purchase Rentals Receivables during the year

Individual Impairment	2023 LKR	2022 LKR
As at 1 April	**10,525,173**	28,022,433
Charges/(reversals) for the year	**(5,477,127)**	(17,497,260)
Amounts written off	**–**	–
As at 31 March	**5,048,046**	10,525,173

Collective Impairment	2023 LKR	2022 LKR
As at 1 April	**162,614,481**	90,191,698
Charges/(reversals) for the year	**11,807,806**	72,422,783
Amounts written off	**–**	–
As at 31 March	**174,422,287**	162,614,481
Total	**179,470,333**	173,139,654

17.3 Credit Exposure and ECL Stage wise movement

An analysis of changes in the gross carrying amount and the corresponding ECL of Lease Rental Receivables is as follows :

Gross exposure reconciliation

As at 31st March 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	2,363,139,989	841,524,574	532,551,469	3,737,216,031
Changes due to loans recognized in the opening balance that have:	–	–	–	–
- Transfers to Stage 1	305,252,733	(227,982,508)	(77,270,225)	–
- Transfers to Stage 2	(650,847,342)	733,912,019	(83,064,676)	–
- Transfers to Stage 3	(280,333,439)	(195,939,914)	476,273,353	–
- Loans that have been derecognized during the period	(213,684,737)	(129,572,711)	(193,726,965)	(536,984,413)
New loans originated during the year	35,329,389	22,163,570	12,596,816	70,089,776
Write-offs	–	–	49,227,956	49,227,956
Remeasurement of net exposure	(438,173,179)	(210,517,464)	(117,362,989)	(766,053,632)
Gross carrying amount balance as at 31 March 2023	**1,120,683,414**	**833,587,566**	**599,224,738**	**2,553,495,717**

As at 31st March 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	1,595,877,180	542,967,305	419,792,301	2,558,636,786
Changes due to loans recognized in the opening balance that have:	–	–	–	
- Transfers to Stage 1	127,640,413	(103,172,596)	(24,467,818)	–
- Transfers to Stage 2	(306,230,491)	336,140,579	(29,910,088)	(0)
- Transfers to Stage 3	(145,091,497)	(123,621,602)	268,713,099	–
- Loans that have been derecognized during the period	(417,373,745)	(194,804,663)	(174,103,767)	(786,282,176)
New loans originated during the year	1,771,072,134	479,838,302	136,039,913	2,386,950,349
Write-offs	–	–	–	–
Remeasurement of net exposure	(262,754,006)	(95,822,751)	(63,512,171)	(422,088,928)
Gross carrying amount balance as at 31 March 2022	**2,363,139,989**	**841,524,574**	**532,551,469**	**3,737,216,031**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Reconciliation of ECL balance

As at 31st March 2023

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2022	49,803,710	37,453,629	85,882,316	173,139,655
Changes due to loans recognized in the opening balance that have:	–	–	–	–
- Transfers to Stage 1	22,607,830	(10,146,789)	(12,461,041)	–
- Transfers to Stage 2	(13,819,851)	27,215,339	(13,395,488)	–
- Transfers to Stage 3	(5,952,496)	(8,720,673)	14,673,169	–
- Loans that have been derecognized during the period	(4,537,302)	(5,766,876)	(31,241,526)	(41,545,705)
New loans originated during the year	943,649	1,147,977	2,235,907	4,327,532
Write-offs	–	–	7,938,784	7,938,784
Net remeasurement of loss allowance	(19,112,471)	1,993,613	52,728,925	35,610,068
ECL allowance balance as at 31 March 2023	**29,933,070**	**43,176,219**	**106,361,045**	**179,470,334**

As at 31st March 2022

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2021	25,904,581	19,784,191	72,525,360	118,214,132
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	7,986,496	(3,759,317)	(4,227,179)	–
- Transfers to Stage 2	(4,970,791)	10,138,204	(5,167,412)	–
- Transfers to Stage 3	(2,355,153)	(4,504,421)	6,859,574	–
- Loans that have been derecognized during the period	(6,774,890)	(7,098,130)	(30,079,014)	(43,952,034)
New loans originated during the year	37,606,288	21,356,103	21,938,580	80,900,971
Write-offs	–	–	–	–
Net remeasurement of loss allowance	(7,592,821)	1,537,000	24,032,408	17,976,586
ECL allowance balance as at 31 March 2022	**49,803,710**	**37,453,629**	**85,882,316**	**173,139,655**

17.4 Sensitivity Analysis of Accumulated Impairment for Lease Rentals Receivable and Stock Out on Hire as at 31st March

Changed Criteria	**Changed Factor**	**2023** **Sensitivity effect on Impairment Allowance Increase**	**2022** **Sensitivity effect on Impairment Allowance Increase**
Loss Given Default (LGD)	Increase by 1%	9,352,206	9,512,162
Probability of Default (PD)	Increase by 1%	4,278,683	6,326,897
Economic Factor Adjustment (EFA)	Increase by 5%	2,209,628	3,086,601

17.5 Rental Receivable on Lease

Changed Criteria	**Within One Year** **LKR**	**1 to 5 Years** **LKR**	**Over 5 Years** **LKR**	**Total** **LKR**
Gross Rentals Receivables	1,434,672,788	1,789,967,016	36,949	3,224,676,753
Less: Unearned Income	341,353,166	314,998,836	547	656,352,549
	1,093,319,622	1,474,968,180	36,402	2,568,324,205
Less : Rentals Received in Advance				(14,828,488)
Net Rentals Receivable before charging Allowance for Impairment Losses				**2,553,495,717**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

18. LOANS AND ADVANCES

	2023 LKR	2022 LKR
Loan Receivable	**1,019,283,159**	1,779,855,414
Less : Unearned Interest Income	**(127,899,429)**	(279,892,183)
Net Receivable	**891,383,730**	1,499,963,231
Less : Loan Received In Advance	**(21,141,887)**	(25,926,181)
Net Loan Receivables before charging Allowance for Impairment Losses	**870,241,843**	1,474,037,050
Less : Allowance for Impairment Losses (Note 18.2)	**(71,428,991)**	(67,414,250)
Total Net Loan Receivable	**798,812,852**	1,406,622,800

18.1 Net Receivable on Loans

	As at 31st March 2023			As at 31st March 2022		
	Gross Loan Receivables	Allowance for Impairment Losses	Net Loan Receivables	Gross Loan Receivables	Allowance for Impairment Losses	Net Loan Receivables
Stage - 1	364,983,716	7,654,812	357,328,904	1,058,746,170	26,610,604	1,032,135,566
Stage - 2	202,548,041	10,006,164	192,541,877	210,345,614	8,022,622	202,322,991
Stage - 3	302,710,086	53,768,015	248,942,071	204,945,266	32,781,024	172,164,242
	870,241,843	**71,428,991**	**798,812,852**	**1,474,037,050**	**67,414,250**	**1,406,622,800**

18.2 Allowance for Impairment Losses ‘LKR.

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1	Stage -2	Stage -3	Stage -3	Total
Balance as at 01 April 2022	26,236,418	8,022,622	31,179,117	1,976,093	67,414,250
Charges/(Reversals) for the year	(18,581,605)	1,983,542	13,567,425	7,045,380	4,014,742
Amount written off	–	–	–	–	–
Balance as at 31 March 2023	**7,654,812**	**10,006,164**	**44,746,543**	**9,021,472**	**71,428,991**

(b) Movement in allowance for impairment

	2023 LKR	2022 LKR
As at 01 April	**67,414,250**	33,787,303
Charges/(reversals) for the year	**4,014,742**	33,626,947
Amounts written off	**–**	–
As at 31 March	**71,428,991**	67,414,250
Individual impairment	**9,021,472**	1,976,093
Collective impairment	**62,407,519**	65,438,157
Total	**71,428,991**	67,414,250

(c) Movements in Individual and Collective impairment allowance for Loans & Advances during the year.

Individual Impairment	2023 LKR	2022 LKR
As at 1 April	**1,976,093**	2,784,127
Charges/(reversals) for the year	**7,045,380**	(808,034)
Amounts written off	**–**	–
As at 31 March	**9,021,473**	1,976,093

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

	2023 LKR	2022 LKR
Collective Impairment		
As at 1 April	**65,438,157**	31,003,176
Charges/(reversals) for the year	**(3,030,638)**	34,434,982
Amounts written off	**–**	–
As at 31 March	**62,407,519**	65,438,157
Total	**71,428,992**	67,414,250

18.3 Credit Exposure and ECL Stage wise movement

An analysis of changes in the gross carrying amount and the corresponding ECLs of Loan Receivables is as follows :

Gross exposure reconciliation

As at 31st March 2023

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2022	1,058,746,170	210,345,614	204,945,266	1,474,037,050
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	69,073,810	(42,431,345)	(26,642,465)	–
- Transfers to Stage 2	(149,180,252)	173,255,751	(24,075,499)	–
- Transfers to Stage 3	(223,213,603)	(51,214,980)	274,428,583	–
- Loans that have been derecognized during the period	(345,967,767)	(67,080,485)	(93,967,075)	(507,015,327)
New loans originated during the year	160,782,531	43,234,528	9,497,349	213,514,408
Write-offs	–	–	18,275,514	18,275,514
Remeasurement of net exposure	(205,257,173)	(63,561,042)	(59,751,587)	(328,569,802)
Gross carrying amount balance as at 31 March 2023	**364,983,716**	**202,548,041**	**302,710,086**	**870,241,843**

As at 31st March 2022

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2021	677,092,059	90,966,944	134,812,997	902,872,000
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	33,034,591	(25,198,501)	(7,836,090)	–
- Transfers to Stage 2	(100,661,057)	108,575,821	(7,914,763)	(0)
- Transfers to Stage 3	(91,052,572)	(12,024,436)	103,077,009	–
- Loans that have been derecognized during the period	(244,417,692)	(40,444,057)	(59,279,287)	(344,141,036)
New loans originated during the year	924,787,075	146,885,359	82,951,605	1,154,624,039
Write-offs	–	–	–	–
Remeasurement of net exposure	(140,036,232)	(58,415,516)	(40,866,205)	(239,317,953)
Gross carrying amount balance as at 31 March 2022	**1,058,746,171**	**210,345,614**	**204,945,266**	**1,474,037,051**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Reconciliation of ECL balance

As at 31st March 2023

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2022	26,610,604	8,022,622	**32,781,024**	67,414,250
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	5,879,806	(1,618,340)	**(4,261,466)**	–
- Transfers to Stage 2	(3,729,225)	7,580,105	**(3,850,879)**	–
- Transfers to Stage 3	(5,579,920)	(1,953,349)	**7,533,269**	–
- Loans that have been derecognized during the period	(8,418,161)	(2,558,463)	**(15,030,047)**	(26,006,670)
New loans originated during the year	851,985	2,135,848	**1,686,940**	4,674,772
Write-offs	–	–	**2,923,171**	2,923,171
Net remeasurement of loss allowance	(7,960,276)	(1,602,259)	**31,986,004**	22,423,469
ECL allowance balance as at 31 March 2023	7,654,812	10,006,164	**53,768,015**	71,428,991

As at 31st March 2022

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2021	9,398,230	2,851,289	**21,537,784**	33,787,303
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	2,041,725	(789,828)	**(1,251,897)**	–
- Transfers to Stage 2	(1,415,116)	2,679,582	**(1,264,466)**	–
- Transfers to Stage 3	(1,280,037)	(376,897)	**1,656,934**	–
- Loans that have been derecognized during the period	(3,315,597)	(1,267,688)	**(9,470,485)**	(14,053,770)
New loans originated during the year	22,887,554	5,602,236	**13,268,121**	41,757,910
Write-offs	–	–	**–**	–
Net remeasurement of loss allowance	(1,706,155)	(676,072)	**8,305,033**	5,922,807
ECL allowance balance as at 31 March 2022	26,610,603.75	8,022,622.19	**32,781,023.75**	67,414,250

18.4 Sensitivity Analysis of Accumulated Impairment for Loan Receivable as at 31st March

Changed Criteria	**Changed Factor**	**2023** **Sensitivity effect on Impairment Allowance Increase**	2022 Sensitivity effect on Impairment Allowance Increase
Loss Given Default (LGD)	Increase by 1%	**2,642,881**	3,566,501
Probability of Default (PD)	Increase by 1%	**843,450**	2,355,847
Economic Factor Adjustment (EFA)	Increase by 5%	**532,662**	1,126,246

18.5 Receivable on Loan Stock

	Within One Year	**1 to 5 Years**	**Over 5 Years**	**Total**
	LKR	**LKR**	**LKR**	**LKR**
Gross Receivables	755,524,603	262,350,927	1,407,628	1,019,283,159
Less: Unearned Income	80,421,803	47,364,235	113,391	127,899,429
	675,102,801	214,986,693	1,294,237	1,147,182,588
Less : Rentals Received in Advance				(21,141,887)
Net Receivable before charging Allowance for Impairment Losses				**1,126,040,701**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

19. OTHER FINANCIAL ASSETS

	2023 LKR	2022 LKR
Refundable Deposit	**15,181,797**	12,782,277
Sundry Debtors	**7,120,075**	2,109,837
Other Receivable	**2,039,019**	1,481,319
	24,340,891	16,373,433

20. OTHER NON FINANCIAL ASSETS

	2023 LKR	2022 LKR
Advances and Prepayment	**58,781,143**	177,169,452
	58,781,143	177,169,452

21. FINANCIAL INVESTMENT- MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023		2022	
	LKR	No. of Shares	LKR	No. of Shares
Equities-Unquoted				
Credit Information Bureau of Sri Lanka	457,700	100	457,700	100
	457,700	**100**	**457,700**	**100**

All unquoted equities shares are recorded at cost since its fair value cannot be reliably estimated. There is no market for these investments and company intend to hold these for long term.

22. PROPERTY, PLANT & EQUIPMENT

22.1 Gross Carrying Amounts

At Cost	Balance As at 31.03.2022 LKR	Additions LKR	Disposals LKR	Balance As at 31.03.2023 LKR
Freehold Assets				
Furniture & Fittings	128,658,786	76,683,023	–	205,341,810
Office Equipment	72,738,813	46,580,196	–	119,319,009
Computer Equipment	30,708,776	11,808,192	–	42,516,968
Motor Vehicles	43,157,000	6,232,445	–	49,389,445
	275,263,376	**141,303,856**	**–**	**416,567,232**
Assets on Leases				
Right of Use Assets	282,911,211	114,775,283	(38,248,546)	359,437,947
Total Value of Depreciable Assets	**558,174,587**	**256,079,139**	**(38,248,546)**	**776,005,179**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

22.2 Depreciation

At Cost	Balance As at 31.03.2022 LKR	Charge for the year LKR	Disposals LKR	Balance As at 31.03.2023 LKR
Freehold Assets				
Furniture & Fittings	61,101,420	27,355,752	–	88,457,171
Office Equipment	35,136,175	15,904,378	–	51,040,552
Computer Equipment	18,157,921	4,945,454	–	23,103,375
Motor Vehicles	16,216,294	1,647,170	–	17,863,464
	130,611,810	**49,852,754**	–	**180,464,564**
Assets On Leases				
Motor Vehicles	–	–	–	–
Right of Use Assets	81,063,287	44,119,869	–	125,183,156
Total Depreciation	**211,675,097**	**93,972,623**	–	**305,647,720**

22.3 Net Book Values

At Cost	2023 LKR	2022 LKR
Furniture & Fittings	**116,884,638**	67,557,366
Office Equipment	**68,278,456**	37,602,638
Computer Equipment	**19,413,594**	12,550,855
Motor Vehicles	**31,525,981**	26,940,706
	236,102,668	144,651,565
Assets on Leases		
Motor Vehicles	–	–
Right of Use Assets	**234,254,791**	201,847,924
Total Carrying Amount of Property, Plant & Equipment	**470,357,459**	346,499,489

22.4 Fully Depreciated Property, Plant and Equipment

The initial cost of fully-depreciated property, plant and equipment as at 31 March 2023, which are still in use as at the reporting date is as follows;

	2023 LKR	2022 LKR
Furniture & Fittings	**35,607,005**	10,864,526
Office Equipment	**19,829,301**	10,203,353
Computer Equipment	**12,885,109**	9,782,645
Motor Vehicles	**3,257,000**	3,257,000
Computer Equipment	**39,350,000**	
	110,928,414	34,107,524

23. INTANGIBLE ASSETS

	2023 LKR	2022 LKR
Computer System Software		
Cost:		
Opening Balance	**66,490,036**	53,959,768
Addition	**2,184,070**	12,530,268
Disposal	–	–
Closing Balance	**68,674,106**	66,490,036
Less: Amortization		
Opening Balance	**47,293,330**	41,001,227
Amortization Charge for the Period	**3,333,640**	6,292,103
Closing Balance	**50,626,970**	47,293,330
Net Book Value as at 31 March	**18,047,136**	19,196,706

24. INTEREST BEARING BORROWINGS

	2023 LKR	2022 LKR
Bank Over Draft	**71,476,867**	318,622,301
Bank Borrowings	**1,437,647,334**	1,639,108,936
Securitization Borrowings	**480,833,580**	914,654,787
	1,989,957,781	2,872,386,024

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

24. INTEREST BEARING BORROWINGS (contd.)

24.1 Bank Borrowings

	2023 LKR	2022 LKR
Gross liability	**1,423,450,494**	1,759,134,644
Less: Finance Charge Allocated to Future Period	**(164,303,160)**	(120,025,708)
Net Liability	**1,259,147,334**	1,639,108,936
Repayable Within one year		
Gross Liability	**1,187,267,248**	1,322,408,092
Less: Finance Charge Allocated to Future Period	**(124,937,579)**	(76,259,161)
Net Liability	**1,062,329,669**	1,246,148,931
Repayable After one year (1 to 5 Year)		
Gross Liability	**236,183,245**	436,726,552
Less: Finance Charge Allocated to Future Period	**(39,365,580)**	(43,766,547)
Net Liability	**196,817,665**	392,960,005
Total Net Liability	**1,259,147,334**	1,639,108,936

24.2 Securitization Borrowings

	2023 LKR	2022 LKR
Gross liability	**778,883,800**	1,048,984,158
Less: Finance Charge Allocated to Future Period	**(119,550,220)**	(134,329,371)
Net Liability	**659,333,580**	914,654,787
Repayable Within one year		
Gross Liability	**649,640,587**	560,764,932
Less: Finance Charge Allocated to Future Period	**(90,307,007)**	(60,061,697)
Net Liability	**559,333,580**	500,703,235
Repayable After one year (1 to 5 Year)		
Gross Liability	**129,243,213**	488,219,225
Less: Finance Charge Allocated to Future Period	**(29,243,213)**	(74,267,673)
Net Liability	**100,000,000**	413,951,552
Total Net Liability	**659,333,580**	914,654,787

24.2.1 Institution Wise Loan Facilities

	As at 31.03.2023 LKR.	As at 01.04.2022 LKR.	Security
Short Term			
HSBC	**762,945,205**	–	Mortgage over Lease and Loan Receivables
Hatton National Bank PLC	**75,423,781**	454,478,596	Mortgage over Gold Loan Receivables
Seylan Bank PLC	**–**	200,405,479	Mortgage over Lease Receivables
Commercial Bank of Ceylon PLC	**–**	200,356,164	Lien over Corporate Fixed Deposits
	838,368,986	855,240,239	
Long Term			
Bank of Ceylon	**260,204,847**	538,725,463	Mortgage over Lease Receivables
Hatton National Bank PLC	**160,573,500**	244,110,073	Mortgage over Loan Receivables
Seylan Bank PLC	**-**	1,033,162	Mortgage over Lease Receivables
M Power Capital Limited	**198,205,286**	238,381,587	Mortgage over Gold Loan receivables
National Development Bank PLC	**89,430,409**	163,408,323	Mortgage over Lease Receivables
Agora Securities (Private) Limited	**371,697,886**	512,864,876	Mortgage over Lease Receivables
	1,080,111,928	1,698,523,484	
	1,918,480,914	2,553,763,723	

25. DUE TO CUSTOMERS

	2023 LKR	2022 LKR
Fixed Deposit	**3,487,076,917**	2,195,018,842
	3,487,076,917	2,195,018,842

26. OTHER FINANCIAL LIABILITIES

	2023 LKR	2022 LKR
Trade Payable	**2,924,680**	189,659,666
Accrued Expense	**45,622,351**	54,488,607
Obligation to Make the Lease Payment (Note 26.1)	**251,265,783**	205,263,559
Sundry Creditors	**79,467,937**	100,895,441
	379,280,751	550,307,273

26.1 Obligation to Make the Lease Payment

	2023 LKR	2022 LKR
As at 1 April	**205,263,558**	84,559,422
Additions and improvements during the year	**109,009,988**	150,227,218
Disposals during the year	**(36,795,307)**	(1,191,771)
Accretion of interest during the year	**33,835,137**	18,518,570
Payments to lease creditors	**(60,047,593)**	(46,849,881)
As at 31 March	**251,265,783**	205,263,558

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

27. OTHER NON FINANCIAL LIABILITIES

	2023 LKR	2022 LKR
WHT Payable	**3,140,234**	–
Stamp Duty Payable	**561,350**	9,559,575
VAT Payable	**276,844**	–
Dividend Payable	**961,829**	961,829
Other Liabilities	**32,453,647**	34,445,533
	37,393,904	44,966,937

28. RETIREMENT BENEFIT LIABILITY

28.1 Defined Benefit Liability

	2023 LKR	2022 LKR
Defined Benefit Liability	**30,896,045**	26,338,562
	30,896,045	26,338,562

28.2 Changes in the Defined benefit obligation are as follows

Opening Liability	**26,338,562**	23,049,390
Net Benefit expense	**7,319,858**	3,350,422
Benefit paid	**(2,762,375)**	(61,250)
Closing Liability	**30,896,045**	26,338,562

28.3 Net Benefit expense

Interest Cost	**3,979,756**	1,659,556
Current Service Cost	**5,471,057**	5,191,889
Gain on Plan Ammendment	**–**	(1,417,183)
Actuarial Gain on obligations	**(2,130,956)**	(2,083,840)
	7,319,857	3,350,422

28.4 The principal financial assumptions used are as follows

Messrs. Piyal S Goonetilleke Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2022. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2023	2022
Discount Rate*	**19.60%**	15.11%
Future Salary Increment Rate	**15.00%**	12.00%
Retirement age	**60 Years**	60 Years
The weighted average duration of the defined benefit obligation	**6 Years**	7 Years
Mortality - GA 1983 Mortality Table issued by the Institute of Actuaries London		

The Retirement Age was amended from 55 Years to 60 Years due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

* Discount rate used for the actuarial valuation changed during the year due to changes in market interest rates. Future salary increment rate too was revised to fall in line with the increase in market interest rates.

The Company generally uses the 10-year treasury bond rate as discount rate. The treasury bond rates increased significantly during the year and was around 30% during the later part of 2022. The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued guidance (via FAQs on use of discount rate under uncertain economic conditions) to consider an adjusted treasury bond rate as the discount rate for the purpose of acturial valuations, on the basis that the current treasury bond rates do not reflect only the time value of money. Accordingly, an adjusted discount rate was derived by removing a credit spread from the current treasury bond rate, as per the guidance issued by CA Sri Lanka.

28.5 Sensitivity Analysis

`+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2023.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-23	**31-Mar-23**	**31-Mar-23**
Discount Rate	**18.60%**	**19.60%**	**20.60%**
Basic Salary Scale	**15.0%**	**15.0%**	**15.0%**
Census at	**31-Mar-23**	**31-Mar-23**	**31-Mar-23**
Total PVDBO	**32,363,756**	**30,896,045**	**29,625,022**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-23	**31-Mar-23**	**31-Mar-23**
Discount Rate	**19.60%**	**19.60%**	**19.60%**
Basic Salary Scale	**14.0%**	**15.0%**	**16.0%**
Census at	**31-Mar-23**	**31-Mar-23**	**31-Mar-23**
Total PVDBO	**29,580,915**	**30,896,045**	**32,394,685**

Sensitivity Analysis

`+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2022.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-22	31-Mar-22	31-Mar-22
Discount Rate	14.11%	15.11%	16.11%
Basic Salary Scale	12.0%	12.0%	12.0%
Census at	31-Mar-22	31-Mar-22	31-Mar-22
Total PVDBO	**27,897,819**	**26,338,562**	**24,991,754**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-22	31-Mar-22	31-Mar-22
Discount Rate	15.11%	15.11%	15.11%
Basic Salary Scale	11.0%	12.0%	13.0%
Census at	31-Mar-22	31-Mar-22	31-Mar-22
Total PVDBO	**24,966,371**	**26,338,562**	**27,904,205**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

29. DEFERRED TAX LIABILITY

Accelerated Depreciation for Tax Purposes

	Property, Plant and Equipment	Intangible Assets	Right of Use Assets	Lease Rentals	Impairment of Loans and Receivables	Defined Benefit Plan Obligation	Others	Total
Balance as at 1st April 2022	11,183,186	1,791,923	(12,217,434)	5,015,292	(23,885,966)	(6,321,255)	750,388	(23,683,867)
Profit or loss (Note no. 11.1)								
Due to rate change	2,795,796	447,981	(3,054,359)	1,253,823	(5,971,491)	(1,580,314)	(750,388)	(6,858,952)
Due to change in temporary differences	4,096,261	(422,727)	10,168,495	(6,015,453)	(3,564,947)	(2,006,531)		2,255,098
Other comprehensive income								
Due to rate change	**–**	**–**	**–**	**–**	**–**	**(8,780)**	**–**	**(8,779)**
Due to change in temporary differences	**–**	**–**	**–**	**–**	**–**	**648,066**	**–**	**648,066**
Balance as at 31st March 2023	**18,075,244**	**1,817,178**	**(5,103,297)**	**253,661**	**(33,422,405)**	**(9,268,814)**	**–**	**(27,648,433)**

30. STATED CAPITAL

Issued and Fully Paid-Ordinary Shares	No. of Shares	Rs.
Balance as of 1 April 2021	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2022	**145,639,098**	1,908,247,125
Balance as of 1 April 2022	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2023	**145,639,098**	1,908,247,125

31. RESERVES

	2023 LKR	2022 LKR
Statutory Reserve Fund		
Opening Balance as at 1 April	**43,758,990**	**31,718,715**
Addition during the year	**4,419,474**	**12,040,276**
Closing Balance as at 31 March	**48,178,464**	43,758,990

The company's reserve fund is maintained in accordance with Direction No. 1 of 2003 issued by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

32. CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

Components of cash and cash Equivalents	2023 LKR	2022 LKR
Favorable Cash & Cash Equivalents Balance		
Cash and Bank Balance (Note 13)	**165,583,696**	135,648,058
Investment in government securities (Note 14)	**157,808,254**	248,709,944
	323,391,950	384,358,002
Un-Favorable Cash & Cash Equivalents Balance		
Bank Over Draft (Note 24)	**71,476,867**	318,622,301
	71,476,867	318,622,301
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**251,915,083**	65,735,701

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

33. ANALYSIS OF FINANCIAL ASSETS & LIABILITIES BY MEASURMENT BASIS

As at 31 March 2023	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	**–**	**–**	**165,583,696**	**165,583,696**
Investment in government Securities	**–**	**–**	**458,137,517**	**458,137,517**
Placements with Other Banks & Financial Institutions	**–**	**–**	**445,268,915**	**445,268,915**
Lease Rentals Receivable and Stock out on Hire	**–**	**–**	**2,374,025,383**	**2,374,025,383**
Loans and Advances	**–**	**–**	**798,812,852**	**798,812,852**
Gold Advances	**–**	**–**	**3,950,688,495**	**3,950,688,495**
Financial Investments-measured at Fair Value through OCI	**–**	**457,700**	**–**	**457,700**
Other Financial Assets	**–**	**–**	**24,340,891**	**24,340,891**
Total Financial Assets	**–**	**457,700**	**8,216,857,749**	**8,217,315,449**
Financial Liabilities				
Interest Bearing Borrowings	**–**	**–**	**1,989,957,781**	**1,989,957,781**
Due to the Customers	**–**	**–**	**3,487,076,917**	**3,487,076,917**
Other Financial Liabilities	**–**	**–**	**379,280,751**	**379,280,751**
Total Financial Liabilities	**–**	**–**	**5,856,315,450**	**5,856,315,450**

As at 31 March 2022	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	–	–	135,648,058	135,648,058
Investment in government Securities	–	–	248,709,944	248,709,944
Placements with Other Banks & Financial Institutions	–	–	287,743,917	287,743,917
Lease Rentals Receivable and Stock out on Hire	–	–	3,564,076,376	3,564,076,376
Loans and Advances	–	–	1,406,622,800	1,406,622,800
Gold Advances	–	–	2,258,859,086	2,258,859,086
Financial Investments-measured at Fair Value through OCI	–	457,700	–	457,700
Other Financial Assets	–	–	16,373,433	16,373,433
Total Financial Assets	–	457,700	7,918,033,615	7,918,491,315
Financial Liabilities				
Interest Bearing Borrowings	–	–	2,872,386,024	2,872,386,024
Due to the Customers	–	–	2,195,018,842	2,195,018,842
Other Financial Liabilities	–	–	550,307,273	550,307,273
Total Financial Liabilities	–	–	5,617,712,139	5,617,712,139

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

34.1 Determination of Fair Value and Fair Value Hierarchy

The company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : Quoted prices in active markets for identical assets and liabilities.

Level 2 : Other technique for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Investments - Measured at Fair Value through other comprehensive income

Equity instruments at fair value through OCI/Available for sale financial assets primarily consist of unquoted equity securities. Unquoted equity securities are carried at cost since it is the most reasonable value available to represent the price of such securities.

34.2 Fair Value of the Financial Instrument Carried at Amortized Cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial Statements. This table does not include the fair values of non financial assets and liabilities.

As at 31 March 2023	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable and Stock out on Hire	**Level 02**	**2,374,025,383**	**2,095,629,218**
Loans and Advances	**Level 02**	**798,812,852**	**763,441,751**
Financial Liabilities			
Interest Bearing Borrowings	**Level 02**	**1,918,480,914**	**1,959,936,050**

34.2 Fair Value of the Financial Instrument Carried at Amortized Cost

As at 31 March 2022	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable and Stock out on Hire	Level 02	3,564,076,376	3,673,798,526
Loans and Advances	Level 02	1,406,622,800	1,458,244,117
Financial Liabilities			
Interest Bearing Borrowings	Level 02	2,553,763,722	2,364,364,916

For the following list of Financial Instrument whose carrying amount is a reasonable approximation of fair value because, for example, they are short-term in nature or reprice to current market rates frequently.

Assets

Cash and Bank Balances

Investment in government Securities

Placements with Banks and Other Financial Institutions

Gold Advances

Other Financial Assets

Financial Liabilities

Bank Overdraft

Due to the Customers

Other Financial Liabilities

35. CURRENT AND NON CURRENT ANALYSIS OF ASSETS & LIABILITIES

Table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

As at 31 March 2023	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	165,583,696	–	165,583,696
Investment in Government Securities	458,137,517	–	458,137,517
Placements with Banks and Other Financial Institutions	445,268,915	–	445,268,915
Gold Advances	3,950,688,495	–	3,950,688,495
Lease Rentals Receivable and Stock out on Hire Purchase and Loans and Advances	1,481,552,723	1,691,285,512	3,172,838,234
Other Financial Assets	15,612,072	8,728,819	24,340,892
Other Non Financial Assets	44,748,960	14,032,183	58,781,143
Financial Investments- Measured at Fair Value through OCI	–	457,700	457,700
Property, Plant and Equipment	–	470,357,459	470,357,459
Intangible Assets	–	18,047,136	18,047,136
Deferred Tax Assets	–	27,648,433	27,648,433
Total Assets	**6,561,592,378**	**2,230,557,243**	**8,792,149,620**

	Within 12-Months LKR	After 12-Months LKR	Total LKR
LIABILITIES			
Interest Bearing Borrowings	1,693,140,116	296,817,665	1,989,957,781
Due to the Customers	3,257,263,796	229,813,120	3,487,076,917
Other Financial Liabilities	147,745,201	231,535,550	379,280,751
Other Non Financial Liabilities	37,393,905	–	37,393,905
Current Tax Liabilities	32,921,837	–	32,921,837
Retirement Benefit Liability	–	30,896,045	30,896,045
Total Liabilities	**5,168,464,855**	**789,062,380**	**5,957,527,235**
Net Assets	**1,393,127,522**	**1,441,494,863**	**2,834,622,385**

As at 31 March 2022	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	135,648,058	–	135,648,058
Investment in Government Securities	248,709,944	–	248,709,944

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

As at 31 March 2022	Within 12-Months LKR	After 12-Months LKR	Total LKR
Placements with Banks and Other Financial Institutions	287,743,917	–	287,743,917
Gold Advances	2,258,859,086	–	2,258,859,086
Lease Rentals Receivable and Stock out on Hire Purchase and Loans and Advances	1,835,899,362	3,134,799,815	4,970,699,177
Other Financial Assets	7,600,516	8,772,917	16,373,434
Other Non Financial Assets	100,797,616	76,371,835	177,169,451
Financial Investments-Measured at Fair Value through OCI	–	457,700	457,700
Inventories	328,056	–	328,056
Property, Plant and Equipment	–	346,499,489	346,499,489
Intangible Assets	–	19,196,706	19,196,706
Deferred Tax Assets	–	23,683,867	23,683,867
Total Assets	**4,875,586,555**	**3,609,782,329**	**8,485,368,884**
LIABILITIES			
Interest Bearing Borrowings	1,129,251,916	577,106,187	1,706,358,103
Due to the Customers	463,800,283	465,839,175	929,639,458
Other Financial Liabilities	172,982,759	63,460,859	236,443,618
Other Non Financial Liabilities	26,294,479	–	26,294,479
Current Tax Liabilities	87,363,461	–	87,363,461
Retirement Benefit Liability	–	23,049,390	23,049,390
Deferred Tax Liabilities	–	5,252,716	5,252,716
Total Liabilities	**1,879,692,898**	**1,134,708,327**	**3,014,401,224**
Net Assets	**2,995,893,658**	**2,475,074,002**	**5,470,967,659**

36. COMMITMENT AND CONTINGENCIES

There were no significant capital commitment and contingencies as of the reporting date.

36.1 Litigation Against Company

The company does not have contingent liabilities in respect of legal claims arising in the ordinary course of business.

36.2 Assets Pledged

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged 2023 LKR.	2022 LKR.	Included Under
Lease Rentals Receivable and Stock out on Hire *	Bank Loans and Overdrafts	2,289,046,071	2,344,953,053	Lease Rentals Receivable
Loan Receivable*	Bank Loans and Overdrafts	423,411,966	413,898,346	Loan Receivable
Gold Advances*	Bank Loans and Overdrafts	2,462,704,804	–	Loan Receivable
		5,175,162,841	**2,758,851,399**	

*The receivables and cash flows that have been included in securitization transactions are only available for payment of the debt and other obligations issued or arising in the securitization transactions. However, the Company hold the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in each of the securitization transactions.

37. EVENT OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustment or disclosure in financial statement.

38. RELATED PARTY TRANSACTIONS

The company carries out transactions in the ordinary course of business with the parties who are defined as "Related Parties" in LKAS-24-Related Party Disclosures.

Terms and Conditions

All such transactions entered into with the related parties are on an arms' length basis and are comparable with what is applied to the transactions with unrelated customers with similar credit standing.

Details of related party transactions which the company had during the year are as follows:

38.1 Transactions with Key Managerial Personnel (KMPs)

The company has identified and disclosed personnel those having authority and responsibility for planning, directing and controlling the activities of the company as "Key Management Personnel" in accordance with LKAS 24-"Related Party Disclosures'. Accordingly, Board of Directors, Chief Executive Officer, Members of Corporate Management team have been identified as "Key Management Personnel'.

Other related parties include CFMs of the KMPs who are family members who may be expected to influence or be influenced by that KMP in their dealings with the entity. They may include KMP's Spouse, children, domestic partner and dependents of KMP, KMP's spause/domestic partner.

38.1.1 Compensation to KMP

	2023 LKR	2022 LKR
Short Term Employment Benefits	**36,992,968**	31,325,000
Post Employment Benefits	**–**	–
	36,992,968	31,325,000

In addition to the above, the Company has also paid non cash benefits such as vehicles and fuel to key management personnel in line with the approved employment benefits of the Company.

38.1.2 Transaction with KMP and their Close Family Members

Aggregate value of transactions with KMP and their CFM are disclosed below. These transactions are carried out at Arm's length prices.

	2023 LKR	2022 LKR
Fixed Deposits accepted during the year	**–**	–
Fixed Deposits held at the end of the year	**–**	–
Interest paid during the year	**–**	–

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

38.2 Transaction, arrangements and agreements involving with Entities which are controlled, and/or jointly controlled by the KMP's and their CFMs or shareholders

	Nature of Relationship	Amount of the Transactions had During the year LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2023 LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2022 LKR
Ideal Motors (Pvt) Ltd.	Affiliate Company			
Finance Lease Equipment Purchase		3,695,000	**–**	(14,766,500)
Other Purchases & Services		27,999,086	**–**	**–**
Vehicle Repair Services		261,461	**–**	**–**
Ideal Automobile (Pvt) Ltd	Affiliate Company			
Finance Lease Equipment Purchase		–	**–**	–
Fixed Deposits		(75,038,657)	**(186,263,657)**	(111,225,000)
Interest Expenses - Fixed Deposits		41,818,954	**(1,617,603)**	(337,736)
Other Purchases & Services		450,974	–	–
Ideal First Choice (Pvt) Ltd	Affiliate Company			
Vehicle Repair Services		448,184	**–**	–
Prompt Express Private Limited	Affiliate Company			
Gross Advances		32,772,150	**54,423,171**	20,687,955
Courier Service Charges		2,530,715	**(632,268)**	–
Ideal Drive Private Limited	Affiliate Company			
Vehicle Hire Expense		5,366,188	**–**	(427,081)
Arcasia Investment and Trading Pvt Ltd	Affiliate Company			
Interest Expenses - Fixed Deposits		3,176,381	**–**	**–**
E M G Logistics Pvt Ltd	Parent Company			
Fixed Deposits		(48,567,399)	**(48,567,399)**	–
Interest Expenses - Fixed Deposits		2,802,866	**493,685**	–
Ideal Premier (Pvt) Ltd	Affiliate Company			
Vehicle Repair Services		4,102,390	**–**	–
Mahindra & Mahindra	Ultimate Parent Company			
Trade Mark Fee		55,201	**–**	–

39. CAPITAL

The Company maintains capital in order to cover risks inherent in the business and meet the capital adequacy requirements of Central Bank of Sri Lanka . The adequacy of the Company's capital is monitored based on the measures, rules and ratios adopted by Central Bank of Sri Lanka.

39.1 Capital Management

The primary objective of Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximize shareholders' value.

Regulatory Capital

The Company manages its capital considering the regulatory capital requirements. The Central Bank of Sri Lanka(CBSL) sets and monitors capital requirements for licensed finance companies. Accordingly, finance companies in Sri Lanka need to maintain a minimum total capital adequacy ratio of 12.5% and a minimum core capital adequacy ratio (Tier I) of 8.5%.The Company has always maintained the Capital Adequacy Ratio above the minimum regulatory requirements. The company's Tier I and Tier II capital adequacy ratios as at the end of the financial year stood at 44.86% and 46.83% respectively.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

40. RISK MANAGEMENT

40.1 Introduction

Risk is inherent in the company's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated its authority to Integrated Risk Management Committee (IRMC) which is responsible for developing and monitoring Company's risk management policies. The Committee is headed by an Independent Non-Executive Director and is comprised of Executive and Non-Executive Directors and Officers performing Executive functions. Meetings of IRMC are held regularly, and the Board of Directors are duly updated of its activities.

RISK MANAGEMENT AND REPORTING

Monitoring and controlling risks is primarily performed based on policies, limits & thresholds established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept.

40.2 Credit Risk

Credit risk is the risk arise due to the uncertainty in counterparty's ability to meet its obligations. The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.

The company considers a financial instrument defaulted for impairment calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

40.2.1 Credit Quality of Financial Assets :

The following table sets out information about credit quality of leases and loans measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Particulars	31st March 2023	31st March 2022
Gross carrying value of Lease Rentals Receivable and Stock out on Hire		
Neither Past due nor impaired	**665,189,258**	1,604,788,522
Past Due but not impaired		
30 days past due	**455,494,155**	758,351,467
31-90 days past due	**833,587,566**	841,524,574
Impaired (more than 90 days)	**599,224,738**	532,551,469
Total Gross carrying value as at reporting date	**2,553,495,717**	3,737,216,031

Particulars	31st March 2023	31st March 2022
Gross carrying value of Loans and Advances		
Neither Past due nor impaired	**251,983,980**	776,688,746
Past Due but not impaired		
30 days past due	**112,999,736**	282,057,424
31-90 days past due	**202,548,041**	210,345,614
Impaired (more than 90 days)	**302,710,086**	204,945,266
Total Gross carrying value as at reporting date		
Total Gross carrying value as at reporting date	**870,241,843**	1,474,037,050

40.2.2 Analysis of Risk Concentration

40.2.2.1 Industry Analysis

The following table shows the risk concentration by industry for the components of the Statement of Financial Position.

Sector wise Break Down as at 31 March 2023	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivable, Stock out on Hire purchase and Loans and Advances	Financial Investments- Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	233,519,242	–	–	–	233,519,242
Manufacturing	–	–	–	45,794,715	–	–	–	45,794,715
Construction	–	–	–	145,530,881	–	–	–	145,530,881
Financial Services	165,583,696	458,137,517	445,268,915	8,041,880	–	–	–	1,077,032,008
Trading	–	–	–	178,840,812	–	–	–	178,840,812
Hotels	–	–	–	15,596,463	–	–	–	15,596,463
Services	–	–	–	–	457,700	–		457,700
Transport	–	–	–	2,559,614,724	–	–	–	2,559,614,724
Consumer	–	–	–	236,798,844	–	3,971,326,248	24,340,891	4,232,465,983
Total	**165,583,696**	**458,137,517**	**445,268,915**	**3,423,737,560**	**457,700**	**3,971,326,248**	**24,340,891**	**8,488,852,527**

Provincial break down for lease rental receivables and stock out on hire within Sri Lanka as follows.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

Province	Lease Rental Receivable & Stock Out On Hire purchase	Loans & Advances	Gold Advances
Central	98,174,826	23,155,694	294,590,457
North Central	169,735,615	83,082,655	161,463,347
North Western	406,994,974	87,364,576	221,681,067
Northern	202,505,319	17,499,768	931,005,484
Sabaragamuwa	271,024,314	7,300,983	116,274,144
Southern	295,852,812	97,755,262	420,024,749
Uva	522,394,624	19,999,123	814,841,509
Western	586,813,233	534,083,783	1,011,445,491
Total	**2,553,495,717**	**870,241,843**	**3,971,326,248**

Sector wise Break Down as at 31 March 2022	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivable, Stock out on Hire purchase and Loans and Advances	Financial Investments-Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	374,773,366	–	–	–	374,773,366
Manufacturing	–	–	–	83,366,341	–	–	–	83,366,341
Construction	–	–	–	239,845,781	–	–	–	239,845,781
Financial Services	135,648,058	248,709,944	287,743,917	13,504,482	–	–	–	685,606,401
Trading	–	–	–	281,244,993	–	–	–	281,244,993
Hotels	–	–	–	20,427,252	–	–	–	20,427,252
Services	–	–	–	–	457,700	–	–	457,700
Transport	–	–	–	3,825,533,006	–	–	–	3,825,533,006
Consumer	–	–	–	372,557,861	–	2,267,524,563	61,826,573	2,701,908,997
Total	**135,648,058**	**248,709,944**	**287,743,917**	**5,211,253,081**	**457,700**	**2,267,524,563**	**61,826,573**	**8,213,163,836**

Provincial break down for lease rental receivables and stock out on hire within Sri Lanka as follows.

Province	Lease Rental Receivable & Stock Out On Hire	Loans & Advances	Gold Advances
Central	142,023,383	68,402,719	88,215,503
North Central	260,581,169	251,303,105	124,727,871
North Western	657,409,056	164,778,271	113,549,533
Northern	313,434,426	63,238,463	694,922,920
Sabaragamuwa	413,334,476	28,165,384	109,100,507
Southern	429,204,324	178,923,123	208,994,501
Uva	732,720,804	46,067,156	592,641,790
Western	788,508,393	673,158,830	335,371,938
Total	**3,737,216,031**	**1,474,037,050**	**2,267,524,563**

40.3 Liquidity Risk & Funding Management

Liquidity risk refers to the possibility of Company not having sufficient cash to meet its payment obligations. This arises primarily due to mismatches in the maturity profile of Company's assets and liabilities. Adequate liquidity is critical to meet the Company's financial commitment and to accommodate additional funding needs

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

of the growing business volumes.

The Company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles.

Furthermore the Company maintains the statutory liquid assets ratio at its required level as a method to measure and control the liquidity risk.

40.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The table below summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

As at 31st March 2023	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Assets						
Cash and Bank Balances	165,583,696	–	–	–	–	165,583,696
Placements with Banks and Other Financial Institutions	–	24,620,114	468,991,912	–	–	493,612,026
Investment in Government Securities	–	165,000,000	328,000,034	–	–	493,000,034
Gold Advances	–	3,900,684,135	70,172,673	469,440	–	3,971,326,248
Lease Rentals Receivable and Stock out on Hire purchase	220,523,520	314,350,533	916,179,827	1,790,003,965	–	3,241,057,845
Loans and Advances	153,490,720	294,255,388	217,437,621	214,986,693	1,294,237	881,464,658
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	13,921,689	1,690,383	4,162,603	4,566,216	24,340,891
Total Financial Assets	**539,597,936**	**4,712,831,859**	**2,002,472,450**	**2,009,622,701**	**6,318,153**	**9,270,843,098**
Financial Liabilities						
Interest Bearing Borrowings	–	1,294,497,129	536,038,778	365,426,459	–	2,195,962,366
Due to the Customers	–	1,786,360,256	1,783,245,376	340,034,622	–	3,909,640,254
Other Financial Liabilities	–	128,014,969	–	–	–	128,014,969
Obligation to Make the Lease Payment	–	14,040,411	39,410,018	195,662,605	173,790,305	422,903,339
Total Financial Liabilities	**–**	**3,222,912,765**	**2,358,694,172**	**901,123,685**	**173,790,305**	**6,656,520,928**
Total Net Financial Assets/ (Liabilities)	**539,597,936**	**1,489,919,094**	**(356,221,722)**	**1,108,499,016**	**(167,472,153)**	**2,614,322,170**

As at 31st March 2022	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Assets						
Cash and Bank Balances	135,648,058	–	–	–	–	135,648,058
Placements with Banks and Other Financial Institutions	–	115,985,212	174,849,288	–	–	290,834,500
Investment in Government Securities	–	248,995,612	–	–	–	248,995,612
Gold Advances	–	2,249,478,291	18,046,272	–	–	2,267,524,563
Lease Rentals Receivable and Stock out on Hire purchase	173,481,593	407,898,999	1,166,500,915	3,242,599,110	8,140,762	4,998,621,379
Loans and Advances	96,797,447	197,843,806	775,440,861	676,356,455	10,391,646	1,756,830,215
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	7,151,157	449,360	5,516,684.14	3,256,233	16,373,434
Total Financial Assets	**405,927,098**	**3,227,353,077**	**2,135,286,696**	**3,924,472,249**	**22,246,341**	**9,715,285,462**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

As at 31st March 2022	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Liabilities						
Interest Bearing Borrowings	–	1,073,047,987	813,873,863	921,196,951	–	2,808,118,801
Due to the Customers	–	213,303,147	1,851,556,469	202,432,209	–	2,267,291,825
Other Financial Liabilities	–	348,455,540	–	–	–	348,455,540
Obligation to Make the Lease Payment	–	10,902,107	35,473,098	134,613,359	126,684,092	307,672,656
Total Financial Liabilities	**–**	**1,645,708,781**	**2,700,903,430**	**1,258,242,519**	**126,684,092**	**5,731,538,822**
Total Net Financial Assets/ (Liabilities)	**405,927,098**	**1,627,097,435**	**(565,616,734)**	**2,666,229,730**	**(104,437,751)**	**4,029,199,778**

40.4 Interest Rate Risk

Interest rate risk is a key constitute of the market risk exposure of the Company due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

Due to the nature of operations of the Company, the impact of interest rate risk is mainly on the earnings of the Company rather than the market value of portfolios. Several factors give rise to interest rate risk; among these are term structure risk, which arises due to the mismatches in the maturities of assets and liabilities; basis risk which is the threat to income arises due to differences in the bases of interest rates.

Excessive movements in market interest rate could result in severe volatility to Company's net interest income and net interest margin. Company's exposure to interest rate risk is primarily associated with factors such as;

Interest Rate Risk Exposure on Financial Assets & Liabilities

The table below analyses the Company's interest rate risk exposure on financial assets & liabilities. The Company's assets & liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates.

		Interest Bearing				
As at 31st March 2023	Total As at 31-03-2023 LKR	Less Than 3 Months LKR	3 to 12 Month LKR	1 to 5 years LKR	Over 5 Years LKR	Non Interest Bearing LKR
Financial Assets						
Cash and Bank Balances	165,583,696	–	–	–	–	165,583,696
Investment in Government Securities and Placements with Banks	903,406,432	160,572,123	742,834,309	–	–	–
Gold Advances	3,971,326,248	3,900,684,135	70,642,113	–	–	–
Lease Rentals Receivable and Stock out on Hire purchase	2,553,495,717	412,141,696	666,349,439	1,475,004,582	–	–
Loans and Advances	870,241,842	436,523,292	217,437,621	216,280,929	–	–
Financial Investments-Measured at Fair Value through OCI	457,700	–	–	–	–	457,700
Other Financial Assets	24,340,891	4,897,876	–	–	–	19,443,015
Total Financial Assets	**8,488,852,527**	**4,914,819,123**	**1,697,263,482**	**1,691,285,512**	**–**	**185,484,411**
Financial Liabilities						
Interest Bearing Borrowings	1,989,958,106	1,264,844,608	428,295,833	296,817,665	–	–
Due to the Customers	3,487,076,918	1,746,722,802	1,510,540,995	229,813,120	–	–
Other Financial Liabilities	379,280,752	132,054,510	15,690,692	94,799,993	136,735,557	–
Total Financial Liabilities	**5,856,315,776**	**3,143,621,920**	**1,954,527,520**	**621,430,778**	**136,735,557**	**–**
Interest Sensitivity Gap	**2,632,536,751**	**1,771,197,202**	**(257,264,039)**	**1,069,854,733**	**(136,735,557)**	**185,484,411**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

		Interest Bearing				
	Total As at 31-03-2022	**Less Than 3 Months**	**3 to 12 Month**	**1 to 5 years**	**Over 5 Years**	**Non Interest Bearing**
As at 31st March 2022	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Financial Assets						
Cash and Bank Balances	135,648,058	–	–	–	–	135,648,058
Investment in Government Securities and Placements with Banks	536,453,861	364,205,567	172,248,294	–	–	–
Gold Advances	2,267,524,563	2,249,478,291	18,046,272	–	–	–
Lease Rentals Receivable and Stock out on Hire purchase	3,706,916,921	394,929,688	762,660,888	2,541,649,141	7,677,204	–
Loans and Advances	1,454,570,704	212,694,587	656,402,647	576,140,905	9,332,565	–
Financial Investments-Measured at Fair Value through OCI	457,700	–	–	–	–	457,700
Other Financial Assets	16,373,434	122,316	–	–	–	16,251,118
Total Financial Assets	**8,117,945,239**	**3,221,430,449**	**1,609,358,101**	**3,117,790,046**	**17,009,769**	**152,356,876**
Financial Liabilities						
Interest Bearing Borrowings	2,872,386,024	1,341,585,356	727,637,936	803,162,732	–	–
Due to the Customers	2,195,018,842	212,376,276	1,794,212,420	188,430,146	–	–
Other Financial Liabilities	550,307,273	5,466,733	20,271,778	76,414,325	103,110,723	345,043,714
Total Financial Liabilities	**5,617,712,140**	**1,559,428,366**	**2,542,122,135**	**1,068,007,203**	**103,110,723**	**345,043,714**
Interest Sensitivity Gap	**2,500,233,099**	**1,662,002,082**	**(932,764,034)**	**2,049,782,844**	**(86,100,954)**	**(192,686,839)**

41. OPERATING SEGMENTS

Entity-Wide Disclosures: Analysis of Gross Income on Product Basis

	Finance Lease	**Gold Loan**	**Loans and Advances**	**Other**	**Total**
As at 31st March 2023	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Interest Income	641,168,494	807,982,594	239,486,405	116,662,455	1,805,299,948
Commission Income	–	–	–	13,067,675	13,067,675
Other Income	–	–	–	105,911,732	105,911,732
	641,168,494	**807,982,594**	**239,486,405**	**235,641,862**	**1,924,279,355**

	Finance Lease	**Hire Purchase**	**Loans and Advances**	**Other**	**Total**
As at 31st March 2022	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Interest Income	644,897,703	344,470,014	220,135,915	32,564,290	1,242,067,922
Commission Income	–	–	–	12,097,982	12,097,982
Other Income	–	–	–	67,370,908	67,370,908
	644,897,703	**344,470,014**	**220,135,915**	**112,033,180**	**1,321,536,812**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (contd.)

42. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standards LKAS 7 (Statement of Cash Flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, changes in liabilities arising from financing activities for the year ended 31 March 2023 are disclosed below.

	Securitization Borrowing LKR	Bank Borrowing LKR
Balance as at 01 April 2022	914,654,787	1,639,108,936
Net cash flows from financing activities	(440,794,600)	(273,139,521)
Non cash changes		
Foreign exchange movements	–	–
Amortization of loan origination costs	(8,936,227)	–
Accrual for interest expense	15,909,621	71,677,918
Balance as at 31 March 2023	480,833,580	1,437,647,334

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Finance CSR Foundation

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of **Mahindra Finance CSR Foundation** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Income and Expenditure, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act,2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Section 143(3)(i) mandates the auditor to comment on whether the Company has adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. In terms of paragraph 5 of Ministry of Corporate Affairs notification number G.S.R. 583 (E) dated June 13, 2017, and as amended from time to time, exemption has been provided to private limited companies fulfilling certain criteria mentioned in the notification, from the applicability of requirement of reporting in terms of section 143(3)(i). As the Company meets the relevant criteria specified in the said notification for the Financial Year 2020-21, the requirement of Section 143(3)(i) is not applicable to the Company and accordingly no report has been made under the said clause.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As requirements by the Companies (Auditor's Report) Order, 2016/2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Company, no comment on report specified in paragraphs 3 and 4 of the Order is made;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Statement of Income and Expenditure, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXM6477

Mumbai, April 20, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Finance CSR Foundation** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXM6477

Mumbai, April 20, 2023

BALANCE SHEET AS AT 31 MARCH 2023

INR Lakhs

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial Assets			
a) Cash and cash equivalents	1	**1.98**	2.75
b) Bank balances other than cash and cash equivalents		**–**	–
c) Other current assets		**–**	–
		1.98	2.75
Non-financial Assets			
a) Current tax assets (Net)	2	**0.81**	0.81
b) Other non-financial assets	3	**0.01**	
		0.82	0.81
Total Assets		**2.80**	3.56
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Other payables	4	**0.45**	0.46
b) Other financial liabilities	5	**0.20**	0.20
		0.65	0.66
Non-Financial Liabilities			
a) Other non-financial liabilities	6	**0.05**	0.05
		0.05	0.05
EQUITY	7		
a) Equity share capital		**0.10**	0.10
b) Other equity		**2.00**	2.75
		2.10	2.85
Total Liabilities and Equity		**2.80**	**3.56**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Rajesh Vasudevan
Director
[DIN: 02711990]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
20 April 2023

Mumbai
20 April 2023

STATEMENT OF INCOME AND EXPENDITURE FOR PERIOD ENDED 31 MARCH 2023

INR Lakhs

	Particulars	Note	Period ended 31 March 2023	Period ended 31 March 2022
I	**Revenue receipts (Donations)**	8	**20.30**	1.42
II	**Other Income**	9	**–**	8.14
III	**Total income (I+II)**		**20.30**	9.56
	Expenses			
	i) Finance costs	10	**–**	0.01
	ii) Corporate Social Responsibility expenses	11	**20.30**	852.02
	iii) Other Expenses	12	**0.75**	3.21
IV	**Total expenses (IV)**		**21.05**	855.24
V	**Excess of income over expenditure (III-IV)**		**(0.75)**	(845.68)
VI	**Earnings per equity share (face value Rs. 10/- per equity share)**	13		
	Basic (Rupees)		**(75.00)**	(84,568.00)
	Diluted (Rupees)		**(75.00)**	(84,568.00)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Rajesh Vasudevan
Director
[DIN: 02711990]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
20 April 2023

Mumbai
20 April 2023

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 MARCH 2023

A. Equity share capital

INR Lakhs

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2021	0.10
Changes during the year:	
i) Fresh allotment of shares	–
ii) Allotment of shares by ESOS Trust to employees	–
Balance as at 31 March 2022	0.10
Balance as at 1 April 2022	0.10
Changes during the year:	
i) Fresh allotment of shares	**–**
ii) Allotment of shares by ESOS Trust to employees	**–**
Balance as at 31 March 2023	**0.10**

B. Other Equity

Particulars	**Reserves and Surplus**									
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	**Capital redemption reserves**	**Securities premium reserve**	**General reserves**	**Debenture Redemption Reserves (DRR)**	**Employee stock options outstanding**	**Retained earnings**	**Debt instruments through OCI**	**Equity instruments through OCI**	**Total**
Balance as at 1 April 2021	–	–	–	–	–	–	848.43	–	–	848.43
Profit/(loss) for the year										
Other Comprehensive Income / (loss)										
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period			–				(845.68)			(845.68)
Balance as at 31 March 2022	–	–	–	–	–	–	2.75	–	–	2.75

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 MARCH 2023 (Contd.)

Particulars	Reserves and Surplus									
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital redemption reserves	Securities premium reserve	General reserves	Debenture Redemption Reserves (DRR)	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Total
Balance as at 1 April 2022	–	–	–	–	–	–	2.75	–	–	2.75
Profit/(loss) for the year							–			–
Other Comprehensive Income / (loss)							–	–	–	–
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period			–				(0.75)			(0.75)
Balance as at 31 March 2023	–	–	–	–	–	–	2.00	–	–	2.00

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Rajesh Vasudevan
Director
[DIN: 02711990]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
20 April 2023

Mumbai
20 April 2023

STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 MARCH 2023

INR Lakhs

	Particulars	Period ended 31 March 2023	Period ended 31 March 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Excess of income / (expenditure) for the current period	**(0.75)**	(845.68)
	Adjustments to reconcile profit before tax to net cash flows:		
	Add: Non-cash expenses	**–**	
		–	–
	Less: Income considered separately	**–**	
	Income from investing activities	**–**	(8.14)
	Operating profit before working capital changes	**(0.75)**	(853.82)
	Changes in -		
	Other financial assets	**–**	0.13
	Other financial liabilities	**–**	–
	Trade and other payables	**(0.01)**	–
	Other non-financial assets	**(0.01)**	–
	Other non-financial liabilities	**–**	0.01
	Cash used in operations	**(0.02)**	0.14
	Income taxes paid (net of refunds)	**–**	(0.81)
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(0.77)**	(854.49)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments at amortised cost		–
	Proceeds from sale of investments measured at amortized cost	**–**	55.00
	Interest received	**–**	8.14
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**–**	63.14
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of equity shares	**–**	–
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**–**	–
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(0.77)**	(791.35)
	Cash and Cash Equivalents at the beginning of the year	**2.75**	794.10
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**1.98**	2.75
	Components of Cash and Cash Equivalents		
	Balances with banks in current accounts	**1.98**	2.75
	Term deposits with original maturity up to 3 months	**–**	–
	Total	**1.98**	2.75

Notes :

The above Statement of Cash Flow has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm’s Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
20 April 2023

Rajesh Vasudevan
Director
[DIN: 02711990]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
20 April 2023

Notes Forming part of the financial statements for the period ended 31 March 2023

1 COMPANY INFORMATION

Mahindra Finance CSR Foundation ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai dated April 2, 2019. The Company has received license under Section 8 (1) of the Companies Act, 2013. The Company is established to undertake, by itself or joining, collaborating with, or participating in, projects that, support, promote and enhance: education, including special education, especially among children, women, elderly and the differently abled; employment, vocational skills, and sustainable livelihood; curative and preventive healthcare measures; sanitation and availability of safe drinking water; measures eradicating hunger, poverty and malnutrition; sustainability environmental and ecological balance; protection of flora and fauna, animal welfare, agro forestry; conservation of natural resources; maintenance of quality of soil, air and water; including but not limited to, rehabilitation efforts prior, during and or after natural disasters. The objective of the Company is to work, contribute towards all activities outlined by, but not restricted to, Section 135, Schedule VII of the Companies Act, 2013, the related rules and the amendments thereto from time to time.

Further, the company received its registration under section 12AA of the Income Tax Act 1961 on 29 November, 2019 and certificate under section 80G of the Income Tax Act,1961 on 24 December, 2019 valid from 3 June, 2019.

None of the objects of the Company will be carried out on commercial basis. The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

These financial statements are the company's first Ind–AS financial statement. The financial statements have been prepared on a historical cost convention and on an accrual basis.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakh, unless otherwise indicated.

2.3 Revenue recognition

The revenue is measured on actual receipt basis of donations received.

2.4 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

INR Lakhs

1 Cash and cash equivalents

	31 March 2023	31 March 2022
Cash on hand	–	–
Balances with banks in current accounts	1.98	2.75
Term deposits with original maturity up to 3 months	–	–
	1.98	2.75

2 Non-financial Assets

	31 March 2023	31 March 2022
Current tax assets (Net)	0.81	0.81
	0.81	0.81

3 Other non-financial assets

	31 March 2023	31 March 2022
Other receivables	0.01	–
	0.01	–

4 Other payables

	31 March 2023	31 March 2022
total outstanding dues of creditors other than micro enterprises and small enterprises	0.45	0.46
	0.45	0.46

5 Other financial liabilities

	31 March 2023	31 March 2022
Provision for expenses	0.20	0.20
	0.20	0.20

6 Other non financial liabilities

	31 March 2023	31 March 2022
Statutory dues and taxes payable	0.05	0.05
	0.05	0.05

7 Equity Share capital

	31 March 2023	31 March 2022
Authorised:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each	0.10	0.10
Issued, Subscribed and paid-up:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each fully paid up	0.10	0.10
Issued, Subscribed and paid-up Share capital	0.10	0.10

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	INR Lakhs	No. of shares	INR Lakhs
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,000	0.10	1,000	0.10
Add : Fresh allotment of shares:	–	–	–	–
Balance at the end of the year	1,000	0.10	1,000.00	0.10

Notes forming part of the Financial Statements as at 31 March 2023

INR Lakhs

	As at 31 March 2023 No. of shares	As at 31 March 2023 INR Lakhs	As at 31 March 2022 No. of shares	As at 31 March 2022 INR Lakhs
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:				
Holding company : Mahindra & Mahindra Financial Services Limited	**1,000**	0.10	**1,000**	0.10
(Equity shares of Rs. 10/- each)				
Percentage of holding (%)	**100%**	100%	**100%**	100%

Other Equity	31 March 2023	31 March 2022
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	**2.75**	848.43
Add : Excess of income / (expenditure) for the current period transferred from Statement of Income and Expenditure	**(0.75)**	(845.68)
Balance Loss carried to Balance Sheet	**2.00**	2.75
Less : Allocations & Appropriations :	**–**	–
Balance as at the end of the period	**2.00**	2.75
Total	**2.00**	2.75

8 Revenue receipts

	31 March 2023	31 March 2022
Donations received (from MMFSL)	**20.30**	1.42
	20.30	1.42

9 Other Income

	31 March 2023	31 March 2022
Interest Income on Bank Deposit	**–**	8.14
	–	8.14

10 Finance costs

	31 March 2023	31 March 2022
Bank charges	**–**	0.01
	–	0.01

11 Corporate Social Responsibility expenses

	31 March 2023	31 March 2022
– Financial assistance	**20.30**	852.02
	20.30	852.02

12 Other Expenses

	31 March 2023	31 March 2022
Auditor's fees and expenses	**0.59**	0.59
Legal and professional charges	**0.15**	2.60
Other expenses	**0.01**	0.02
	0.75	3.21

13 Earning Per Share (EPS)

	31 March 2023	31 March 2022
Profit / (Loss) for the period	**(0.75)**	(845.68)
Weighted average number of Equity Shares	**1,000**	1,000
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(75.00)**	(84,568.00)
Diluted Earnings per share (Rs.)	**(75.00)**	(84,568.00)

14 Related party disclosure:

i) As per Ind AS 24 on ‘Related party disclosures’, the related parties of the Company are as follows:

a) Ultimate Holding Company	Mahindra & Mahindra Limited
b) Holding Company	Mahindra & Mahindra Financial Services Limited
c) Fellow Subsidiaries: (entities with whom the Company has transactions)	Not applicable
d) Joint Ventures / Associates (entities with whom the Company has transactions)	Not applicable
e) Key Management Personnel:	Mr. Rajesh Vasudevan (Director) Mr. Vinay Deshpande (Director) (up to 10th October 2022) Mr. Vivek Karve (Director) (w.e.f. 6th October 2022) Mr. Atul Joshi (Director) (w.e.f. 6th October 2022)

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

Sr. No.	Particulars	For the year ended	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Joint Ventures / Associates	KMP/Directors of the Company
1	Donations received	**3/31/2023**	**–**	**20.30**	**–**	**–**	**–**
		3/31/2022	–	1.42	–	–	–
2	Other expenses	**3/31/2023**	**0.01**	**–**	**–**	**–**	**–**
		3/31/2022	–	–	–	–	–

iii) Balances as at the end of the period

Nil

Signatures to Notes 1 to 14

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
20 April 2023

Rajesh Vasudevan
Director
[DIN: 02711990]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
20 April 2023

Independent Auditor's Report
To The Members of Mahindra Lifespace Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Lifespace Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
	There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement. Refer Notes 2.17 and 11 to the Standalone Financial Statements	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We assessed the Company's process for the valuation of inventories. • Evaluated the design, implementation and tested the operating effectiveness of the internal controls relating to the valuation of inventories, including the management process for the review and approval of the estimated costs to complete the projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of inventories and performed procedures around: • Construction costs incurred for the inventories by testing the supporting documents and wherever available, corroborated the same with the reports from external supervising engineers.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
		• Estimated total construction cost to be incurred for completing the construction of the project and wherever available, corroborated the same with the reports from external supervising engineers. Examined the detailed project reviews by senior operational and financial management to determine the total budgeted costs for the project. Assessed the significant judgements/ estimates adopted by the Company for the estimated total construction costs to be incurred for completing the construction of the project. Additionally, we carried out site visits for a number of projects during the year. • The company's methodology and key assumptions for determining NRV of the inventories. Assessed the estimates used by the Company for the expected net amounts to be realized from the sale of inventories in the ordinary course of business. We examined the total projected budgeted cost to the total budgeted sale value from the project. We examined the NRV to recent sales in the project or to the estimated selling price applied in assessing the NRV. We assessed the NRV to the carrying value in books.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis Report, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. - Refer Note 37 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 42(d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 42(d) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 43 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 23100459BGXJGU9071)

Place: Mumbai
Date: 25 April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Lifespace Developers Limited ("the Company") as of 31 March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statement

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 23100459BGXJGU9071)

Place: Mumbai
Date: 25 April 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Lifespace Developers Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (Capital work-in-progress, investment properties and relevant details of right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of acquired land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders approving schemes of arrangements provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. According to the information and explanation given to us, the Company does not have any other land or building other than administrative block and project facilities, temporarily constructed at the project sites and capitalised as Building.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has made investments in and granted unsecured loans to companies, during the year, in respect of which:

(a) The Company has provided unsecured advances in the nature of loans to Companies during the year and details of which are given below:

		(Rs. in lakhs)
		Loans
A.	Aggregate amount granted / provided during the year:	
-	Subsidiaries	1,278.50
B.	Balance outstanding as at balance sheet date in respect of above cases:	
-	Subsidiaries	900.50

The Company has not made any investments in and granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties during the year. The Company has not provided any guarantee or security to any entity during the year.

(b) The investment made and the terms and conditions of the grant of all the above-mentioned unsecured advances in the nature of loans provided during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(c) In respect of advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of unsecured advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No unsecured advances in the nature of loans granted by the Company which have fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing advances in the nature of loans given to the same parties.

(f) The Company has granted unsecured advances in the nature of loans which are repayable on demand details of which are given below:

	(Rs. in lakhs)
	All parties
Aggregate of advances in nature of loans to related parties	
- Repayable on demand	1,278.50
Percentage of advances in nature of loans to the total loans	100%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues as applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to (a) above which have not been deposited as on 31st March, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in lakh)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2006-2007	3.59
		Commissioner of Income tax (Appeals)	AY 2007-2008	453.63
Finance Act, 1994	Service Tax *	Appellate Authority- up to Commissioners/ Revisional authorities level	FY 2005 to 2010*	69.79
			FY 2010	339.72
			FY 2009 to 2014	67.70
			FY 2014 to 2016	41.54
Sales Tax and Value Added Tax Laws	Sales Tax and VAT	Appellate Authority- up to Commissioners/ Revisional authorities level	FY 2007 to 2010	2.89
			FY 2015- 2016	0.85
		High Court	FY 2006 to 2010**	232.59
Central Goods and Service Tax Act 2017 and State Goods and Service Tax Act 2017	Goods & Service Tax Act	Adjudication up to Commissioners/ Revisional authorities level	FY 2017-18***	465.16
		High Court	FY 2017-18	279.92

* net of deposit Rs. 7.75 Lakh
** net of deposit Rs. 44 Lakh
*** net of deposit Rs. 31.99 Lakh

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company (during the year), covering the period upto September 2022 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one Core Investment Company (CIC) as part of the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). There are four CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs. Nil during the financial year covered by our audit and Rs. 6,238.20 Lakh in the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the provision of sub-section (5) and sub-section (6) of section 135 of the Companies Act, 2013 are not applicable to the Company for the year. Accordingly, reporting under clause (xx) of the Order is not applicable.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 23100459BGXJGU9071)

Place: Mumbai
Date: 25 April 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(Rs. in lakhs)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
	1 NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4.1	**1,201.77**	1,003.34
	(b) Right of Use Assets	4.2	**282.59**	564.42
	(c) Capital Work-in-Progress	4.3	**512.94**	284.23
	(d) Investment Property	5	**1,939.63**	1,999.36
	(e) Intangible Assets	6	**53.35**	4.68
	(f) Financial Assets			
	(i) Investments	7	**56,647.49**	49,139.90
	(ii) Other Financial Assets	8	**1,175.91**	1,175.91
	(g) Deferred Tax Asset (Net)	9	**5,731.30**	5,662.76
	(h) Other Non Current Assets	10	**6,107.37**	5,772.70
	TOTAL NON-CURRENT ASSETS		**73,652.35**	65,607.30
	2 CURRENT ASSETS			
	(a) Inventories	11	**181,533.93**	105,725.63
	(b) Financial Assets			
	(i) Investments	7	**19,617.18**	–
	(ii) Trade Receivables	12	**9,779.63**	6,769.84
	(iii) Cash and Cash Equivalents	13	**4,179.56**	18,010.24
	(iv) Bank balances other than (iii) above	14	**2,247.07**	1,104.52
	(v) Loans	15	**8,128.08**	9,721.41
	(vi) Other Financial Assets	8	**2,282.06**	5,821.79
	(c) Other Current Assets	10	**14,161.06**	19,023.22
	TOTAL CURRENT ASSETS		**241,928.57**	166,176.65
	TOTAL ASSETS (1+2)		**315,580.92**	231,783.95
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	16	**15,466.72**	15,451.73
	(b) Other Equity	17	**145,808.46**	133,677.78
	TOTAL EQUITY		**161,275.18**	149,129.51
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Lease Liabilities	33	**–**	301.36
	(b) Provisions	18	**385.90**	331.68
	TOTAL NON-CURRENT LIABILITIES		**385.90**	633.04
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	19	**23,763.03**	16,480.64
	(ii) Lease Liabilities	33	**301.36**	281.65
	(iii) Trade Payables			
	(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises	20	**618.41**	825.18
	(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	20	**16,149.08**	10,788.58
	(iv) Other Financial Liabilities	21	**32,539.96**	2,823.13
	(b) Other Current Liabilities	22	**78,137.81**	48,594.36
	(c) Provisions	18	**1,031.08**	848.75
	(d) Current Tax Liabilities (Net)		**1,379.11**	1,379.11
	TOTAL CURRENT LIABILITIES		**153,919.84**	82,021.40
	TOTAL EQUITY AND LIABILITIES (1+2+3)		**315,580.92**	231,783.95
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 45 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 25th April, 2023

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani	Chairman	DIN: 00087866
Arvind Subramanian	Managing Director & CEO	DIN: 02551935

Ankit Shah
Assistant Company Secretary
ACS: 26552

Vimal Agarwal
Chief Financial Officer

Mumbai : 25th April, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in lakhs)

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	**INCOME**			
	(a) Revenue from Operations	23	**47,190.50**	25,280.61
	(b) Other Income	24	**15,621.22**	5,368.90
	TOTAL INCOME (a + b)		**62,811.72**	30,649.51
II	**EXPENSES**			
	(a) Cost of Sales			
	- Cost of Projects	25	**40,377.52**	22,340.49
	- Operating Expenses	25	**1,146.06**	581.00
	(b) Employee Benefits Expense	26	**6,921.69**	7,254.88
	(c) Finance Costs	27	**851.29**	473.65
	(d) Depreciation and Amortisation Expense	4 to 6	**965.97**	617.70
	(e) Other Expenses	28	**9,930.14**	7,543.99
	TOTAL EXPENSES (a+b+c+d+e)		**60,192.67**	38,811.71
III	**PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEM (I - II)**		**2,619.05**	(8,162.20)
IV	**EXCEPTIONAL ITEM**	7	**12,437.27**	10,412.23
V	**PROFIT BEFORE TAX (III + IV)**		**15,056.32**	2,250.03
VI	**TAX (CREDIT)/EXPENSE**			
	(a) Current tax	29	**–**	–
	(b) Deferred tax	29	**(68.97)**	(2,039.38)
	TOTAL TAX (CREDIT)/EXPENSE (a+b)		**(68.97)**	(2,039.38)
VII	**PROFIT AFTER TAX (V - VI)**		**15,125.29**	4,289.41
VIII	**OTHER COMPREHENSIVE INCOME**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**1.69**	41.00
	(b) Income tax relating to Items that will not be reclassified to profit or loss	29	**(0.43)**	(10.32)
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (a+b)		**1.26**	30.68
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII + VIII)**		**15,126.55**	4,320.09
X	**EARNINGS PER EQUITY SHARE (face value of Rs. 10/- each) (Rs.)**			
	(a) Basic	30	**9.78**	2.78
	(b) Diluted	30	**9.77**	2.77
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 45 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 25th April, 2023

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Arvind Subramanian Managing Director & CEO DIN: 02551935

Ankit Shah
Assistant Company Secretary
ACS: 26552

Vimal Agarwal
Chief Financial Officer

Mumbai : 25th April, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in lakhs)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A.	**Cash flows from operating activities:**		
	Profit / (Loss) before exceptional item and tax	**2,619.05**	(8,162.20)
	Adjustments for:		
	Finance Costs	**851.29**	473.65
	Interest Income	**(3,825.05)**	(892.83)
	Dividend Income	**(10,515.00)**	(4,245.00)
	(Gain) / Loss on disposal of Property Plant & Equipment (net)	**(2.31)**	168.88
	Share issue expense	**–**	69.33
	Provision for doubtful debts	**–**	27.48
	Provision for inventory (NRV)	**335.04**	–
	Profit on sale of current investments	**(484.20)**	–
	Depreciation and Amortisation Expense	**965.97**	617.70
	Net Loss arising on financial assets measured at fair value through profit or loss	**1,155.73**	1,278.84
	Net Gain arising on current Investment measured at Fair Value through Profit and Loss	**(100.37)**	–
	Expense recognised in respect of equity-settled-share-based-payments	**65.17**	88.80
	Operating Loss before working capital changes	**(8,934.68)**	(10,575.35)
	Changes in:		
	Decrease / (Increase) in Trade and Other Receivables	**2,050.70**	(11,680.69)
	(Increase) in Inventories	**(74,776.10)**	(1,935.66)
	Increase in Trade Payables and Other Liabilities	**64,108.71**	18,003.51
	Cash used in operations	**(17,551.37)**	(6,188.19)
	Income taxes paid (net of refunds & interest on refunds)	**(535.54)**	(926.03)
	Net cash used in operating activities	**(18,086.91)**	(7,114.22)
B.	**Cash flows from investing activities**		
	Bank deposits (net)	**(0.49)**	(6.26)
	Changes in earmarked balances and margin accounts with banks	**(1,142.06)**	(9.67)
	Interest received	**6,394.94**	3,281.54
	Dividend received from Joint Ventures and Subsidiaries	**10,515.00**	4,245.00
	Inter-corporate Deposit Given	**(1,278.50)**	(4,551.50)
	Inter-corporate Deposit Realised	**2,871.83**	1,200.00
	Payment to acquire Property, Plant and Equipment	**(867.23)**	(1,189.87)
	Proceeds from disposal of property, plant and equipment	**20.66**	1,205.37
	Proceeds from investment in subsidiaries and Joint Ventures	**7,110.64**	6,988.80
	Proceeds /(Purchase of Current Investments) in others (Net)	**(19,032.61)**	–
	Purchase of investment in subsidiaries and Associates	**(2,616.35)**	–
	Net cash generated from investing activities	**1,975.83**	11,163.41

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(Rs. in lakhs)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C.	**Cash flows from financing activities**		
	Proceeds from issue of Equity shares of the Company	**44.62**	247.95
	Proceeds from borrowings	**88,147.28**	49,898.47
	Repayment of borrowings	**(80,864.89)**	(44,557.87)
	Dividend Paid	**(3,097.95)**	(37.66)
	Interest paid	**(1,637.84)**	(782.50)
	Share issue Expenses	**–**	(180.90)
	Payment of lease liability	**(310.82)**	(360.40)
	Net Cash generated from financing activities	**2,280.40**	4,227.09
	Net (decrease) / increase in cash and cash equivalents	**(13,830.68)**	8,276.28
	Cash and cash equivalents at the beginning of the year	**18,010.24**	9,733.96
	Cash and cash equivalents at the end of the year	**4,179.56**	18,010.24

Summary of significant accounting policies (Refer Note 2)

The accompanying notes 1 to 45 are an integral part of these financial statements

Notes:

(a) The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

(b) Also refer note no. 13 - Cash and Bank Balances

(c) During the year ended March 31, 2023 the Company received non-cash consideration amounting to Rs. 120.25 crores in the form of redeemable preference shares from Mahindra World City Developers Ltd. pursuant to a scheme of merger by absorption of Mahindra Integrated Township Ltd and Mahindra Residential Developers Ltd with a joint venture of the Company, Mahindra World City Developers Ltd.

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm’s Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 25th April, 2023

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Arvind Subramanian Managing Director & CEO DIN: 02551935

Ankit Shah
Assistant Company Secretary
ACS: 26552

Vimal Agarwal
Chief Financial Officer

Mumbai : 25th April, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
Balance at the Beginning of the year		**15,451.73**	5,138.32
Add: Bonus Issue during the year	16	**–**	10,278.77
Add: Issue of equity shares under employee share option plan	16	**14.99**	34.64
Balance at the end of the year		**15,466.72**	15,451.73

B. Other Equity

(Rs. in lakhs)

	Share Application money pending allotment	Securities Premium	General Reserve	Other Reserves#	Retained Earnings	Total
As at 31st March, 2021	0.75	97,075.89	7,299.49	7,891.16	27,139.21	139,406.50
Profit for the year	–	–	–	–	4,289.41	4,289.41
Other Comprehensive Income net of taxes*	–	–	–	–	30.68	30.68
Total Comprehensive Income for the year	–	–	–	–	4,320.09	4,320.09
Received on exercise of employee stock options	247.95	–	–	–	–	247.95
Allotment of Shares to Employees	(248.70)	435.94	–	(221.88)	–	(34.64)
Arising on share based payment	–	–	–	128.21	–	128.21
Utilised for issue of bonus shares	–	(2,925.19)	–	(7,353.58)	–	(10,278.77)
Share issue expenses on Bonus issue	–	(111.56)	–	–	–	(111.56)
As at 31st March, 2022	–	94,475.08	7,299.49	443.91	31,459.30	133,677.78
Profit for the year	–	–	–	–	15,125.29	15,125.29
Other Comprehensive Income net of taxes*	–	–	–	–	1.26	1.26
Total Comprehensive Income for the year	–	–	–	–	15,126.55	15,126.55
Received on exercise of employee stock options	44.62	–	–	–	–	44.62
Dividend paid on Equity Shares	–	–	–	–	(3,090.67)	(3,090.67)
Allotment of Shares to Employees	(44.36)	186.91	–	(157.54)	–	(14.99)
Arising on share based payment	–	–	–	65.17	–	65.17
As at 31st March, 2023	**0.26**	**94,661.99**	**7,299.49**	**351.54**	**43,495.18**	**145,808.46**

* Remeasurement gains/ (losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

B. Other Equity (Cont…)

#Other Reserves

(Rs. in lakhs)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
(I) Capital Redemption Reserve :		
Balance as at the beginning of the year	**–**	7,353.58
Less :		
Utilised for issue of bonus shares	**–**	(7,353.58)
Balance as at the end of the year	**–**	–
(II) Share Options Outstanding Account		
Balance as at the beginning of the year	**443.91**	537.58
Add/(Less):		
Utilised towards allotment of shares to employees	**(157.54)**	(221.88)
Arising on share based payment	**65.17**	128.21
Balance as at the end of the year	**351.54**	443.91
Total	**351.54**	443.91

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 45 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 25th April, 2023

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Arvind Subramanian Managing Director & CEO DIN: 02551935

Ankit Shah
Assistant Company Secretary
ACS: 26552

Vimal Agarwal
Chief Financial Officer

Mumbai : 25th April, 2023

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

1. General Information

Mahindra Lifespace Developers Limited ('the Company') is a limited company incorporated in India. Its Corporate Identification Number is (CIN) L45200MH1999PLC118949. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Its parent and ultimate holding company is Mahindra & Mahindra Limited.

The addresses of its registered office is disclosed in the introduction to the annual report. The Company along with its subsidiary companies is engaged in the development of residential projects and large formats developments such as integrated cities and industrial clusters.

2. Significant Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 25th April, 2023.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102 – "Share based Payments", leasing transactions within the scope of Ind AS 116, "Leases" and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – "Inventories" or value in use in Ind AS 36 – "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

v. Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time

vi. The Company recognizes revenue at a point in time in each reporting period considering the estimates like reasonableness of collections from customers, disputes with the customer which may result in the cancellation of the contract, which are re assessed periodically by the management. The effect of these changes to estimates is recognised in the period when changes are determined. Accordingly any revenues attributable to such changes and the corresponding Cost of Goods Sold ("COGS") previously recognised are reversed and reduced from the current year's Revenue and COGS respectively.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

2.4.3 Revenue from Project Management fees and Rental Income

Revenue from Project Management Fees and Rental Income are recognized on accrual basis as per the terms and conditions of relevant agreements.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

2.4.4 Dividend and interest income

Dividend income from investments in shares is recognized when right to receive is established, which is generally when shareholders approve the dividend.

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 3 to 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is classified as current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

2.6.1 The Company as a Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expense on a straight-line basis over the lease term. The respective leased assets are presented in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor.

2.6.2 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of right-of-use asset or the end of the lease term. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that, at the commencement date, have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

2.7 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using the closing rate prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences on transactions entered to hedge certain foreign currency risks.

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution to provident fund and superannuation fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made. The Company has no further payment obligations once the contributions have been paid.

2.8.2 Defined benefit plan

Defined benefit gratuity plan is wholly or partly funded by contributions by the Company. The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using an actuarial technique, the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8.5 Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period the Company revises its estimate of the No. of equity instruments expected to vest. The impact of revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with the corresponding adjustments to the equity settled.

2.9 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.10 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.12.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Computers, computer equipment's and furniture and fixtures are depreciated over the period of 1 year to 10 years.

Plant and equipment's are depreciated over the period of 1 year to 7 years.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.14 Intangible Assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.14.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.14.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	5 years

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

2.15 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Investment property includes freehold/leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.16 Impairment of tangible and intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.18 Cost of Construction/Development

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.19 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.20 Provisions and contingent liabilities

2.20.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.20.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.20.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.21 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.21.1 Classification and subsequent measurement

2.21.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

— Amortised cost; or

— Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

— Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

— Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.21.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.21.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.21.3 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.21.4 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Investment in Subsidiaries and Joint Ventures:

The entire carrying amount of the investment in subsidiaries, associates and joint ventures is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

2.21.5 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/ or payable is recognised in profit or loss.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment, Investment Property and Intangible Asset

The Company reviews the useful life of property, plant and equipment, Investment Property and Intangible Asset at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

G. Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate

H. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonable certain to exercise that option and period covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of the lease.

The discount rate is generally based on increment borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

4.1 - Property, Plant and Equipment

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2022	610.66	565.57	215.14	324.61	191.99	492.50	2,400.47
Additions during the year (*)	252.51	–	36.05	47.25	171.39	331.43	838.63
Deductions/Adjustments during the year	–	–	(19.89)	(0.37)	(84.85)	(138.33)	(243.44)
Balance as at 31st March, 2023	**863.17**	**565.57**	**231.30**	**371.49**	**278.53**	**685.60**	**2,995.66**
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2022	195.92	477.63	138.99	143.06	104.03	337.50	1,397.13
Depreciation expense for the year	286.95	40.59	43.05	96.13	45.36	106.08	618.16
Deductions/Adjustments during the year	–	–	(19.72)	(0.21)	(67.52)	(133.95)	(221.40)
Balance as at 31st March, 2023	**482.87**	**518.22**	**162.32**	**238.98**	**81.87**	**309.63**	**1,793.89**
III. Net carrying amount (I-II)	**380.30**	**47.35**	**68.98**	**132.51**	**196.66**	**375.97**	**1,201.77**

(*) Includes transfer from capital work in progress

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2021	141.77	513.29	192.10	153.36	145.29	376.67	1,522.48
Additions during the year	468.89	52.28	83.19	178.12	61.23	150.00	993.71
Deductions/Adjustments during the year	–	–	(60.15)	(6.87)	(14.53)	(34.17)	(115.72)
Balance as at 31st March, 2022	610.66	565.57	215.14	324.61	191.99	492.50	2,400.47
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2021	140.05	435.58	176.81	81.99	80.12	348.33	1,262.88
Depreciation expense for the year	55.87	42.05	22.33	67.94	30.50	23.16	241.85
Deductions/Adjustments during the year	–	–	(60.15)	(6.87)	(6.59)	(33.99)	(107.60)
Balance as at 31st March, 2022	195.92	477.63	138.99	143.06	104.03	337.50	1,397.13
III. Net carrying amount (I-II)	414.74	87.94	76.15	181.55	87.96	155.00	1,003.34

4.2 - Right of Use Assets

(Rs. in lakhs)

Description of Assets	Buildings	
	As at 31st March, 2023	As at 31st March, 2022
I. Gross Carrying Amount		
As at 1st April	**846.24**	946.85
Additions during the year	**–**	846.24
Deductions/Adjustments during the year	**–**	(946.85)
Balance as at 31st March	**846.24**	**846.24**
II. Accumulated depreciation		
Balance as at 1st April	**281.82**	889.60
Depreciation expense for the year	**281.83**	322.35
Deductions/Adjustments during the year	**–**	(930.13)
Balance as at 31st March	**563.65**	**281.82**
III. Net carrying amount (I-II)	**282.59**	**564.42**

4.3 - Capital Work-in-Progress

(Rs. in lakhs)

Description of Assets	Buildings	
	As at 31st March, 2023	As at 31st March, 2022
Project-in-Progress		
Less than 1 year	**512.94**	284.23
Project temporary suspension	**–**	–
Total	**512.94**	**284.23**

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

5 - Investment Property

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2022.........	1,766.17	1,189.01	2,955.18
Balance as at 31st March, 2023....	**1,766.17**	**1,189.01**	**2,955.18**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2022..........	–	955.82	955.82
Depreciation expense for the year	–	59.73	59.73
Balance as at 31st March, 2023....	**–**	**1,015.55**	**1,015.55**
III. Net carrying amount (I-II)	**1,766.17**	**173.46**	**1,939.63**

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2021........	1,766.17	1,189.01	2,955.18
Balance as at 31st March, 2022....	**1,766.17**	**1,189.01**	**2,955.18**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2021..........	–	906.37	906.37
Depreciation expense for the year	–	49.45	49.45
Balance as at 31st March, 2022....	**–**	**955.82**	**955.82**
III. Net carrying amount (I-II)	**1,766.17**	**233.19**	**1,999.36**

Fair value disclosure on Company's investment properties

The Company's investment property consist of a commercial property constructed on land taken on perpetual lease in India at Mahindra Towers, Delhi.

Details of the investment properties and information about the fair value hierarchy:

(Rs. in lakhs)

	Mahindra Towers, Delhi #		
Particulars	**Land**	**Buildings**	**Total**
Opening balance as at 1st April, 2021	**12,200.00**	**1,050.00**	**13,250.00**
Fair value difference	(2,200.00)	(30.00)	(2,230.00)
Closing balance as at 31st March, 2022	**10,000.00**	**1,020.00**	**11,020.00**
Fair value difference	155.00	2.00	157.00
Closing balance as at 31st March, 2023	**10,155.00**	**1,022.00**	**11,177.00**

The fair values of the Mahindra Towers at Delhi have been arrived at on the basis of a valuation carried out by the independent valuer BDO India LLP, not related to the Company (31st March, 2022: Anarock Property Consultant Private Limited) who are registered with the authority which governs the valuers in India and have appropriate qualifications and experience in the valuation of properties in the relevant locations. The Fair value was determined using the discounted cash flow methodology based on the forecasted cash flows for five years.

Information regarding income and expenditure of Investment property:

(Rs. in lakhs)

Particulars	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Rental income derived from investment properties (included in 'Revenue from Operations')..........	**660.71**	787.39
Direct operating expenses that generate rental income (included in 'Other Expenses')	**269.82**	401.41

6 - Intangible Assets

(Rs. in lakhs)

Description of Assets	Computer Software	
	As at 31st March, 2023	As at 31st March, 2022
I. Gross Carrying Amount		
Balance as at 1st April	**76.47**	71.47
Additions during the year............................	**51.79**	5.00
Deductions/Adjustments during the year.....	**16.55**	–
Balance as at 31st March	**144.81**	76.47
II. Accumulated depreciation and impairment		
Balance as at 1st April	**71.79**	67.74
Deductions/Adjustments during the year.....	**13.40**	–
Amortisation expense for the year	**6.27**	4.05
Balance as at 31st March	**91.46**	71.79
III. Net carrying amount (I-II)..........................	**53.35**	4.68

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

7 - Investments

(Rs. in lakhs)

Particulars	Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current	Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current
	As at 31st March, 2023				As at 31st March, 2022			
A. COST								
Unquoted Investments (all fully paid)								
Investments in Equity Instruments								
- of Subsidiaries								
Mahindra Infrastructure Developers Limited	**10**	**18,000,000**	**–**	**1,800.00**	10	18,000,000	–	1,800.00
Mahindra World City (Maharashtra) Limited (refer note "b" below)	**10**	**25,423,700**	**–**	**2,430.37**	10	1,170,400	–	5.04
Mahindra Integrated Township Limited (refer note "e" below)	**–**	**–**	**–**	**–**	10	37,000,000	–	3,700.00
Knowledge Township Limited	**10**	**49,071,664**	**–**	**5,528.15**	10	49,071,664	–	5,528.15
Industrial Township (Maharashtra) Limited	**10**	**5,000,000**	**–**	**269.22**	10	5,000,000	–	269.22
Mahindra Bloomdale Developers Limited	**10**	**50,000**	**–**	**403.50**	10	50,000	–	403.50
Anthurium Developers Limited	**10**	**50,000**	**–**	**5.00**	10	50,000	–	5.00
Deepmangal Developers Private Limited (refer note "b" below)	**10**	**112,847**	**–**	**397.28**	10	177	–	284.61
- of Joint Ventures								
Mahindra World City (Jaipur) Limited	**10**	**111,000,000**	**–**	**11,115.43**	10	111,000,000	–	11,115.43
Mahindra Happinest Developers Limited	**10**	**51,000**	**–**	**5.10**	10	51,000	–	5.10
Mahindra Industrial Park Private Limited	**10**	**50,000**	**–**	**5.00**	10	50,000	–	5.00
Mahindra World City Developers Limited	**10**	**17,799,999**	**–**	**3,889.43**	10	17,799,999	–	3,889.43
Mahindra Homes Private Limited								
Class A Equity Shares	**10**	**616,879**	**–**	**61.69**	10	616,879	–	61.69
Class C Equity Shares (Refer note 'a' below)	**10**	**28,523**	**–**	**11,900.52**	10	45,523	–	13,229.58
- of Associate								
Mahindra Knowledge Park (Mohali) Limited	**10**	**6**	**–**	**0.00**	10	6	–	0.00
AMIP Industrial Parks Private Limited (Refer note 'c' below)	**10**	**783,514**	**–**	**78.35**	–	–	–	–
TOTAL INVESTMENTS CARRIED AT COST [A]			**–**	**37,889.04**			–	40,301.75
B. AMORTISED COST								
Unquoted Investments (all fully paid)								
Investments in Preference Shares								
- of Subsidiaries								
Moonshine Construction Private Limited (7.00% Non-Cumulative Redeemable Participating Preference Shares)	**10**	**5,000**	**–**	**0.50**	10	5,000	–	0.50
Mahindra World City Maharashtra Limited (8.50% Non convertible Preference Shares)	**–**	**–**	**–**	**–**	10	175,000	–	17.50
- of Joint Ventures								
Mahindra Homes Private Limited (Series A 0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**1**	**–**	**0.00**	10	1	–	0.00
Mahindra World City Developers Limited (0.01% Non Convertible Redeemable Preference Shares)	**10**	**120,250,000**	**–**	**11,093.93**	–	–	–	–
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [B]			**–**	**11,094.43**			–	18.00
C. Designated at Fair Value Through Profit and Loss								
Quoted Investments (all fully paid)								
Investments in Mutual Funds			**19,617.18**	**–**			–	–
Unquoted Investments (all fully paid)								
Investments in Preference Shares								
- of Joint Ventures								
Mahindra Happinest Developers Limited (0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**949,661**	**–**	**343.02**	10	949,661	–	895.15
Investments in Debentures								
- of Joint Ventures								
Mahindra Industrial Park Private Limited								
- 11% Optionally Convertible Debentures - Series IV	**100,000**	**771**	**–**	**1,320.00**	100,000	771	–	1,178.00
- Optionally Convertible Debentures - Series V	**100,000**	**6686**	**–**	**6,001.00**	100,000	6686	–	6,747.00

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

7 - Investments

(Rs. in lakhs)

Particulars	Face Value per share (In Rs)	As at 31st March, 2023 QTY	Amounts* Current	Amounts* Non Current	Face Value per share (In Rs)	As at 31st March, 2022 QTY	Amounts* Current	Amounts* Non Current
Investments in Equity Instruments								
- of Other Entities								
New Tirupur Area Development Corporation Limited	**10**	**500,000**	**–**	**0.00**	10	500,000	–	0.00
TOTAL INVESTMENTS CARRIED AT FVTPL [C]			**19,617.18**	**7,664.02**			–	8,820.15
TOTAL INVESTMENTS (A) + (B)+ (C)			**19,617.18**	**56,647.49**			–	49,139.90
Other disclosures								
Aggregate carrying value of quoted investments			**19,617.18**	**–**			–	–
Market value of quoted investments			**19,617.18**	**–**			–	–
Aggregate carrying value of unquoted investments			**–**	**56,647.49**			–	49,139.90
Aggregate amount of impairment in value of unquoted investments			**–**	**7,898.18**			–	13,661.86

* Rs. 0.00 lakhs denotes amount less than Rs. 500/-

Notes:

a. During the year ended 31st March, 2023, the Company has received Rs. 7,092.74 Lakhs as a consideration for capital reduction of 17,000 Class C equity shares from Joint Venture Company viz Mahindra Homes Private Limited (MHPL). The transaction was completed on December 28, 2022. During the year ended 31st March, 2022, the company has received Rs. 5,505.38 Lakhs as a consideration for buy back of 18,900 Class C equity shares from Joint Venture Company viz Mahindra Homes Private Limited (MHPL). The transaction was completed on 24th December, 2021

b. During the year ended 31st March, 2023, the Company has acquired 2,42,53,300 equity shares of Mahindra World City (Maharashtra) Limited and 1,12,670 equity shares of Deepmangal Developers Private Limited pursuant to rights issue by Mahindra World City (Maharashtra) Limited and Deepmangal Developers Private Limited respectively.

c. During the year ended 31st March, 2023, the Company has invested 7,83,514 equity shares of AMIP Industrial Parks Private Limited at its face value of Rs. 10 each.

Exceptional Item:

d. Mahindra Homes Private Limited (MHPL), a Joint Venture of the Company, is executing residential projects at NCR. During the year MHPL launched Tower B of Luminare Project and experienced significant increase in sales velocity and prices. Pursuant to above, the Company has evaluated the carrying value of its investment and on the basis of estimated Net Present Value of forecasted cash flows expected to be generated by MHPL, reversed an impairment loss of Rs. 5,763.68 Lakhs. (31st March, 2022: 10,412.23 Lakhs)

e. A Scheme of Merger by absorption was filed under section 230-232 of the Companies Act, 2013 with National Company Law Tribunal, Chennai bench (NCLT) in December 2021 by the subsidiaries of the Company, viz. Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL), a subsidiary of MITL, for amalgamating with one of the joint venture company, Mahindra World City Developers Ltd. (MWCDL). The appointed date for the Scheme of Merger is April 01, 2022. NCLT has approved the said Scheme of Merger vide its Order dated December 09, 2022. The order is effective on December 30, 2022 i.e. the date of filing of certified copy of the order with the Registrar of Companies by MITL, MRDL. Pursuant to this, both MITL and MRDL stand dissolved without winding up.

Consequently, the Company has de-recognised the investments in equity shares of the above mentioned subsidiaries w.e.f. the effective date of the order i.e. December 30, 2022 and recognised the fair value of consideration which has resulted in exceptional gain of Rs 6,673.59 lakhs for the year ended March 31, 2023.

8 - Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2023 Non Current	As at 31st March, 2023 Current	As at 31st March, 2022 Non Current	As at 31st March, 2022 Current
Financial assets at amortised cost				
a) Security Deposit	**1,175.91**	**551.31**	1,175.91	633.15
b) Interest Accrued	**–**	**1,730.75**	–	5,188.64
Total	**1,175.91**	**2,282.06**	1,175.91	5,821.79

9 - Deferred Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities	**263.64**	449.45
Deferred Tax Assets	**(5,994.94)**	(6,112.21)
Total	**(5,731.30)**	(5,662.76)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2023
Deferred Tax Liabilities:				
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	332.99	(69.35)	–	**263.64**
Other Temporary differences	116.46	(116.46)	–	**–**
Deferred Tax Liabilities	**449.45**	**(185.81)**	**–**	**263.64**
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	(291.80)	6.14	–	**(285.66)**
Provision for Employee Benefits	(95.96)	(26.32)	0.43	**(121.85)**
Carry forward of Business Loss	(5,245.47)	–	–	**(5,245.47)**
Interest income on Optionally Convertible Debentures of a joint venture	(478.98)	478.98	–	**–**
Other Temporary differences	–	(341.96)	**–**	**(341.96)**
Deferred Tax Assets	**(6,112.21)**	**116.84**	**0.43**	**(5,994.94)**
Deferred Tax (Assets) / liabilities (Net)	**(5,662.76)**	**(68.97)**	**0.43**	**(5,731.30)**

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2022
Deferred Tax Liabilities:				
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	353.55	(20.56)	–	332.99
Other Temporary differences	446.44	(329.98)	–	116.46
Deferred Tax Liabilities	**799.99**	**(350.54)**	**–**	**449.45**
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	(178.04)	(113.76)	–	(291.80)
Provision for Employee Benefits	(134.04)	27.76	10.32	(95.96)
Carry forward of Business Loss	(3,589.41)	(1,656.06)	–	(5,245.47)
Interest income on Optionally Convertible Debentures of a joint venture	(532.20)	53.22	–	(478.98)
Deferred Tax Assets	**(4,433.69)**	**(1,688.84)**	**10.32**	**(6,112.21)**
Deferred Tax (Assets) / liabilities (Net)	**(3,633.70)**	**(2,039.38)**	**10.32**	**(5,662.76)**

10 - Other Assets

(Rs. in lakhs)

Particulars	**As at 31st March, 2023** Non Current	**As at 31st March, 2023** Current	As at 31st March, 2022 Non Current	As at 31st March, 2022 Current
(a) Capital Advances	**–**	**–**	251.90	–
(b) Advances other than capital advances				
(i) Advances to related party *	**–**	**–**	–	2,000.00
(ii) Balances with government authorities (other than income taxes)	**–**	**500.49**	–	548.06
(iii) Prepaid Expenses	**–**	**5,091.29**	–	2,642.55
(iv) Income Tax Assets (Net)	**6,107.37**	**–**	5,520.80	–
(v) Security Deposits	**–**	**1,425.00**	–	1,425.00
(vi) Other Advances #	**–**	**7,144.28**	–	12,407.61
Total	**6,107.37**	**14,161.06**	5,772.70	19,023.22

* The Company had entered into an agreement to acquire a parcel of land near Thane, Maharashtra, at a consideration of Rs 2,000.00 lakhs pending completion of conveyance formalities. During the year, the Company has completed the conveyance formalities after payment of the prescribed fees as per the order dated 26th April 2022. Accordingly, the land has been inventorised during the year under construction work in progress in note 11.

Other Advances mainly includes Land Advances , Employees advance and Project Advances given to vendors.

Advance given to employees as per the Company's policy are not considered for the purposes of disclosure under section 186(4) of the Companies Act, 2013.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

11 - Inventories (at lower of cost and net realisable value)

(Rs. in lakhs)

Particulars		As at 31st March, 2023	As at 31st March, 2022
(a)	Raw materials	**3,431.01**	2,416.34
(b)	Construction Work-in-progress*	**167,268.90**	101,935.02
(c)	Finished Goods	**10,834.02**	1,374.27
Total		**181,533.93**	105,725.63

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

Notes:

1. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein. The amount of inventories recognised as an expense of Rs. 40,377.52 lakhs for the year ended 31st March, 2023.(31st March, 2022: Rs. 22,340.49 lakhs) include 31st March, 2023: Rs. 335.04 lakhs (31st March, 2022: Rs. NIL) in respect of write down of inventory to net realisable value.
2. The Company has availed cash credit facilities and short term loans, which are secured by hypothecation of inventories.

12 - Trade receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables		
(a) Considered good - unsecured	**9,779.63**	6,769.84
(b) Credit impaired	**181.62**	181.62
	9,961.25	6,951.46
Less: Allowance for credit losses	**(181.62)**	(181.62)
Total	**9,779.63**	6,769.84

12 a - Movement in the allowance for credit loss

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of the year	**181.62**	154.14
Additions during the year	**–**	27.48
Balance at end of the year	**181.62**	181.62

Refer Note 31 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

12 b - Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed Trade Receivable - Considered good - unsecured*		
Not Due	**6,636.89**	4,356.20
0 months - 6 months	**2,669.51**	1,964.62
6 months -1 year	**95.48**	121.47
1-2 Years	**118.24**	53.39
2-3 years	**9.13**	175.68
More than 3 years	**250.38**	98.48
Undisputed Trade Receivable - Credit impaired		
Not Due	**–**	–
0 months - 6 months	**13.95**	7.84
6 months -1 year	**3.58**	7.45
1-2 Years	**4.03**	11.79
2-3 years	**8.64**	6.09
More than 3 years	**151.42**	148.45
Disputed Trade Receivable - which have significant increase in credit risk	**–**	–
Disputed Trade Receivable - Credit impaired	**–**	–
Total	**9,961.25**	6,951.46

* there were no unbilled receivables, hence the same is not disclosed in ageing schedule

13 - Cash and Cash Equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
Balance with Banks:		
- On current accounts*	**822.39**	1,177.46
- Fixed Deposit with original maturity Less than 3 months	**3,357.17**	16,832.78
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**4,179.56**	18,010.24

* As at 31st March, 2023 includes Rs. 37.68 lakhs (31st March, 2022: Rs. 25.18 lakhs) held in AED denominated bank accounts

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

14 - Bank Balances other than Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balances with Banks:		
(i) Earmarked balances	**2,145.26**	1,062.62
(ii) On Margin Accounts	**90.97**	31.55
(iii) Fixed Deposits with original maturity greater than 3 months	**10.84**	10.35
Total Other Bank balances	**2,247.07**	1,104.52

15 - Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
a) Loans to related parties (refer note 36)		
- Unsecured, considered good	**8,128.08**	9,271.41
Total	**8,128.08**	9,721.41

The Loans to related parties (refer note 36) are repayable on demand or as per the terms or period of repayment.

There are no Loans or advances in the nature of loans to Promoter, Directors, Key Management Person as defined under Companies Act, 2013.

16 - Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**294,000,000**	**29,400.00**	294,000,000	29,400.00
Unclassified shares of Rs. 10 each	**6,000,000**	**600.00**	6,000,000	600.00
Issued:				
Equity shares of Rs. 10 each with voting rights	**154,820,374**	**15,482.04**	154,670,453	15,467.05
Subscribed and Fully Paid up:				
Equity shares of Rs. 10 each with voting rights	**154,667,185**	**15,466.72**	154,517,264	15,451.73
Total	**154,667,185**	**15,466.72**	154,517,264	15,451.73

(i) Reconciliation of the number of shares and outstanding amount

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	**Rs. in lakhs**	No. of Shares	Rs. in lakhs
Balance at the Beginning of the year	**154,517,264**	**15,451.73**	51,383,238	5,138.32
Add: Bonus Issue during the year*	**–**	**–**	102,787,676	10,278.77
Add: Stock options allotted during the year	**149,921**	**14.99**	346,350	34.64
Balance at the end of the year	**154,667,185**	**15,466.72**	154,517,264	15,451.73

* Pursuant to the approval of the Shareholders, through postal ballot and e-voting on 6th September, 2021 the Company, on 16th September, 2021 allotted 10,27,87,676 Ordinary Shares of 10/- each, as fully paid-up Bonus Shares in the proportion of 2 (Two) Bonus Share of 10/- each for every existing 1 (One) Ordinary Shares of 10/- each held as on the Record Date i.e. 15th September, 2021.

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(ii) Details of shares held by the holding company, its subsidiaries and its associates:

Particulars	Equity Shares with Voting rights
As at 31st March, 2023	
Mahindra & Mahindra Limited the Holding Company	79,319,550
As at 31st March, 2022	
Mahindra & Mahindra Limited the Holding Company	79,319,550

Other than the above shares, no shares are held by any subsidiaries or associates of the holding company

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mahindra & Mahindra Limited	**79,319,550**	**51.28%**	79,319,550	51.33%

iv) Shares reserved for issue under options

The Company has 4,50,036 (Previous Year 12,50,720) equity shares of Rs 10/- each reserved for issue under options [Refer Note 26].

v) The allotment of 1,53,189 (Previous Year 1,53,189) equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (Section 126 of the Companies Act, 2013), till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

vi) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022		% change during the period
	Number of shares held	% holding	Number of shares held	% holding	
Equity shares with voting rights					
Mahindra & Mahindra Limited	**79,319,550**	**51.28%**	79,319,550	51.33%	(0.05%)

(vii) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity share allotted as fully paid bonus shares by capitalisation of Capital Redemption Reserve and Security Premium	**102,787,676**	102,787,676

17 - Other equity

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
General reserve	**7,299.49**	7,299.49
Securities premium	**94,661.99**	94,475.08
Share options outstanding account	**351.54**	443.91
Retained earnings	**43,495.18**	31,459.30
Share Application money pending allotment	**0.26**	–
	145,808.46	133,677.78

Description of the nature and purpose of Other Equity:

General Reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Profit and Loss.

Securities Premium: The Securities Premium is created on issue of shares at a premium.

Share Options Outstanding Account: The Share Options Outstanding Account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Share Application Money Pending allotment: This represents share application money received from the eligible employees upon exercise of employee stock option. The same will be transferred to equity share capital account after the allotment of shares to the applicants.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

18 - Provisions

(Rs. in lakhs)

Particulars		As at 31st March, 2023 Current	As at 31st March, 2023 Non Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current
(a)	**Provision for employee benefits**				
	-Gratuity	**–**	**105.26**	–	88.70
	-Leave Encashment	**99.94**	**280.64**	49.58	242.98
(b)	**Other Provisions**				
	-Defect Liabilities	**931.14**	**–**	799.17	–
Total Provisions		**1,031.08**	**385.90**	848.75	331.68

Details of movement in provisions for Defect Liabilities are as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	**799.17**	672.42
Additional provisions recognised	**225.97**	133.80
Amounts utilised during the year	**(94.00)**	(7.05)
Closing Balance	**931.14**	799.17

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date when control over the property has been transferred to the customer.

19 - Borrowings

(Rs. in lakhs)

Particulars		As at 31st March, 2023 Current	As at 31st March, 2022 Current
A.	**Secured Borrowings at amortised cost**		
(a)	Other: Loan from Financial Institution	**1,750.00**	3,500.00
Total		**1,750.00**	3,500.00
B.	**Unsecured Borrowings at amortised cost**		
(a)	Loans on cash credit account from Banks	**3,013.03**	480.64
(b)	Other Loans from banks	**19,000.00**	12,500.00
Total		**22,013.03**	12,980.64
Total (A+B)		**23,763.03**	16,480.64

Secured Borrowing

(a) Loan from Financial Institution carrying interest rate in the range of 8.85% p.a. to 9.35% p.a. (previous year 8.85% p.a.) is secured by first charge on land and building and cashflows of identified Project.

Unsecured Borrowings

(a) The cash credit facility is carrying interest rate in the range of 7.65% p.a. to 8.95% p.a. (Previous Year 7.20% p.a. to 7.65% p.a.)

(b) Other loans from banks include short term loan carrying interest rate in the range of 4.50% p.a. to 8.90% p.a. (Previous Year 4.25% p.a. to 7.45% p.a.)

20 - Trade Payables

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payable - Micro and small enterprises*	**618.41**	825.18
Trade payable - Other than micro and small enterprises	**16,149.08**	10,788.58
Total	**16,767.49**	11,613.76

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

20 a. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in lakhs)

Particulars	31st March, 2023	31st March, 2022
Dues remaining unpaid		
Principal	**618.41**	825.18
Interest	**–**	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
Amount of interest accrued and remaining unpaid	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

20 b - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of micro enterprises and small enterprises		
Unbilled	–	–
Not Due	353.43	785.89
Less than 1 year	264.98	39.29
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of Trade Payable other than micro enterprises and small enterprises		
Unbilled	8,011.29	899.78
Not Due	7,122.24	9,247.65
Less than 1 year	626.07	388.63
1-2 Years	93.83	97.83
2-3 years	73.35	47.93
More than 3 years	222.30	106.76
Total	**16,767.49**	11,613.76

21 - Other Financial Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carried at Amortised Cost		
(a) Interest accrued	570.26	28.20
(b) Unclaimed dividend*	81.59	88.87
(c) Payable to related parties (Refer Note 36)	29,106.72	–
(d) Other Liabilities#	2,781.39	2,706.06
Total	**32,539.96**	2,823.13

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

\# Other liabilities mainly includes Trade Deposits and Society Maintenance deposits.

22 - Other Current Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Advances received from customers	77,664.07	48,267.00
b. Statutory dues payable	473.74	327.36
Total	**78,137.81**	48,594.36

23 - Revenue from Operations

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Revenue from Contracts with Customers		
(i) Revenue from Projects	46,422.49	24,355.51
(ii) Project Management Fees	107.30	137.71
(b) Income from Operation of Commercial Complexes	660.71	787.39
Total	**47,190.50**	25,280.61

Notes:

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in note no. 22 - Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note no. 12.

(b) During the year, the Company recognised Revenue of Rs. 31,306.34 lakhs (31st March, 2022: Rs. 18,324.47 lakhs) from opening contract liability included in the balance sheet as "Advances received from Customers" in note no. 22 - Other Current Liabilities of Rs. 48,267.00 lakhs (1st April, 2021 : Rs 32,450.05 lakhs).

(c) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and decreased due to revenue recognised during the year on completion of the construction.

(e) Amounts previously recorded as Trade receivables increased due to further milestone based invoices raised during the year and decreased due to collections during the year.

(f) There are no contract assets outstanding at the end of the year.

(g) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at 31st March, 2023, is Rs. 1,82,714 lakhs (31st March, 2022 : Rs. 1,17,160 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 19% (31st March, 2022 : 40%). within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

(2) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contracted price	46,422.49	24,355.51
Adjustments on account of cash discounts or early payment rebates, etc.	–	–
Revenue recognised as per Statement of Profit & Loss	**46,422.49**	24,355.51

(3) Contract costs

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contract costs included in Prepaid expenses in Note no. 10- Other Assets	4,848.79	2,338.13

(a) The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 10 - Other Assets and amortises it upon completion of the related property sale contract.

(b) For the year ended 31 March 2023 amortisation amounting to Rs. 1,146.06 lakhs (31st March 2022: Rs. 581.00 lakhs) was recognised as Brokerage cost in note no. 25 - Cost of Sales. There were no impairment loss in relation to the costs capitalised.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

24 - Other Income

(Rs. in lakhs)

Particulars			For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Interest Income on:			
	(1)	Inter Corporate Deposits	**793.09**	489.85
	(2)	Bank Deposits	**184.94**	364.63
	(3)	Optionally Convertible Debentures	**1,903.27**	–
	(4)	Others*	**943.75**	38.35
(b)	Dividend Income from Joint Ventures and Subsidiaries		**10,515.00**	4,245.00
(c)	Gain on disposal of Property, Plant and Equipment		**3.17**	1.97
(d)	Net Gain arising on current investment measured at Fair Value through Profit and Loss		**100.37**	–
(e)	Profit on sale of current investments		**484.20**	–
(f)	Miscellaneous Income		**693.43**	229.10
Total			**15,621.22**	5,368.90

* Other Interest Income includes interest charged on late payment received from customers, interest on income tax refund and interest on Investment in redeemable preference shares.

25 - Cost of Sales

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cost of Project		
Opening Stock:		
Construction work-in-progress	**101,935.02**	89,232.18
Raw Material	**2,416.34**	1,882.38
Finished Goods	**1,374.27**	12,058.98
Sub-Total (a)	**105,725.63**	103,173.54
Add: Expenses incurred during the year		
Land Cost	**81,726.40**	1,703.19
Architect Fees	**813.09**	190.49
Civil Electricals, Contracting, etc.	**20,415.23**	16,136.99
Interest costs allocated	**1,367.23**	391.43
Employee benefits expense allocated	**2,290.68**	1,333.54
Liasioning costs	**4,951.78**	2,122.47
Insurance	**7.10**	5.13
Legal & Professional Fees	**4,614.31**	3,009.34
Sub-Total (b)	**116,185.82**	24,892.58

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Less: Closing Stock:		
Construction work-in-progress	**167,268.90**	101,935.02
Raw Material	**3,431.01**	2,416.34
Finished Goods	**10,834.02**	1,374.27
Sub-Total (c)	**181,533.93**	105,725.63
Total A (a+b-c)	**40,377.52**	22,340.49
B. Operating Expenses		
Brokerage	**1,146.06**	581.00
Total B	**1,146.06**	581.00
Total (A+B)	**41,523.58**	22,921.49

26 - Employee Benefits Expense

(Rs. in lakhs)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Salaries and wages, including bonus	**8,278.26**	7,784.79
(b)	Contribution to provident and other funds	**502.91**	388.85
(c)	Share based payment expenses	**65.17**	88.88
(d)	Staff welfare expenses	**366.03**	325.90
Less : Allocated to projects		**(2,290.68)**	(1,333.54)
Total		**6,921.69**	7,254.88

Share based payment

The Company has granted options to its eligible employees under the Employee Stock Options Scheme 2006 (“ESOS 2006”) and the Employee Stock Options Scheme 2012 (“ESOS 2012). The options granted under both the schemes are equity settled.

ESOS 2006:- Options granted under ESOS 2006 vest in 4 equal instalments of 25% each on expiry of 12 months, 24 months, 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted till 16th March, 2021):- Options granted under ESOS 2012 vest in 4 instalments bifurcated as 20% each on the expiry of 12 months and 24 months, 30% each on the expiry of 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted from 17th March, 2021):- Options granted under ESOS 2012 vest in 3 equal instalments of 33.33% each on expiry of 12 months, 24 months, and 36 months respectively from the date of grant. The options may be exercised within a period of five years from the date of grant.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

The other details of the schemes are summarised below:

Details about Vesting Conditions:

Particulars		Number of Options (Including issue of share options under bonus arrangement)	Grant Date	Expiry Date	Exercise Price	Fair value per Option at Grant Date (Rs.)
	ESOS 2006					
1	Series 15 Granted on 30th Oct 2020	1,200,000	30-Oct-20	30-Oct-29	Rs 246 per share*	108.97
	ESOS 2012					
1	Series 4 Granted on 24th July 2013	27,400	24-Jul-13	24-Jul-22	Rs 10 per share	409.27
2	Series 5 Granted on 17th October 2014	28,800	17-Oct-14	17-Oct-23	Rs 10 per share	461.87
3	Series 6 Granted on 30th April 2015	3,900	30-Apr-15	30-Apr-24	Rs 10 per share	402.60
4	Series 7 Granted on 28th January 2016	40,300	28-Jan-16	28-Jan-25	Rs 10 per share	417.10
5	Series 8 Granted on 28th July 2016	34,200	28-Jul-16	28-Jul-25	Rs 10 per share	420.53
6	Series 9 Granted on 25th July 2017	20,600	25-Jul-17	25-Jul-26	Rs 10 per share	393.45
7	Series 10 Granted on 30th Jan 2018	3,500	30-Jan-18	30-Jan-27	Rs 10 per share	453.81
8	Series 11 Granted on 30th July 2018	34,600	30-Jul-18	30-Jul-27	Rs 10 per share	532.67
9	Series 12 Granted on 14th Feb 2019	11,400	14-Feb-19	14-Feb-28	Rs 10 per share	341.88
10	Series 13 Granted on 26th July 2019	140,700	26-Jul-19	26-Jul-28	Rs 10 per share	353.37
11	Series 14 Granted on 29th July 2020	65,500	29-Jul-20	29-Jul-29	Rs 10 per share	168.56
12	Series 15 Granted on 30th Oct 2020	25,500	30-Oct-20	30-Oct-29	Rs 10 per share	258.83
13	Series 16 Granted on 17th March 2021	92,768	17-Mar-21	17-Mar-26	Rs 10 per share	542.32
14	Series 17 Granted on 16th March 2022	67,867	16-Mar-22	16-Mar-27	Rs 10 per share	286.25

* The Options granted and outstanding stand augmented by number of Bonus Options on account of the 1:2 Bonus Issue made in September, 2021

Movement in Share Options

Particulars		**For the year ended 31st March, 2023** Number of Options	Weighted average exercise price (Rs.)	For the year ended 31st March, 2022 Number of Options	Weighted average exercise price (Rs.)
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	**1,250,720**	**60.27**	548,504	183.54
2	Granted during the year	**–**	**–**	67,867	10.00
3	Issue of share options under bonus arrangement	**–**	**–**	1,033,014	63.50
4	Forfeited during the year	**650,763**	**75.86**	46,665	5.48
5	Exercised and allotted during the year*	**149,921**	**29.59**	346,350	71.80
6	Expired during the year	**–**	**–**	5,650	149.38
7	Outstanding at the end of the year	**450,036**	**47.95**	1,250,720	60.27
8	Exercisable at the end of the year	**328,997**	**66.44**	103,969	46.54

* Excludes share application money pending allotment of 2649 options (31st March, 2022 - NIL options)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Share Options Exercised and Allotted during the Year

	Particulars	Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
	Equity Settled			
1	Series 4 Granted on 24th July 2013	1,350	12-Apr-22	379.18
2	Series 5 Granted on 17th October 2014	2,700	24-May-22	387.10
3	Series 7 Granted on 28th January 2016	1,500	8-Jul-22	426.38
4	Series 7 Granted on 28th January 2016	2,400	2-Aug-22	407.65
5	Series 7 Granted on 28th January 2016	1,350	23-Nov-22	369.98
6	Series 7 Granted on 28th January 2016	1,950	22-Dec-22	369.03
7	Series 7 Granted on 28th January 2016*	300	25-Jan-19	413.35
8	Series 8 Granted on 28th July 2016	3,450	19-Apr-22	368.68
9	Series 11 Granted on 30th July 2018	2,250	8-Apr-22	383.98
10	Series 11 Granted on 30th July 2018	1,500	10-May-22	352.58
11	Series 11 Granted on 30th July 2018	900	13-Jun-22	405.03
12	Series 11 Granted on 30th July 2018	750	10-Aug-22	437.00
13	Series 11 Granted on 30th July 2018	1,350	11-Aug-22	443.75
14	Series 11 Granted on 30th July 2018	2,250	15-Sep-22	504.43
15	Series 12 Granted on 14th Feb 2019*	900	31-Mar-22	374.10
16	Series 13 Granted on 26th July 2019	1,800	8-Apr-22	383.98
17	Series 13 Granted on 26th July 2019	1,000	22-Apr-22	368.40
18	Series 13 Granted on 26th July 2019	1,200	15-May-22	343.50
19	Series 13 Granted on 26th July 2019	1,200	21-May-22	364.75
20	Series 13 Granted on 26th July 2019	1,200	21-Jun-22	378.48
21	Series 13 Granted on 26th July 2019	1,350	26-Jul-22	424.40
22	Series 13 Granted on 26th July 2019	9,300	30-Jul-22	400.20
23	Series 13 Granted on 26th July 2019	800	2-Aug-22	407.65
24	Series 13 Granted on 26th July 2019	7,600	4-Aug-22	414.45
25	Series 13 Granted on 26th July 2019	2,250	8-Aug-22	426.43
26	Series 13 Granted on 26th July 2019	450	22-Nov-22	372.15
27	Series 13 Granted on 26th July 2019	900	1-Dec-22	391.65
28	Series 13 Granted on 26th July 2019	1,050	17-Jan-23	352.85
29	Series 13 Granted on 26th July 2019	450	22-Feb-23	375.05
30	Series 13 Granted on 26th July 2019	2,100	24-Feb-23	363.20
31	Series 14 Granted on 29th July 2020	900	28-Sep-22	449.03
32	Series 14 Granted on 29th July 2020	2,400	28-Nov-22	370.95
33	Series 14 Granted on 29th July 2020	300	10-Mar-23	358.90
34	Series 14 Granted on 29th July 2020	1,500	14-Mar-23	355.03
35	Series 15 Granted on 30th Oct 2020	25,000	1-Nov-22	401.68
36	Series 15 Granted on 30th Oct 2020	900	1-Nov-22	401.68
37	Series 15 Granted on 30th Oct 2020	900	2-Nov-22	403.85
38	Series 15 Granted on 30th Oct 2020	900	11-Nov-22	404.93
39	Series 15 Granted on 30th Oct 2020	25,000	7-Dec-22	384.60
40	Series 15 Granted on 30th Oct 2020	600	19-Jan-23	359.40
41	Series 15 Granted on 30th Oct 2020	600	26-Mar-23	332.20
42	Series 16 Granted on 17th March 2021	4,767	1-Apr-22	389.05
43	Series 16 Granted on 17th March 2021	750	18-Apr-22	376.95

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

	Particulars	Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
44	Series 16 Granted on 17th March 2021	1,962	15-May-22	343.50
45	Series 16 Granted on 17th March 2021	3,405	4-Aug-22	414.45
46	Series 16 Granted on 17th March 2021	2,316	29-Aug-22	497.20
47	Series 16 Granted on 17th March 2021	4,086	28-Nov-22	370.95
48	Series 16 Granted on 17th March 2021	6,048	20-Mar-23	345.60
49	Series 16 Granted on 17th March 2021	4,902	23-Mar-23	337.73
50	Series 17 Granted on 16th March 2022	3,022	20-Mar-23	345.60
51	Series 17 Granted on 16th March 2022	2,113	23-Mar-23	337.73
		149,921		

* These are options for which exercise price were received during the current year

Share Options outstanding at the end of the year

The share options outstanding at the end of the year had a range of exercise prices of Rs. 10 - Rs. 82 (as at 31st March, 2022: Rs. 10 - Rs. 82), and weighted average remaining contractual life of 1,579 days (as at 31st March, 2022: 2,231 days).

The Fair value has been calculated using the Black Scholes option pricing model and the significant inputs used for the valuation are as follows

Particulars	4th August 2012	4th August 2012	24th July 2013	17th October 2014	30th April 2015	28th January 2016	28th July 2016
Share price per Option at grant date (Rs.)	324.14	324.14	454.09	516.08	467.60	482.25	450.60
Exercise price per Option (Rs.)	325	10	10	10	10	10	10
Expected volatility...	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11% - 37.68%	27.17% - 30.20%	26.98% - 28.17%
Expected life / Option Life...................................	3.5 - 6.5 Years	3.5 - 6.5 Years	6 - 9 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield....................................	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%	1.31%
Risk-free interest rate	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%	6.88% - 7.14%

Particulars	25th July 2017	30th January 2018	30th July 2018	14th February 2019	26th July 2019	29th July 2020	30th Oct 2020
Share price per Option at grant date (Rs.)	393.45	453.81	532.67	341.88	353.37	168.56	108.97
Exercise price per Option (Rs.)	10	10	10	10	10	10	82
Expected volatility...	27.24% - 28.90%	27.77%-28.98%	27.95%-30.52%	28.39%-30.88%	28.40%-29.58%	30.51%-32.39%	31.48%-33.32%
Expected life / Option Life...................................	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield....................................	1.39%	1.22%	1.05%	1.58%	1.54%	2.95%	–
Risk-free interest rate	6.37%-6.66%	7.11% - 7.56%	7.76% - 8.01%	6.97% - 7.29%	6.25% - 6.55%	4.82% - 5.69%	4.82% - 5.69%

Particulars	30th Oct 2020	17th Mar 2021	16th Mar 2022
Share price per Option at grant date (Rs.)	258.83	542.32	294.45
Exercise price per Option (Rs.)	10	10	10
Expected volatility...	31.48%-33.32%	34.19%-34.87%	36.95%-38.47%
Expected life / Option Life...................................	3.5 - 6.5 Years	3 - 4 Years	3 - 4 Years
Expected dividends yield....................................	–	–	–
Risk-free interest rate	4.82% - 5.69%	5.16% - 5.59%	5.47% - 5.88%

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102 - 'Share Based Payments' after adjusting for reversals on account of options forfeited.

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

27 - Finance Costs

(Rs. In lakhs)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Interest costs:		
	Interest expense for financial liabilities at amortised cost	**2,189.35**	811.42
	Less: Allocated to projects	**(1,367.23)**	(391.43)
(b)	Interest on lease liabilities	**29.17**	48.83
(c)	Other borrowing costs*	**–**	4.83
Total		**851.29**	473.65

* Other borrowing costs include guarantee charges and ancillary costs incurred in connection with borrowings.

28 - Other Expenses

(Rs. In lakhs)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Power & Fuel	**43.29**	68.56
(b)	Rent, Rates & Taxes	**232.53**	714.71
(c)	Insurance	**14.04**	13.60
(d)	Repairs and maintenance	**443.45**	465.20
(e)	Advertisement, Marketing & Business Development	**2,794.00**	1,637.30
(f)	Travelling and Conveyance Expenses	**434.02**	166.26
(g)	Payment to Auditors #	**80.39**	65.98
(h)	Legal and other professional costs	**2,007.03**	1,107.90
(i)	Printing & Stationery	**59.07**	17.95
(j)	Allowance for credit losses	**–**	27.48
(k)	Net loss arising on Financial Assets measured at Fair value through profit & loss	**1,155.73**	1,278.84
(l)	Loss on disposal of Property, Plant & Equipment	**0.86**	170.85
(m)	Miscellaneous expenses	**2,665.73**	1,809.36
Total		**9,930.14**	7,543.99

\# Payments to Auditors (excluding of GST)

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) To Statutory auditors		
For Audit	**61.10**	52.42
For Other Services	**13.06**	11.77
Reimbursement of Expenses	**4.13**	0.21
(ii) To Cost auditors for cost audit	**2.10**	1.58
Total	**80.39**	65.98

29 - Tax (Credit)/Expense

(Rs. In lakhs)

(a) Tax (Credit)/Expense recognised in profit or loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax:		
In respect of current year	**–**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(68.97)**	(2,039.38)
Total	**(68.97)**	(2,039.38)

(b) Tax Expense/(Credit) recognised in Other Comprehensive income

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurements of the defined benefit plans	**(0.43)**	(10.32)
Total	**(0.43)**	(10.32)

(c) Reconciliation of estimated income tax (credit)/expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit / (Loss) Before Tax And Exceptional Item	**2,619.05**	(8,162.20)
Income tax expense / (credit) calculated at 25.17%	**659.21**	(2,054.43)
Effect of expenses that is non deductible in determining taxable profit	**84.43**	10.07
Changes in recognised deductible temporary differences	**(812.61)**	4.98
Income tax (credit)/expense recognised In Statement of Profit and Loss	**(68.97)**	(2,039.38)

30 - Earnings per Share

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rs.	Rs.
Basic Earnings per share	**9.78**	2.78
Diluted earnings per share	**9.77**	2.77

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit /(Loss) for the year	**15,125.29**	4,289.41
Weighted average number of equity shares	**154,576,310**	154,295,260
Basic earnings per share (Rs)	**9.78**	2.78

(ii) Diluted earnings per share

The diluted earnings per share has been computed by dividing the net Profit /(Loss) after tax available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective periods.

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit / (Loss) for the year used in the calculation of diluted earnings per share	**15,125.29**	4,289.41
Weighted average number of equity shares used in the calculation of Diluted EPS	**154,875,916**	155,097,077

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**154,576,310**	154,295,260
Add: Options outstanding under Employee Stock Option Plan	**299,606**	801,817
Weighted average number of equity shares used in the calculation of Diluted EPS	**154,875,916**	155,097,077

31 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to maximise the returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt*	**24,064.39**	17,063.65
Current Investments	**(19,617.18)**	–
Cash and bank balances #	**(4,190.40)**	(18,020.59)
Net Debt (A)	**256.81**	(956.94)
Equity (B)	**161,275.18**	149,129.51
Net Debt to Equity Ratio (A / B)	**0.002**	(0.006)

* Debt comprises of Borrowings and Lease Liabilities

Cash and bank Balances excludes earmarked balances with banks and balances with banks on margin accounts

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2023

(Rs. In lakhs)

Particulars	Amortised Costs	Fair value Through Profit & Loss	Total Carrying Value
Non-current Assets			
Investments	**48,983.47**	**7,664.02**	**56,647.49**
Other Financial Assets	**1,175.91**	**–**	**1,175.91**
Current Assets			
Investments	**–**	**19,617.18**	**19,617.18**
Trade Receivables	**9,779.63**	**–**	**9,779.63**
Cash and Bank Balances	**6,426.63**	**–**	**6,426.63**
Loans	**8,128.08**	**–**	**8,128.08**
Other Financial Assets			
- Non Derivative Financial Assets	**2,282.06**	**–**	**2,282.06**
Non-current Liabilities			
Other Financial Liabilities			
- Lease Liabilities	**–**	**–**	**–**
Current Liabilities			
Borrowings	**23,763.03**	**–**	**23,763.03**
Lease Liabilities	**301.36**	**–**	**301.36**
Trade Payables	**16,767.49**	**–**	**16,767.49**
Other Financial Liabilities			
- Non Derivative Financial Liabilities	**32,539.96**	**–**	**32,539.96**

As at 31st March, 2022

(Rs. In lakhs)

Particulars	Amortised Costs	Fair value Through Profit & Loss	Total Carrying Value
Non-current Assets			
Investments	40,319.75	8,820.15	49,139.90
Other Financial Assets	1,175.91		1,175.91
Current Assets			
Investments	–	–	–
Trade Receivables	6,769.84	–	6,769.84
Cash and Bank Balances	19,114.76	–	19,114.76
Loans	9,721.41	–	9,721.41
Other Financial Assets			
- Non Derivative Financial Assets	5,821.79	–	5,821.79
Non-current Liabilities			
Other Financial Liabilities			
- Lease Liabilities	301.36	–	301.36
Current Liabilities			
Borrowings	16,480.64	–	16,480.64
Lease Liabilities	281.65	–	281.65
Trade Payables	11,613.76	–	11,613.76
Other Financial Liabilities			
- Non Derivative Financial Liabilities	2,823.13	–	2,823.13

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents & other financial assets.

Trade Receivables:

The Company's trade receivables include receivables on sale of residential flats and rent receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables.

The concentration of credit risk is limited due to the fact that the customer base is large. The Company determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 is considered adequate.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For Other Financial Assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. Other Financial Assets are considered to be low credit risk exposure assets.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. In lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
As at 31st March 2023			
Non Current			
Lease Liabilities	**–**	**–**	**–**
Total Non Current	**–**	**–**	**–**
Current			
Borrowings	**23,910.52**	**–**	**–**
Lease Liabilities	**310.82**	**–**	**–**
Trade Payables	**16,767.49**	**–**	**–**
Other Financial Liabilities	**13,254.13**	**23,744.30**	**–**
Total Current	**54,242.96**	**23,744.30**	**–**
As at 31st March 2022			
Non Current			
Lease Liabilities	**–**	310.82	**–**
Total Non Current	**–**	**310.82**	**–**
Current			
Borrowings	14,730.64	1,750.00	–
Lease Liabilities	310.82	–	–
Trade Payables	11,613.76	–	–
Other Financial Liabilities	2,823.13	–	–
Total Current	**29,478.35**	**1,750.00**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes few transactions denominated in foreign currencies only for availing certain services. Hence Foreign currency risk is not significant in comparison to company's operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Increase / decrease in basis points	Currency	As at 31st March, 2023 Effect on Profit / (loss) before tax (Rs. In Lakhs)	As at 31st March, 2022 Effect on Profit / (loss) before tax (Rs. In Lakhs)
+100	**Rs**	**(220.13)**	(164.81)
-100	**Rs**	**220.13**	164.81

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

32 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - Recurring Items

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2023	Fair value as at 31st March, 2022	Fair value hierarchy	Valuation Technique(s)	Applicable for Level 2 and Level 3 hierarchy Key input(s)
Financial assets					
Investments					
1) Mutual fund investments	**19,617.18**	–	Level 1	Net Asset value	–
2) Investment in Preference Shares - unquoted	**343.02**	895.15	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
3) Investment in Optionally Convertible Debentures......................................	**7,321.00**	7,925.00	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total financial assets at fair value	**27,281.20**	8,820.15			

Significant unobservable inputs used in level 3 fair value measurements

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2023	Fair value as at 31st March, 2022	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in Preference Share - unquoted	**343.02**	895.15	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
2) Investment in Optionally Convertible Debentures...	**7,321.00**	7,925.00	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Financial Instrument not measured using Fair Value i.e. measured using amortized cost

The carrying value of Other financial assets / liabilities represent reasonable estimate of its fair value.

There were no transfers between Level 1 and Level 2 during the year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(Rs. In lakhs)

Particulars	Investment in Preference Shares - unquoted	Investment in Equity Shares - unquoted	Investment in Optionally Convertible Debentures	Total
As at 31st March 2023				
Opening Balance of Fair Value	**895.15**	**–**	**7,925.00**	**8,820.15**
Total incomes/gains or (losses) recognised:				
-In Profit or (Loss)	(552.13)	–	(604.00)	(1,156.13)
Redemption during the year	–	–	–	–
Closing balance of fair value	**343.02**	–	**7,321.00**	**7,664.02**
As at 31st March 2022				
Opening Balance of Fair Value	858.39	0.50	10,723.50	11,582.39
Total incomes/gains or (losses) recognised:				
-In Profit or Loss	37.21	(0.48)	(1,315.57)	(1,278.84)
Redemption during the year	(0.45)	(0.02)	(1,482.93)	(1,483.40)
Closing balance of fair value	**895.15**	**–**	**7,925.00**	**8,820.15**

33 - Leases

As lessee

The Company has entered into operating lease arrangements for its registered office at Worli, Mumbai & Andheri regional office. The lease is non-cancellable for a period of 1 - 3 years and may be renewed based on mutual agreement between the parties. The leases have varying terms, escalation clauses and renewal rights. The Company has recognised right of use assets for these leases, except for short term leases.

(i) Undiscounted Cash Flow of Lease liabilities

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Less than one year	**310.82**	310.82
One to Three years	**–**	310.82
Total undiscounted lease liabilities at Balance sheet date	**310.82**	621.64
Lease liabilities included in the Balance sheet as at 31st March	**301.36**	583.01
Current	**301.36**	281.65
Non-current	**–**	301.36

Cash outflow for leases for the year ended 31st March, 2023 is Rs 310.82 lakhs (31st March, 2022 is Rs 360.40 lakhs).

Expense relating to leases of low-value assets of Rs 31.85 lakhs for the year ended 31st March, 2023 (Rs 4.79 lakhs for the year ended 31st March, 2022) is included in "Rent, Rates & Taxes" in Note 28 "Other Expenses".

(ii) Movement in lease liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at 1st April	**583.01**	64.66
Additions during the year	**–**	846.24
Finance cost incurred during the year	**29.17**	48.83
Payment of lease liabilities	**(310.82)**	(360.40)
Adjustment during the year	**–**	(16.32)
Balance as at 31st March	**301.36**	583.01

34 - Segment information

The reportable segments of the Company are 'Projects, Project Management and Development' and 'Operating of Commercial Complexes'.

The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of business. Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director regarded as the Chief Operating Decision Maker ("CODM").

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Description of each of the reportable segments for all periods presented, is as under:

i) Projects, Project Management & Development: This Segment of the business includes income from sale of residential units across projects, project management and development in India.

ii) Operating of Commercial Complexes: This Segment of the business includes rental income from commercial properties at New Delhi.

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the Company's reportable segments is presented below:

(Rs. In lakhs)

	31st March, 2023			31st March, 2022		
Particulars	**Projects, Project Management & Development**	**Operating of Commercial Complexes**	**Total**	Projects, Project Management & Development	Operating of Commercial Complexes	Total
Revenue						
External customers	**46,529.79**	**660.71**	**47,190.50**	24,493.22	787.39	25,280.61
Total revenue	**46,529.79**	**660.71**	**47,190.50**	24,493.22	787.39	25,280.61
Results						
Segment Results	**1,886.12**	**390.89**	**2,277.01**	(674.10)	385.98	(288.12)
Less:-						
-Unallocated Interest (Finance Cost)	**–**	**–**	**851.29**	–	–	473.65
-Unallocated corporate (Income) / expense net (includes exceptional Item - refer note no. 7)	**–**	**–**	**(13,630.60)**	–	–	(3,011.80)
Profit / (Loss) before tax	**–**	**–**	**15,056.32**	–	–	2,250.03
Tax (credit)/Expense	**–**	**–**	**(68.97)**	–	–	(2,039.38)
Profit / (Loss) after tax	**–**	**–**	**15,125.29**	–	–	4,289.41
Segment Assets & Liabilities						
Segment Assets	**270,249.59**	**2,016.38**	**272,265.97**	176,284.11	2,437.22	178,721.33
Unallocated corporate assets			**43,314.95**			53,062.62
Total Assets			**315,580.92**			231,783.95
Segment Liabilities	**146,442.72**	**172.69**	**146,615.41**	74,324.86	723.91	75,048.77
Unallocated corporate liabilities			**7,690.33**			7,605.67
Total Liabilities			**154,305.74**			82,654.44
Other Information						
Depreciation and Amortisation Expense	**221.56**	**59.73**	**281.29**	4.84	49.45	54.29
Capital Expenditure	**485.36**	**–**	**485.36**	1,027.58	11.30	1,038.87

Revenue from type of products and services

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Geographical Information

The Company operates in one reportable geographical segment i.e. "Within India". Hence, no separate geographical segment wise disclosure is applicable as per the requirements of Ind AS 108 Operating Segments.

Information about major customers

Revenues from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from external customers.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year as well as previous year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

35 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 341.58 lakhs (31st March, 2022 : Rs. 242.48 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	As at	
	31-Mar-23	31-Mar-22
Discount rate(s)	**7.31%**	6.48%
Expected rate(s) of salary increase	**10.00%**	10.00%
Expected average remaining service	**4.00**	3.90
Attrition Rate	**21% p.a. for all service groups.**	PS: 0 to 42 : 20%
Mortality rate	**IALM (2012-14) Urban**	IALM (2012-14) Ult.

Defined benefit plans – as per actuarial valuation on 31st March, 2023

(Rs. In lakhs)

Particulars	Funded Plan Gratuity For the year ended 31st March, 2023	Funded Plan Gratuity For the year ended 31st March, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**69.26**	108.98
Past Service Cost	**34.28**	–
Net interest expense	**4.90**	4.00
Components of defined benefit costs recognised in profit or loss	**108.44**	112.98
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(1.47)**	11.89
Actuarial (gains)/loss arising from demographic assumptions	**(7.07)**	(30.61)
Actuarial (gains)/loss arising from changes in financial assumptions	**(14.45)**	12.16
Actuarial (gains)/loss arising from experience adjustments	**21.30**	(34.44)
Components of defined benefit costs recognised in other comprehensive income	**(1.69)**	(41.00)
Total	**106.75**	71.98
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**420.05**	383.70
2. Fair value of plan assets as at	**314.79**	294.99
3. Surplus/(Deficit)	**(105.26)**	(88.70)
4. Current portion of the above	**–**	–
5. Non current portion of the above	**(105.26)**	(88.70)
II. Movements in the present value of the defined benefit obligation.		
1. Present value of defined benefit obligation at the beginning of the year	**383.70**	407.40
2. Less: Transfer out liability for employees transferred to group companies	**(22.92)**	(25.42)
3. Add: Transfer in liability for employees transferred from group companies	**26.59**	–
4. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**69.26**	108.98
- Past Service Cost	**34.28**	–
- Interest Cost	**23.23**	22.13
5. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(7.07)**	(30.61)
ii. Financial Assumptions	**(14.45)**	12.16
iii. Experience Adjustments	**21.30**	(34.44)
6. Benefit payments	**(93.87)**	(76.50)
7. Present value of defined benefit obligation at the end of the year	**420.05**	383.70
III. Movements in the fair value of plan assets are as follows.		
1. Fair value of plan assets at the beginning of the year	**294.99**	282.83
2. Actual Return on Plan Assets	**1.47**	(11.89)
3. Contributions by Employer	**–**	5.93
4. Interest Income	**18.33**	18.13

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. In lakhs)

Particulars	Funded Plan Gratuity For the year ended 31st March, 2023	For the year ended 31st March, 2022
5. **Fair value of plan assets at the end of the year**	**314.79**	294.99
IV. **The fair value of the plan assets at the end of the reporting period for each category, are as follows:**		
- Issuer Managed funds (Non quoted value)	**314.79**	294.99

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by K. A. Pandit, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. In lakhs)

Principal assumption		Changes in assumption (%)	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1.00%**	**(16.11)**	**17.54**
	2022	1.00%	(16.86)	18.44
Salary growth rate	**2023**	**1.00%**	**16.94**	**(15.88)**
	2022	1.00%	12.98	(12.56)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

The Company expects to contribute Rs. NIL lakhs (31st March, 2022 Rs. NIL Lakhs) to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

	31st March, 2023	31st March, 2022
Within 1 year	**62.60**	62.52
1 - 2 year	**64.24**	53.70
2 - 3 year	**58.94**	54.19
3 - 4 year	**56.58**	50.57
4 - 5 year	**52.89**	46.89
5 - 10 years	**300.73**	163.61

Major Category of plan assets for Gratuity Fund is as follows:

	31st March, 2023	31st March, 2022
Asset category:		
Deposits with Insurance companies	**100%**	100%
	100%	100%

The weighted average age considered for defined benefit obligation as at 31st March 2023 is 34.38 years (31st March, 2022: 35.75 years)

36 - Related Party Disclosures

(a) Related Parties where control exists

(i) Holding Company

Mahindra & Mahindra Limited

(ii) Subsidiaries

Mahindra Infrastructure Developers Limited	Industrial Township (Maharashtra) Limited
Mahindra Residential Developers Limited *	Anthurium Developers Limited
Mahindra World City (Maharashtra) Limited	Deepmangal Developers Private Limited
Mahindra Integrated Township Limited *	Mahindra Water Utilities Limited
Knowledge Township Limited	Moonshine Construction Private Limited
Rathna Bhoomi Enterprises Private Limited	Mahindra Bloomdale Developers Limited

* These companies have been merged with Mahindra World City Developers Limited during the year and ceased to be subsidiaries effective from 30th December, 2022

(b) Other Parties with whom Transactions have taken place during the year

(i) Joint Ventures

Mahindra World City Developers Limited	Mahindra Industrial Park Chennai Limited
Mahindra Homes Private Limited	Mahindra World City (Jaipur) Limited
Mahindra Happinest Developers Limited	Mahindra Industrial Park Private Limited

(ii) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited
Mahindra & Mahindra Contech Limited
Mahindra Holidays & Resorts India Limited
NBS International Limited
Mahindra First Choice Wheels Limited
Bristlecone India Limited

(iii a) Associate

AMIP Industrial Parks Private Limited (Incorporated on 10th October, 2022)

(iii b) Associate of Holding Company

Tech Mahindra Limited

(iv) Private company which is controlled by Director

Anarock Property Consultants Private Limited

(v) Key Management Personnel

Mr. Arvind Subramanian - Managing Director & CEO (upto 22nd May, 2023)	Mr. Arun Kumar Nanda - Non Executive Chairman (upto 28th July, 2022)
Mr. Amit Kumar Sinha [appointed as Additional Director w. e. f. 23rd February, 2023]*	Mr. S. Durgashankar - Non Executive Non Independent Director (Upto 13th May, 2022)
Mr. Bharat Shah - Independent Director (upto 31st July, 2021)	Dr. Anish Shah - Non Executive Non Independent Director
Ms. Rucha Nanavati - Non Executive Non Independent Director (appointed w. e. f. 27th July, 2022)	Ms. Asha Kharga - Non Executive Non Independent Director (appointed w. e. f. 13th May, 2022)
Mr. Ameet Hariani - Chairman, Non Executive Independent Director (appointed w. e. f. 28th Jul, 2022)	Ms. Amrita Chowdhury - Independent Director
Mr. Anuj Puri - Non Executive Independent Director (appointed w. e. f. 3rd November, 2022)	Ms. Amrita Chowdhury - Independent Director

* - Managing Director (Designate) w. e. f. 23rd February, 2023 to 22nd May, 2023 and effective from 23rd May, 2023, Mr. Sinha will be Managing Director & CEO.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Rendering of services										
Mahindra & Mahindra Limited	**270.82**	409.57	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**1.18**	0.86	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**1.06**	0.90	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	21.19	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**140.44**	141.76	**–**	–	**–**	–
Receiving of Services										
Mahindra & Mahindra Limited	**388.85**	322.71	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Integrated Business Solutions Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**302.14**	121.03
Mahindra Holidays & Resorts India Limited	**–**	–	**–**	–	**–**	–	**–**	–	**21.83**	17.14
NBS International Ltd	**–**	–	**–**	–	**–**	–	**–**	–	**11.52**	1.28
Bristlecone India Limited	**–**	–	**–**	–	**–**	–	**–**	–	**9.36**	–
Anarock Property Consultants Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**70.35**	–
Reimbursement made to parties										
Mahindra & Mahindra Limited	**720.69**	330.28	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**–**	–	**–**	0.04	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**141.82**	18.37	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**–**	1.27	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**4.00**	45.39	**–**	–	**–**	–
Mahindra & Mahindra Contech Limited	**–**	–	**–**	–	**–**	–	**–**	–	**2.45**	5.38
Tech Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	0.67
Reimbursement received from parties										
Mahindra Industrial Park Chennai Limited	**–**	–	**–**	–	**14.32**	10.80	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**1.36**	8.59	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**–**	–	**46.51**	19.41	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**18.22**	24.66	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**98.02**	109.31	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**43.55**	33.29	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**116.15**	22.22	**–**	–	**–**	–	**–**	–
Mahindra Integrated Township Limited	**–**	–	**11.56**	34.04	**–**	–	**–**	–	**–**	–
Mahindra Residential Developers Limited	**–**	–	**5.57**	5.67	**–**	–	**–**	–	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Inter-corporate Deposit Given										
Mahindra Bloomdale Developers Limited	**–**	–	**800.00**	4,200.00	**–**	–				
Mahindra World City (Maharashtra) Limited	**–**	–	**23.00**	15.00	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**400.00**	300.00	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**55.00**	36.00	**–**	–	**–**	–	**–**	–
Moonshine Construction Private Limited	**–**	–	**0.50**	0.50	**–**	–	**–**	–	**–**	–
Inter-corporate Deposit Realised										
Mahindra Bloomdale Developers Limited	**–**	–	**1,850.00**	1,200.00	**–**	–	–	–	–	–
Mahindra World City (Maharashtra) Limited	**–**	–	**1,294.30**	–	**–**	–	–	–	–	–
Deepmangal Developers Private Limited	**–**	–	**249.14**	–	**–**	–	–	–	**–**	–
Investment Made										
Mahindra World City (Maharashtra) Limited	**–**	–	**2,425.33**	–	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**112.67**	–	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited ^	**–**	–	**–**	–	**12,025.00**	–	**–**	–	**–**	–
AMIP Industrial Parks Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**78.35**	–
Purchase of Fixed Assets										
Mahindra & Mahindra Limited	**55.00**	9.57	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**1.64**	–	**–**	–	**–**	–
Sale of Fixed Assets										
Mahindra World City Developers Limited	**–**	–	**–**	–	**0.19**	–	**–**	–	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**–**	–	**–**	–	**4.25**	–
Purchase of Land										
Mahindra & Mahindra Limited	**38,410.41**	–	**–**	–	**–**	–	**–**	–	**–**	–
Interest expense										
Mahindra & Mahindra Limited	**558.21**	–	**–**	–	**–**	–	**–**	–	**–**	–
Received on Buyback of Shares										
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	5,505.38	**–**	–	**–**	–
Received on Capital Reduction										
Mahindra Homes Private Limited	**–**	–	**–**	–	**7,092.74**	–	**–**	–	**–**	–
Investment redeemed										
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**–**	1,362.11	**–**	–	**–**	–
Mahindra World City (Maharashtra) Limited	**–**	–	**17.50**	–	**–**	–	**–**	–	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Interest Income on Optionally Convertible Redeemable Debentures										
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**–**	120.86	**–**	–	**–**	–
Interest Income										
Mahindra World City (Maharashtra) Limited	**–**	–	**59.34**	57.25	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**17.22**	13.72	**–**	–	**–**	–	**–**	–
Rathna Bhoomi Enterprises Private Limited	**–**	–	**0.32**	0.31	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**1,903.27**	–	**–**	–	**–**	–	**–**	–
Moonshine Construction Private Limited	**–**	–	**0.18**	0.15	**–**	–	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**536.43**	250.82	**–**	–	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**139.51**	135.14	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**40.09**	32.46	**–**	–	**–**	–	**–**	–
Dividend Received										
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**9,435.00**	3,330.00	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**1,080.00**	900.00	**–**	–	**–**	–	**–**	–
Anthurium Developers Limited	**–**	–	**–**	15.00	**–**	–	**–**	–	**–**	–
Dividend Paid										
Mahindra & Mahindra Limited	**1,586.39**	–	**–**	–	**–**	–	**–**	–	**–**	–
Managerial Remuneration										
Mr Arvind Subramanian#	**–**	–	**–**	–	**–**	–	**349.26**	338.18	**–**	–
Shares allotted under ESOP										
Mr Arvind Subramanian	**–**	–	**–**	–	**–**	–	**177.00**	588.16	**–**	–
Sitting fees to Non Executive / Independent Directors	**–**	–	**–**	–	**–**	–	**31.90**	41.50	**–**	–

^ During the year ended March 31, 2023 the Company received non-cash consideration amounting to Rs. 120.25 crores in the form of redeemable preference shares from Mahindra World City Developers Ltd. pursuant to a scheme of merger by absorption of Mahindra Integrated Township Ltd and Mahindra Residential Developers Ltd with a joint venture of the Company, Mahindra World City Developers Ltd. Subsequent to allotment of redeemable preference shares, the Company has accrued a premium amount of Rs 116.63 lakhs as on 31st March, 2023.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

Outstanding Balances as at year end date

The following table provides the outstanding balances with related parties as on the relevant date

(Rs. In lakhs)

Particulars	Balance as at	Holding Company	Subsidiaries	Joint ventures	Key Management Personnel	Other related parties
Inter-corporate Deposit Given*	**31-Mar-23**	**–**	**6,373.08**	**1,755.00**	**–**	**–**
	31-Mar-22	–	7,966.41	1,755.00	–	–
Security Deposit Received	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	540.08	–	–	–	–
Trade and other receivables	**31-Mar-23**	**–**	**828.55**	**830.74**	**–**	**–**
	31-Mar-22	2,051.99	1,175.73	3,977.92	–	–
Payables	**31-Mar-23**	**30,057.01**	**–**	**147.91**	**–**	**56.47**
	31-Mar-22	116.76	–	0.08	–	35.87

* The above inter corporate deposit have been given for general business purposes

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

The remuneration of key management personnel is as below:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary including perquisites	**499.07**	900.82
Other contribution to funds	**27.19**	13.86
Total	**526.26**	914.68

37 - Contingent liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Claims against the Company not acknowledged as debt*		
(i) Demand from a local authority for energy dues, project related approval and works which is disputed by the Company.	**1,863.00**	2,164.04
(ii) Claim from welfare association in connection with project work, disputed by the Company	**4,550.00**	4,500.00
(iii) Cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates.	**1,515.00**	–
(b) Income Tax Matter under appeal		
In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the appropriate appellate authorities	**301.98**	301.98
(c) Indirect Tax Matters under appeal		
VAT, Service Tax and Entry Tax claims disputed by the Company relating to issues of applicability and interest on demand. The Company is pursuing the matter with the appropriate Appellate Authorities	**896.15**	1,167.59

* In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

38 - Commitments

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Capital Commitments : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**67.46**	72.92
(b) Other Commitment : Commitment for investment in equity shares of an Associate Company	**4,861.65**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

39 - 'Disclosure as per Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 and section 186(4) of Companies Act, 2013

Loans and advances in the nature of loans given to subsidiaries, joint ventures, firms / companies in which directors are interested:

(Rs. in lakhs)

Name of the party	Relationship	**Amount outstanding as at 31st March, 2023**	Maximum balance outstanding during the period	Amount outstanding as at 31st March, 2022	Maximum balance outstanding during the previous year
Deepmangal Developers Private Limited	Subsidiary	**–**	249.14	194.14	194.14
Moonshine Construction Private Limited	Subsidiary	**2.50**	2.50	2.00	2.00
Rathna Bhoomi Enterprises Private Limited	Subsidiary	**4.05**	4.05	4.05	4.05
Mahindra World City (Maharashtra) Limited	Subsidiary	**–**	772.70	749.70	749.70
Mahindra Bloomdale Developers Limited	Subsidiary	**5,494.53**	7,344.53	6,544.52	6,544.52
Knowledge Township Limited	Subsidiary	**872.00**	872.00	472.00	472.00
Mahindra Industrial Park Private Limited*	Joint Venture	**1,755.00**	1,755.00	1,755.00	1,755.00

* Mr. Arvind Subramanian (Managing Director & CEO) is also director on the board of Mahindra Industrial Park Private Limited.

The above inter corporate deposit have been given for general business purposes.

40 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to certain IndAS namely

IndAS 101 - First time adoption of Ind AS

IndAS 102 - Share Based Payment

IndAS 103 - Business Combination

IndAS 107 - Financial Instruments: Disclosures

IndAS 109 - Financial Instruments

IndAS 115 - Revenue from Contracts with Customers

IndAS 1 - Presentation of Financial Statements

IndAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IndAS 12 - Income Taxes

IndAS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The Company does not expect these amendments to have significant impact in its financial statement.

41 - Financial Ratios

(Rs. in lakhs)

Particulars		**Numerator**	**Denominator**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**	**% Variance**	**Reason for material variance**
a)	Current Ratio	Current Assets	Current Liabilities	1.57	2.03	(22.42%)	–
b)	Debt Equity Ratio (Gross)	Debt (1)	Equity	0.15	0.11	30.41%	Increase in utilisation of working capital facility

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in lakhs)

Particulars		Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Variance	Reason for material variance
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (2)	Debt Service (3)	0.22	(0.31)	(170.39%)	Increase in earnings available for debt service and increase in utilisation of working capital facility
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	9.75%	2.92%	233.61%	Higher operating revenue, Reversal of Impairment provision and gain on derecognition of investment.
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.33	0.24	35.75%	Increase in Operating Revenue as compared to previous year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	5.70	4.29	32.94%	Increase in Operating Revenue as compared to previous year
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	2.93	2.18	34.39%	Increase in Cost of Sales due to increase in Operating Revenue as compare to previous year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (4)	0.55	0.30	82.85%	Increase in Operating Revenue as compared to previous year
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	32.05%	16.97%	88.90%	Higher operating revenue, Reversal of Impairment provision and gain on derecognition of investment.
j)	Return on Capital employed	Earning before interest & taxes (5)	Capital employed (6)	8.60%	1.64%	422.86%	Better EBIT due to reversal of Impairment provision and gain on derecognition of investment in current year
k)	Return on investment (5)	Income generated from Investment (7)	Average investments (Gross)	21.29%	4.43%	380.50%	Increase in dividend income as compared to previous year

The Company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, above mentioned ratios may not be strictly comparable

Formula used for calculation of Ratios and Financial Indicators are as below:

1) Debt = Borrowing + Lease Liabilities
2) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3) Debt Service = Borrowing + Interest Payment + Lease Liability Payment
4) Working Capital = Current Asset - Current Liabilities
5) Earning before interest & taxes = Profit/(loss) before Tax (incl Exceptional Item) + Finance Cost
6) Capital Employed = Equity + Borrowing - Intangible Assets
7) Income generated from Investment = Dividend Income + Interest Income + Net Gain/(loss) arising on Financial Assets measured at Fair Value through Profit and Loss

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2023

42 - Other statutory information

a) **Security of current assets against borrowings**

The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. However, the quarterly returns or statements comprising quarterly financial results are not filed by the Company to such bank or financial institution as these are published financial results and are available on the Company's website for public including such banks or financial institutions. These quarterly financial results are in agreement with the unaudited books of account of the Company of the respective quarters

b) The company do not have any benami property, where any proceeding has been initiated on or are pending against the company for holding benami property.

c) **Transactions with struck off companies**

During the year ended 31st March 2023, the Company has entered in to a transaction with an unrelated party Digipace Consulting (OPC) Private Limited towards brokerage services for an amount of Rs. 4.67 lakhs and closing payable balance was NIL as on 31st March 2023.

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) **Registration of Charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

43. The Board of Directors of the Company has recommended a dividend of Rs. 2.30 per share on Equity Share of Rs. 10 each (23%) (31st March, 2022: Rs. 2.00 per share - 20%) subject to approval of members of the company at the forthcoming Annual General Meeting.

44. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

45. Previous Year Figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's grouping.

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 25th April, 2023

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani	Chairman	DIN: 00087866
Arvind Subramanian	Managing Director & CEO	DIN: 02551935

Ankit Shah
Assistant Company Secretary
ACS: 26552

Vimal Agarwal
Chief Financial Officer

Mumbai : 25th April, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Infrastructure Developers Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Mahindra Infrastructure Developers Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds

or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.

3. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

4. As regards the other matters to be included in the Auditor's Report, in accordance with the requirements of section 197 of the Act regarding managerial remuneration, the company has complied with the necessary provisions during the audit period.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 20th April, 2023
UDIN: 23049818BGXORZ3087

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment and Intangible assets:

As per information provided by the Company to us, it does not have any Property, Plant and Equipment and Intangible assets as on 31st March, 2023. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

(a) According the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(b) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest is as per stipulations.

(d) As per information and explanation provided by the Company to us, there is no overdue amount remaining outstanding as at the year-end.

(e) As per information and explanation provided by the Company to us, No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As per information and explanation provided by the Company to us, the company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment.

Loans were granted at repayable on demand.

	Related Parties
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand (A)	16,29,50,000
- Agreement does not specify any terms or period of repayment (B)	
Total (A+B)	16,29,50,000
Percentage of loans/ advances in nature of loans to the total loans	100%

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company does not incurred cash losses in the Audit Period and in the immediately preceding financial year (FY 2021-22) and hence relevant provisions of the Order is not applicable.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall dues.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 20th April, 2023
UDIN: 23049818BGXORZ3087

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Infrastructure Developers Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 20th April, 2023
UDIN: 23049818BGXORZ3087

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

		Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
	Non-current assets			
	(a) Financial assets			
	(i) Investments	4	**7.79**	7.79
	(ii) Loans	5	**1,629.50**	1,629.50
	(b) Other non-current assets	6	**302.94**	286.77
	Total Non-current assets (I)		**1,940.23**	1,924.06
	Current assets			
	(a) Financial assets			
	(i) Trade receivables	7	**–**	–
	(ii) Cash and cash equivalents	8(a)	**0.13**	0.21
	(iii) Bank balances other than (i) above	8(b)	**47.43**	23.42
	(iv) Others	9	**312.05**	193.27
	(b) Other current assets	6	**–**	0.39
	Total current assets (II)		**359.61**	217.29
	Total assets [(I)+(II)]		**2,299.84**	2,141.34
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	10	**1,800.00**	1,800.00
	(b) Other equity	11	**498.25**	293.91
	Total equity (III)		**2,298.25**	2,093.91
	Liabilities			
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	12		
	– total outstanding dues of trade payables other than micro enterprises and small enterprises		**1.49**	1.18
	(b) Other current liabilities	13	**0.10**	46.26
	Total current liabilities (IV)		**1.59**	47.44
	Total equity and liabilities [(III)+(IV)]		**2,299.84**	2,141.34

Summary of Significant Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

Jasmin Suchak
Chief Executive Officer

For and on behalf of the Board of Directors

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
I	Revenue from operations		**–**	–
II	Other income	14	**1,323.42**	1,045.58
III	**Total income (I+II)**		**1,323.42**	1,045.58
IV	**Expenses**			
	(a) Employee benefit expense	15	**1.18**	1.01
	(b) Other expenses	16	**5.48**	11.37
	Total Expenses (IV)		**6.66**	12.38
V	**Profit/(Loss) before tax (III-IV)**		**1,316.76**	1,033.20
VI	**Tax Expense**			
	(1) Current tax	17	**32.42**	35.79
	(2) Deferred tax		**–**	–
	Total tax expense		**32.42**	35.79
VII	**Profit/(Loss) for the year (V-VI)**		**1,284.34**	997.41
VIII	**Total comprehensive income for the year**		**1,284.34**	997.41
IX	**Earnings per equity share**			
	Basic/Diluted	19	**7.14**	5.54

Summary of Significant Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

Jasmin Suchak
Chief Executive Officer

For and on behalf of the Board of Directors

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	For The Year Ended 31st March, 2023	For The Year Ended 31st March, 2022
Cash flow from operating activities		
Profit/(Loss) for the year	**1,316.76**	1,033.20
Adjustments for:		
Income tax expense recognised in the statement of profit and loss		(35.79)
Interest Income	**(135.43)**	(134.06)
Dividend Income	**(1,187.99)**	(890.99)
	(6.66)	(27.64)
Decrease in trade receivables	**–**	(2.00)
Increase in other financial assets	**(118.40)**	(111.35)
Decrease in other current assets	**–**	(53.52)
Increase in trade payables	**0.31**	(19.50)
Increase/(decrease) in other current liabilities	**0.02**	0.32
Cash generated from operations		
Income taxes paid	**(94.77)**	
Net cash generated by/(used in) operating activities	**(219.50)**	(213.70)
Cash flows from investing activities		
Impairment of Investment during the year	**–**	2.50
Interest received	**135.43**	134.06
Dividends received from Subsidiary	**1,187.99**	890.99
Bank deposits (net)	**(24.00)**	**21.95**
Net cash generated by investing activities	**1,299.42**	1,049.50
Cash flows from financing activities		
Dividends paid to owners of the Company	**(1,080.00)**	(900.00)
Inter Corporate Deposit given	**–**	(2.50)
Inter Corporate Deposit received back	**–**	64.00
Net cash used in financing activities		
Net cash generated by financing activities	**(1,080.00)**	(836.00)
Net increase in cash and cash equivalents	**(0.08)**	(0.21)
Cash and cash equivalents at the beginning of the year	**0.21**	0.41
Cash and cash equivalents at the end of the year	**0.13**	0.21

Summary of Significant Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

	(₹ in lakh)
Balance as at 31st March, 2021	**1,800.00**
Changes in equity share capital during the period	–
Balance as at 31st March, 2022	**1,800.00**
Changes in equity share capital during the period	–
Balance as at 31st March, 2023	**1,800.00**

B. Other Equity

	Retained earnings (₹ in lakh)
Balance as at 31st March, 2021	**196.50**
Profit/(Loss) for the year	997.41
Other comprehensive income	–
Total comprehensive income	997.41
Dividend paid	900.00
Balance as at 31st March, 2022	**293.91**
Profit/(Loss) for the year	1,284.34
Other comprehensive income	**–**
Total comprehensive income	1,284.34
Dividend paid	1,080.00
Balance as at 31st March, 2023	**498.25**

Summary of Significant Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

Jasmin Suchak
Chief Executive Officer

For and on behalf of the Board of Directors

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10 May, 2001 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of infrastructure projects and infrastructure related services.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements were approved by the Board of Directors and authorised for issue on 20th April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 4 – Investments

(₹ in lakh)

Particulars	Face Value ₹	As at 31st March, 2023 Nos.	As at 31st March, 2023 (₹ in lakh)	As at 31st March, 2022 Nos.	As at 31st March, 2022 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of subsidiaries					
Mahindra Water Utilities Private Limited	10	**98,999**	**7.79**	98,999	7.79
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)					
– of joint ventures					
Mahindra Inframan Water Utilities Private Limited	10	**24,999**	**2.50**	24,999	2.50
– of associate					
Ratna Bhoomi Enterprise Private Limited	10	**500**	**–**	500	–
Investments in Preference shares					
– of associate					
10% Non-cumulative redeemable participating optionally convertible preference shares in Ratna Bhoomi Enterprise Private Limited (Refer Notes below)	10	**1,19,250**	**–**	1,19,250	–
Total (A)			**10.29**		10.29
B. Investment carried at fair value through other comprehensive income					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
New Tirupur Area Development Corporation Limited	10	**1,50,00,000**	**–**	1,50,00,000	–
Total (B)			**–**		–
Total Impairment value for investment carried at cost			**(2.50)**		(2.50)
Total Investments (A)+(B)			**7.79**		7.79

Note No. 5 - Loans

(₹ in lakh)

Particulars	As at 31st March 2023 Non- Current	As at 31st March 2022 Non- Current
a) Loans to related parties		
– Secured, considered good	**–**	–
– Unsecured, considered good	**1,629.50**	1,629.50
– Doubtful	**–**	–
Less: Allowance for Credit Losses	**–**	–
Total	**1,629.50**	1,629.50

Note No. 6 - Other assets

(₹ in lakh)

Particulars	As at 31st March 2023 Non-current	As at 31st March 2023 Current	As at 31st March 2022 Non-current	As at 31st March 2022 Current
(a) Income tax assets (net)	**302.94**	**–**	286.77	–
(b) Balances with government authorities (other than income taxes)				
Service tax credit receivables	–	**–**	–	0.62
(c) Security deposit				
Unsecured, considered good	**–**	–	1.25	–
(d) Other receivables	**–**	**–**	–	4.09
Less: Balance write off	**–**	**–**	1.25	4.32
Total other assets	**302.94**	**–**	286.77	0.39

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 7 - Trade receivables

(₹ in lakh)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2022 Current
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
– Unsecured, considered good	–	2.00
Less: Balance write off	–	2.00
Total trade receivables	–	–

Note No. 8

(a) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balance with bank	**0.13**	0.21
Total cash and cash equivalents	**0.13**	0.21

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) In deposit accounts	**47.43**	23.42
Total other bank balances	**47.43**	23.42

Note No. 9 - Other financial assets

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Financial assets at amortised cost		
Interest accrued but not due on ICD	**312.05**	193.27
Total other financial assets	**312.05**	193.27

Note No. 10 - Equity share capital

Particulars	As at 31st March, 2023 Number of shares	(₹ in lakh)	As at 31st March, 2022 Number of shares	(₹ in lakh)
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
	2,00,00,000	**2,000.00**	2,00,00,000	2,000.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
	1,80,00,000	**1,800.00**	1,80,00,000	1,800.00

Notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2023 Number of shares	(₹ in lakh)	As at 31st March, 2022 Number of shares	(₹ in lakh)
Opening balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
Add: Issued during the year	–	–	–	–
Closing balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	1,80,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2023 Number of shares	% holding	As at 31st March, 2022 Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

(v) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31st March, 2023 Number of shares	% holding	As at 31st March, 2022 Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

Note No. 11 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2021	**196.50**	**196.50**
Profit/(Loss) for the year	997.41	**997.41**
Other comprehensive income	–	**–**
Total comprehensive income	**997.41**	**997.41**
Dividend paid	900.00	900.00
Balance at 31st March, 2022	**293.91**	**293.91**
Profit/(Loss) for the year	1,284.34	**1,284.34**
Other comprehensive income	–	**–**
Total comprehensive income	**1,284.34**	**1,284.34**
Dividend paid	1,080.00	1,080.00
Balance at 31st March, 2023	**498.25**	**498.25**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 12 - Trade payables

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables - total outstanding dues of micro enterprises and small enterprises	–	–
Trade payables - total outstanding dues of trade payables other than micro enterprises and small enterprises	1.49	20.64
Less: Provision for Balances Write back	–	19.46
Total trade payables	**1.49**	1.18

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

12 a - Ageing for trade payable from the due date of payment for each of the category is as follows

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	–
0 months - 1 year	1.49	1.18
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	**1.49**	1.18

Note No. 13 - Other current liabilities

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Others		
Statuatory remittances (withholding taxes, service tax, etc.)	0.10	0.09
b. Provision for tax-Current Year	–	35.79
Previous years	–	10.38
Total other current liabilities	**0.10**	46.26

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest Income on Bank Deposits	3.44	2.08
on Inter Corporate Deposits	131.99	131.98
(b) Dividend Income Dividend income from subsidiaries	1,187.99	890.99
(c) Miscellaneous Income	–	1.07
(d) Balances write off	–	19.46
Total other Income	**1,323.42**	1,045.58

Note No. 15 - Employee benefits expense

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary and wages (including deputation charges)	1.18	1.01
Total employee benefit expenses	**1.18**	1.01

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Professional charges	3.60	0.40
(b) Payments to auditors (including service tax):		
(i) For audit	0.26	0.15
(c) Miscellaneous expenses	0.43	0.16
(d) ROC Expenses	0.05	0.05
(e) Annual Custody Charges- NSDL	1.14	0.53
(f) Balances write back	–	10.07
Total other expenses	**5.48**	11.37

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax:		
In respect of current year	32.42	35.79
Total income tax expense on continuing operations	**32.42**	35.79

Note No. 18 - Contingent liabilities and commitments

(₹ in lakh)

Contingent liabilities (to the extent not provided for)	As at 31st March, 2023	As at 31st March, 2022
Contingent liabilities		
(a) Guarantee		
For Subsidiary Company / Joint Venture - Mahindra Water Utilities Limited		
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)		
– Amount of Gurantee outstanding	1,800.00	1,800.00
– Maximum liablity of the Company	1,800.00	1,800.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 19 - Earnings per share

Sr. No.	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Profit/(loss) for the period	**1,284**	997
(b)	Weighted average number of equity shares (No.)	**1,80,00,000**	1,80,00,000
(c)	Basic/Diluted earning per share	**7.14**	5.54
(d)	Nominal value per share	**10**	10

Note No. 20 - Segment Reporting

The company has a single reportable segment namely development of infrastructure projects and infrastructure related services in India for the purpose of Ind As 108 on segment reporting.

Note No. 21 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

(₹ in lakh)

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Subsidiary

1	Mahindra Water Utilities Limited

Fellow Subsidiary

1	Mahindra Construction Company Limited
2	Mahindra Bloomdale Developers Ltd.

Joint Ventures

1	Mahindra Inframan Water Utilities Private Limited

Associate of Holding Company

1	Mahindra Knwoledge Park (Mohali) Limited

(₹ in lakh)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Water Utilities Limited	Mahindra Bloomdale Developers Ltd.	Mahindra Inframan Water Utilities Private Limited	Mahindra Construction Company Limited	Mahindra Knwoledge Park (Mohali) Limited
Nature of transactions with Related Parties								
Employee benefit	**31-Mar-23**	**–**	**1.18**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	0.86	–	–	–	–	–
ICD given	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**		**–**
	31-Mar-22	–	–	–	–	2.50	–	–
ICD Refunded	**31-Mar-23**	**–**	**–**	**–**	**–**			**–**
	31-Mar-22	–	–	–	64.00			–
Interest Received	**31-Mar-23**	**–**	**–**	**–**	**130.98**	**0.20**	**0.41**	**–**
	31-Mar-22	–	–	–	131.07	0.11	0.80	–
Interest Paid	**31-Mar-23**		**–**					
	31-Mar-22							
Dividend Paid	**31-Mar-23**	**–**	**1,080.00**	**–**	**–**			**–**
	31-Mar-22	–	900.00	–	–			–
Dividend Income	**31-Mar-23**	**–**	**–**	**1,187.99**	**–**		**–**	**–**
	31-Mar-22	–	–	890.99	–		–	–
Payment made on behalf of related party	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	0.65
Business support charges	**31-Mar-23**	**0.01**	**–**	**–**	**–**	**–**		**–**
	31-Mar-22	–		–	–	–		–

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Water Utilities Limited	Mahindra Bloomdale Developers Ltd.	Mahindra Inframan Water Utilities Private Limited	Mahindra Construction Company Limited	Mahindra Knwoledge Park (Mohali) Limited
ICD Receivable	**31-Mar-23**	**–**	**–**	**–**	**1,617.00**	**2.50**	**10.00**	**–**
	31-Mar-22	–	–	–	1,617.00	2.50	10.00	–
Interest on ICD Receivable	**31-Mar-23**	**–**	**–**	**–**	**308.87**	**0.28**	**2.90**	**–**
	31-Mar-22	–	–	–	190.99	0.10	2.17	–
Other Payables	**31-Mar-23**	**–**	**1.08**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	0.93	–	–		–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 22 As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the period ended 31 March, 2023 have been prepared on the basis of going concern.

Note No. 23 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-23						
Trade Payable	1.49	–	–	–	1.49	1.49
Total	**1.49**	**–**	**–**	**–**	**1.49**	**1.49**
31-Mar-22						
Trade Payable	1.18	–	–	–	1.18	1.18
Total	**1.18**	**–**	**–**	**–**	**1.18**	**1.18**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 24 - Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	226.54	4.58	4845.87%	Reduction Current Liability
b)	Debt Equity Ratio	Net Debt	Equity	NA	NA	NA	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	NA	NA	NA	
d)	Return of Equity	PAT	Networth	55.88%	47.63%	17.32%	
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for material variance
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA	
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA	
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA	
i)	Net profit ratio	PAT	Revenue	97.05%	95.39%	1.73%	
j)	Return on Capital employed	PAT	Networth	58.48%	48.77%	19.92%	
k)	Return on investment	PAT	Capital employed	15250.19%	11437.64%	33.33%	Increase in Dividend Income

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 25 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 26 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 27 Continues - Fair Value Measurement

Financial assets measured at fair value

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-23	31-Mar-22				
Financial assets						
Investments in equity instruments						
– New Tirupur Area Development Corporation Limited (NTADCL) (15,000,000 equity shares of Rs. 10 each)	–	–	Level 3		On the basis of NTADCL's own data, taking into account all information about market participant that is reasonably available.	NA
Total financial liabilities	–	–				

Note No. 28 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

Jasmin Suchak
Chief Executive Officer

For and on behalf of the Board of Directors

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in lakhs)

Particulars	**Details**
Name of the subsidiary	Mahindra Water Utilities Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	–
Share capital	10
Reserves & surplus	1,519.94
Total assets	1,888.82
Total Liabilities	358.88
Investments	0
Turnover	2,274.09
Profit before taxation	876.78
Provision for taxation	225.01
Profit after taxation	651.77
Proposed Dividend	NIL
% of shareholding	98.99%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Particulars	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Pvt Ltd.	Rathna Bhoomi Enterprises Pvt Ltd.
Latest audited Balance Sheet Date	31.03.2023	31.03.2023
Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
Nos.	24,999	500
Amount of Investment in Joint Venture / Associates (In Rs.)	2,49,990	5,000
Extend of Holding %	50%	50%
Description of how there is significant influence	Note A	Note A
Reason why the associate/joint venture is not consolidated		
Net worth attributable to shareholding as per latest audited Balance Sheet	(1.62)	(13.78)
Profit/Loss for the year		
i. Considered in Consolidation	–	–
ii. Not Considered in Consolidation	(0.49)	(0.37)

Note A: There is significant influence due to percentage (%) of Share Capital

1. Names of Joint ventures or associates which are yet to commence operations.

Note: This Form is to be certified in the same manner in which the Balance sheet is to be certified.

For and on behalf of the Board of Directors

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April 2023

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 20th April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra World City (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZZ5466

Place: Mumbai
Date: April 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Mahindra World City (Maharashtra) Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Anirudhha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZZ5466
Place: Mumbai
Date: April 21, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) (a) According to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under Clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the investments made by the Company are not prejudicial to the interest of the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly,the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.Accordingly,the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year, Company has incurred cash losses of Rs. 4.45 Cr in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZZ5466

Place: Mumbai
Date: April 21, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**1,707.11**	1,178.78
SUB-TOTAL		**1,707.11**	1,178.78
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**0.97**	1.19
(ii) Bank balances other than (i) above	5	**33.00**	–
(iii) Other Financial Assets	6	**0.03**	–
SUB-TOTAL		**34.00**	1.19
TOTAL ASSETS		**1,741.11**	1,179.97
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	**2,542.37**	117.04
(b) Other Equity	8	**(1,004.20)**	(1,169.52)
SUB-TOTAL		**1,538.17**	(1,052.48)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**–**	1,509.60
(b) Provisions	10	**182.62**	182.62
SUB-TOTAL		**182.62**	1,692.23
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	11		
— total outstanding dues of micro enterprises and small enterprises		**–**	–
— total outstanding dues of trade payables other than micro enterprises and small enterprises		**0.16**	8.96
(ii) Other Financial Liabilities	12	**–**	525.54
(b) Provisions	10	**0.34**	–
(c) Other Current Liabilities	13	**19.81**	5.73
SUB-TOTAL		**20.31**	540.22
TOTAL		**1,741.11**	1,179.97

Summary of Significant Accounting Policies

The accompanying notes 1 to 26 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 21st April 2023

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I	Other Income	14	**254.42**	–
II	**Total Revenue (I)**		**254.42**	–
III	**EXPENSES**			
	(a) Finance costs	15	**59.34**	57.25
	(b) Other expenses	16	**15.87**	4.45
	Total Expenses (III)		**75.21**	61.70
	Profit/(loss) before exceptional items and tax (II - III)		**179.21**	(61.70)
IV	**Profit/(loss) before tax**		**179.21**	(61.70)
V	**Tax Expense**			
	(1) Current tax	17	**13.88**	–
	Total tax expense		**13.88**	–
VI	**Profit/(loss) after tax from continuing operations (IV-V)**		**165.33**	(61.70)
VII	**Profit/(loss) for the period**		**165.33**	(61.70)
VIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic/Diluted	18	**0.65**	(5.27)

Summary of Significant Accounting Policies

The accompanying notes 1 to 26 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 21st April 2023

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	**179.21**	(61.70)
Adjustments for:		
Interest income	**(0.03)**	–
Share issue expenses	**15.36**	–
Miscellaneous Income (liabilities no longer required written back)	**(254.39)**	–
Finance costs recognised in profit or loss	**59.34**	57.25
	(0.51)	(4.45)
Movements in working capital:		
Decrease in trade and other payables	**(0.25)**	(5.73)
(Decrease)/increase in other liabilities	**(5.39)**	52.50
Net cash (used in)/generated from operating activities	**(6.15)**	42.32
Cash flows from investing activities		
Payments to acquire Shares	**(528.33)**	–
Bank balances not considered as cash and cash equivalents - Placed	**(33.00)**	–
Net cash Generated from /(used in) financing activities	**(561.33)**	–
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**2,425.33**	–
Payment for share issue costs	**(15.36)**	–
Redemption of preference shares	**(17.75)**	–
Inter Corproate Deposit received	**23.00**	–
Inter Corproate Deposit repaid	**(1,294.30)**	15.00
Interest paid on Inter Corporate Deposit paid	**(553.66)**	(57.25)
Net Cash generated from/(used in) financing activities	**567.26**	(42.25)
Net (decrease)/ increase in cash	**(0.22)**	0.21
Cash and cash equivalents at the beginning of the year	**1.19**	0.98
Cash and cash equivalents at the end of the year	**0.97**	1.19

Summary of Significant Accounting Policies

The accompanying notes 1 to 26 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 21st April 2023

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

A. Equity share capital	
As at 31st March, 2021	**117.04**
Changes in equity share capital during the year	–
As at 31st March, 2022	**117.04**
Changes in equity share capital during the year	2,425.33
As on 31st March, 2023	**2,542.37**

a. Equity share capital

	Equity share capital (no. of Shares)
As at 31st March, 2022	**11,70,400**
Changes in equity share capital during the year	
Issue of equity shares	2,42,53,300
As on 31st March, 2023	**2,54,23,700**

B. Other Equity	**Retained earnings (₹ in lakh)**
Balance as at 31st March, 2021	**(1,107.83)**
Profit/(Loss) for the year	(61.70)
Other comprehensive income	–
Total comprehensive income	(61.70)
Balance as at 31st March, 2022	**(1,169.52)**
Profit/(Loss) for the year	165.33
Other comprehensive income	–
Total comprehensive income	165.33
Balance as at 31st March, 2023	**(1,004.20)**

Summary of Significant Accounting Policies

The accompanying notes 1 to 26 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 21st April 2023

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1. Corporate information

Mahindra World City (Maharashtra) Limited ("the Company") is a public company incorporated in 2005 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements were approved by the Board of Directors and authorised for issue on 21st April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31st March, 2023		As at 31st March, 2022	
		Nos.	**(₹ in lakh)**	Nos.	(₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
Deep Mangal Developers Private Limited	10	**529,160**	**1,706.66**	830	1,178.33
Mahindra Construction Company Limited	10	**3,000**	**0.30**	3,000	0.30
Moonshine Construction Private Limited	10	**20**	**0.00**	20	0.00
Mahindra Ugine Steel Limited	1	**1**	**0.00**	1	0.00
Rathna Bhoomi Enterprises Private Limited	10	**500**	**0.05**	500	0.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Face Value (₹)	As at 31st March, 2023 Nos.	(₹ in lakh)	As at 31st March, 2022 Nos.	(₹ in lakh)
Investments in Preference shares					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	**4,479**	**0.45**	4,479	0.45
Rathna Bhoomi Enterprises Private Limited	10	**119,250**	**11.93**	119,250	11.93
Prudential Management & Services Private Limited	1	**2**	**0.00**	2	0.00
MCCL	**1**	**1**	**0.00**	1	0.00
7% Non-cumulative redeemable participating optionally convertible preference shares in Mahindra Knowledge Park Mohali Limited	10	**50,000**	**0.00**	50,000	0.00
Total Impairment value for investment carried at cost			**(12.28)**		(12.28)
			1,707.11		1,178.78

0.00 lakhs denotes amount less than 500/-

Note No. 5 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
(a) Balances with banks	**0.97**	1.19
(b) Bank balances other than (a) above	**33.00**	–
Total Cash and cash equivalent	**33.97**	1.19

Note No. 6 - Other Financial assets

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Current	Current
(a) Interest accrued on Fixed Deposit	**0.03**	–
Total Other Current Assets	**0.03**	–

Note No. 7 - Equity Share Capital

Particulars	As at 31st March, 2023 No. of shares	(₹ in lakh)	As at 31st March, 2022 No. of shares	(₹ in lakh)
Authorised:				
Equity shares of Rs.10 each with voting rights	**2,54,23,700**	**2,542.37**	92,50,350	925.04
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**2,54,23,700**	**2,542.37**	11,70,400	117.04
Total	**2,54,23,700**	**2,542.37**	11,70,400	117.04
Authorised:				
Preference shares of Rs.10 each with voting rights	**259,650**	**25.97**	259,650	25.97
Issued, Subscribed and Fully Paid:				
Prefernce shares of Rs.10 each with voting rights	**–**	**–**	177,500	17.75
	–	**–**	177,500	17.75

The Board of Directors had at its meeting held on 11th January, 2023, approved Rights Issue of 2,42,53,300 Equity Shares of Rs. 10 each aggregating to Rs. 2425.33 lakhs at par. The Company completed the Rights Issue by allotting on 25th March, 2023, 2,42,53,300 Equity Shares of Rs. 10 each aggregating to Rs. 2425.33 lakhs, to the holders of equity shares in proportion, to the paid-up share capital of the Company. The rights issue was fully subscribed. Consequently, the paid up equity share capital of the Company has increased to Rs. 2542.37 lakhs divided into 2,54,23,700 equity shares of Rs. 10 each. The Rights Issue proceeds have been fully utilised for the purpose of the Issue.

Further, the Company in accordance with the terms of 8.5% Non-Cumulative Redeemable Preference Shares, undertook early redemption of 1,77,500 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 10 each at par on 27th March, 2023.

Note No. 7a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Fresh Issue	Redemeed during the year	Closing Balance
(a) Equity Shares with Voting rights*					
Year Ended 31st March 2022					
	No. of Shares	11,70,400	–	–	11,70,400
	Amount	117.04	–	–	117.04
Year Ended 31st March 2023					
	No. of Shares	**11,70,400**	**2,42,53,300**	**–**	**2,54,23,700**
	Amount	**117.04**	**2,425.33**	**–**	**2,542.37**
(b) Preference Shares					
Year Ended 31st March 2022					
	No. of Shares	177,500	–	–	177,500
	Amount	17.75	–	–	17.75
Year Ended 31st March 2023					
	No. of Shares	**177,500**	**–**	**177,500**	**–**
	Amount	**17.75**	**–**	**17.75**	**–**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2022			
Mahindra Lifespace Developers Ltd.	11,70,400	–	–
As at 31st March 2023			
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**–**	**–**

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March, 2023 Number of shares held	% holding in that class of shares	As at 31st March, 2022 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**100.00%**	11,70,400	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares/ Name of shareholder	As at 31st March, 2023 Number of shares held	% holding in that class of shares	As at 31st March, 2022 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**100.00%**	11,70,400	100.00%

Note No. 8 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2021	(1,107.83)	(1,107.83)
Profit/(Loss) for the year	(61.70)	(61.70)
Other comprehensive income	–	–
Total comprehensive income	(1,169.52)	(1,169.52)
Balance at 31st March, 2022	(1,169.52)	(1,169.52)
Profit/(Loss) for the year	165.33	165.33
Other comprehensive income	–	–
Total comprehensive income	(1,004.20)	(1,004.20)
Balance at 31st March 2023	**(1,004.20)**	**(1,004.20)**

Note No. 9 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	**–**	742.15
(b) Loans from related parties*	**–**	749.70
(c) Other Loans Redeemable preference share capital	**–**	17.75
Total Unsecured Borrowings	**–**	1,509.60
Total Borrowings	**–**	1,509.60

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited carrying interest rate in the range of 7.65% p.a. to 8.25% p.a. (Previous Year 7.70% p.a.)

Note No. 10 - Provisions

(₹ in lakh)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(a) Provisions				
Other Provisions	**0.34**	**182.62**	–	182.62
Total Provisions	**0.34**	**182.62**	–	182.62

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payable - total outstanding Dues of micro enterprises and small enterprises	**–**	–
Trade payable - total outstanding dues of trade payables other than micro enterprises and small enterprises	**0.16**	8.96
Total trade payables	**0.16**	8.96

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note X.

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.16**	0.34
1-2 Years	**–**	0.34
2-3 years	**–**	–
More than 3 years	**–**	8.28
	0.16	8.96

Note No. 12 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Current Financial Liabilities		
(a) Interest accrued but not due on borrowings	**–**	525.54
Total other financial liabilities	**–**	525.54

Note No. 13 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues		
(a) taxes payable (other than income taxes)	**5.93**	5.73
(b) Provision for tax-Current Year	**13.88**	–
Total Other Current Liabilities	**19.81**	5.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 14 - Other Income

(₹ in lakh)

Particulars		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a)	Interest Income on:		
	Bank Deposits	**0.03**	–
(b)	Miscellaneous Income (liabilities no longer required written back)	**254.39**	–
Total Other Income		**254.42**	–

Note No. 15 - Finance Cost

(₹ in lakh)

Particulars		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a)	Interest expense	**59.34**	57.25
Total finance costs		**59.34**	57.25

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	**0.34**	0.34
(b)	Other expenses		
	(i) Legal and other professional costs	**0.16**	4.00
	(ii) Rates & Taxes	**15.36**	–
	(iii) Miscellaneous expenses	**0.01**	0.10
Total Other Expenses		**15.87**	4.45

Note No. 17 - Current Tax

Income Tax recognised in profit or loss

(₹ in lakh)

Particulars		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a)	Provision for tax-Current Year	**13.88**	–
Total income tax expense on continuing operations		**13.88**	–

Note No. 18 - Earnings per Share

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Basic Earnings per share		
From continuing operations	**0.65**	(5.27)
From discontinuing operations	**–**	–
Total basic earnings per share	**0.65**	(5.27)
Diluted Earnings per share	**0.65**	(5.27)
From continuing operations		
From discontinuing operations		
Total diluted earnings per share	**0.65**	(5.27)

Particulars	**For the Year ended 31st March, 2023**	For the year ended 31st March 2022
Profit / (loss) for the year attributable to owners of the Company	**165**	(62)
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**165**	(62)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profits used in the calculation of basic earnings per share from continuing operations	**165**	(62)
Weighted average number of equity shares	**25423700**	1170400
Earnings per share from continuing operations - Basic	**0.65**	(5.27)

Note No. 19 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company
3	Deep Mangal Developers Private Limited	Subsidiary Company

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary
Nature of transactions with Related Parties				
Interest on ICD (expenses)	**31-Mar-23**	**–**	**59.34**	**–**
	31-Mar-22	–	57.25	–
Inter Corporate Deposits received	**31-Mar-23**	**–**	**23.00**	**–**
	31-Mar-22	–	15.00	–
Inter Corporate Deposits returned	**31-Mar-23**	**–**	**1,294.30**	**–**
	31-Mar-22	–	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary
Equity Shares Issued	**31-Mar-23**	**–**	**2,425.33**	**–**
	31-Mar-22	**–**	–	**–**
Redemption of Preferece Shares	**31-Mar-23**	**–**	**17.50**	**–**
	31-Mar-22	**–**	–	**–**
Investment in Equity Shares	**31-Mar-23**	**–**	**–**	**528.33**
	31-Mar-22	**–**	–	**–**
Reimbursement made to parties	**31-Mar-23**	**0.01**	**–**	**–**
	31-Mar-22	**–**	–	**–**

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Subsidiary
Payables	**31-Mar-23**	**–**	**–**	**–**
	31-Mar-22	**–**	1,249.93	**–**

Note No. 20 - The accounts of the Company for the year ended 31st March, 2023 have been prepared on the basis of going concern.

Note No. 21 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	**As at 31st March, 2023**	As at 31st March, 2022
Debt (A)	**–**	1,509.60
Equity (B)	**1,538.17**	(1,052.48)
Debt Ratio (A/B)	**–**	(1.43)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	As at 31st March, 2023			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments	1,707.11	–	–	**1,707.11**
Current Assets				
Investments	–	–	–	**–**
Trade Receivables	–	–	–	**–**
Other Bank Balances	0.97	–	–	**0.97**
Non-current Liabilities				
Borrowings	–	–	–	**–**
Current Liabilities				
Borrowings	–	–	–	**–**
Trade Payables	0.16	–	–	**0.16**
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	–	–	–	**–**

	As at 31st March, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,178.78	–	–	**1,178.78**
Current Assets				
Investments	–	–	–	**–**
Trade Receivables	–	–	–	**–**
Other Bank Balances	1.19	–	–	**1.19**
Non-current Liabilities				
Borrowings	1,509.60	–	–	**1,509.60**
Current Liabilities				
Borrowings	–	–	–	**–**
Trade Payables	8.96	–	–	**8.96**
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	525.54	–	–	**525.54**

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-23			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–
Non-derivative financial liabilities			
31-Mar-22			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	1,509.60

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 22 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-23 Carrying amount	31-Mar-23 Fair value	31-Mar-22 Carrying amount	31-Mar-22 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash & cash equivalents	0.97	–	1.19	–
	0.97	–	1.19	–
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from other entities			1,509.60	
– other financial liabilities	–	–	525.54	–
Total	–	–	2,035.14	–

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Trade receivables	–	–	–	–
(ii) Cash and cash equivalents	–	0.97	–	0.97
Total	–	0.97	–	0.97
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Other financial liabilities	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2022 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	1.19	–	1.19
Total	–	1.19	–	1.19
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	1,509.60	–	1,509.60
(ii) Other financial liabilities	–	525.54	–	525.54
Total	–	2,035.14	–	2,035.14

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

23 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	**1.6738**	0.0022	76138.01%
b)	Debt Equity Ratio	Net Debt	Equity	**–**	(1.43)	-100.00%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**3.02**	(0.04)	-7769.68%
d)	Return of Equity	PAT	Networth	**0.11**	0.06	83.35%
e)	Inventory Turnover ratio	COGS	Average Inventory	**NA**	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	**NA**	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**NA**	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	**NA**	NA	NA
i)	Net profit ratio	PAT	Revenue	**NA**	NA	NA
j)	Return on Capital employed	PAT	Borrowing	**68.08%**	-13.00%	-623.69%
k)	Return on investment	PAT	Capital employed	**0.00%**	0.00%	0.00%

24 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

25. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

26. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 21st April 2023

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.
Statement containing salient features of financial statements of Subsidiary / Associates / Joint Ventures.

Part"A" Subsidiaries

(₹ in lakh)

Name of Subsidiary	Deep Mangal Developers Private Limited	Mahindra Knowledge Park (Mohali) Limited
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	642.01	0.001
Reserves & surplus	(107.80)	(125.02)
Total assets	540.24	0.03
Total Liabilities	6.03	125.04
Investments	0.05	–
Turnover	0.13	–
Profit/(Loss) before taxation	(24.70)	(0.41)
Provision for taxation	–	–
Profit/(Loss) after taxation	(24.70)	(0.41)
Proposed Dividend	–	–
% of shareholding	82.42%	99.97%

Notes:
1. No subsidiaries which are yet to commence operations.
2. No subsidiaries which have been liquidated or sold during the year.

Part "B"Associates/ Joint Ventures

(₹ in lakh)

	ASSOCIATES	
Name of Associates/Joint Ventures	**Moonshine Construction Private Limited**	**Rathna Bhoomi Enterprises Private Limited**
Latest Audited Balance Sheet Date	31-Mar-23	31-Mar-23
Shares of Associate/Joint Venture held by the Company on the year end:		
No. of Equity shares held	20	500
Extent of Holding (%)	49.12%	50.00%
Amount of investment in Associates (in Rs.)	200	5,000
Description of how there is significant influence	#	#
Reason why the Associate/joint venture is not consolidated	*	*
Networth attributable to Shareholding as per latest audited Balance sheet (₹ in lakh)	(16.20)	(13.78)
Profit/(Loss) for the year:		
i) Considered in Consolidation (₹ in lakh)	–	–
ii) Not Considered in Consolidation (₹ in lakh)	(0.30)	(0.37)

Notes:

1. No Associates/Joint Venture which are yet to commence operations.
2. No Associates/Joint Venture which have been liquidated or sold during the year.
3. Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, the Company is exempted from preparation of consolidated financial statements

Significant influence due of % of share holding.
* No control based on control assessment

For and on behalf of the Board Directors

Vimalendra Singh
Director
DIN: 09128114

Vimal Agarwal
Director
DIN: 07296320

Girish Agrawal
CEO & CFO

Snehal Patil
Company Secretary
ACS 24720

Place : Mumbai
Date : 21st April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Knowledge Township Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its **Loss** and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
         (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.
3. No dividend is declared or paid during the year, hence reporting as regards compliance with Section 123 of the Act is not applicable.
4. As required by Section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors for the year under audit. Hence, this clause is not applicable to the Company.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 23049818BGXOUN7524
Place: Mumbai,
Date: April 19th, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment and Intangible assets:

As per information provided by the Company to us and examination of the books of accounts, the Company does not have Property, Plant and Equipment and Intangible assets, accordingly, the requirements under paragraph 3(i) (a), (b), (c), (d) and (e) are not applicable to the Company.

ii. In respect of its inventories:

The management has conducted physical verification of stock in hand at reasonable intervals during the year. With respect to inventory represented by development rights and construction work in progress having regards to the nature of inventory, physical verification is carried out by way of verification of title deeds, site visits by the management and certification of extent of work completion by competent persons at reasonable intervals. No material discrepancies were noticed on such verification of stock in hand, development rights and work in progress.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State insurance, Income Tax, GST and other statutory dues, as applicable, with the appropriate authorities.

According to the records of the company, there are no dues outstanding with respect to income tax, provident fund, employees' state insurance, GST and Cess, as applicable, on account of any dispute.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or government authority.

c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

d) According to the information and explanations given to us, we report that funds raised on short-term basis have not been utilized for long term purposes by the Company.

e) According to the information and explanations given to us, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. Utilization of IPO & further public offer:

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. Reporting of Fraud:

(a) During the course of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the

Company nor any fraud on the Company has been noticed or reported during the year nor have we been informed of any such instance by the management.

(b) During the course of our examination of the books and records of the company and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the order is not applicable to the Company.

(c) According to the information and explanation given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the unlisted public limited company and does not have paid up share capital of fifty crore rupees or more during the preceding financial year; turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year; outstanding deposits of twenty five crore rupees or more at any point of time during the preceding financial year. Hence, section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period Rs. 4.88 Lakhs and in the immediately preceding financial year (FY 2021-22) Rs. 21.39 Lakhs

xviii. Resignation of statutory auditors:

During the year M/s. B.K. Khare & Co., the statutory auditors has been resigned. There is no issues, objections or concerns raised by the outgoing auditors.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 23049818BGXOUN7524
Place: Mumbai,
Date: April 19th, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Knowledge Township Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 23049818BGXOUN7524
Place: Mumbai,
Date: April 19th, 2023

BALANCE SHEET AS AT 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	3	**–**	–
SUB-TOTAL		**–**	–
CURRENT ASSETS			
(i) Inventories	4	**3,836.76**	3,579.75
(ii) Financial Assets			
(a) Cash and Cash Equivalents	5	**387.89**	21.67
(iii) Other Current Assets	6	**3,561.70**	3,558.57
SUB-TOTAL		**7,786.35**	7,159.99
TOTAL ASSETS		**7,786.35**	7,159.99
II EQUITY AND LIABILITIES			
1 EQUITY			
(i) Equity Share Capital	7	**4,907.17**	4,907.17
(ii) Other Equity	8	**580.88**	585.76
SUB-TOTAL		**5,488.05**	5,492.93
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	9	**771.00**	771.00
SUB-TOTAL		**771.00**	771.00
3 CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	10	**872.00**	472.00
(b) Trade Payables	11		
- Total Outstanding Dues of Micro Enterpirses and Small Enterprises		**–**	–
- Total Outstanding Dues of Creditors Other than Micro Enterpirses and Small Enterprises		**3.03**	2.10
(c) Other Financial Liabilities	12	**650.12**	420.04
(ii) Other Current Liabilities	13	**2.15**	1.92
(iii) Current Tax Liabilities (Net)		**–**	–
SUB-TOTAL		**1,527.30**	896.06
TOTAL		**7,786.35**	7,159.99

Significant Accounting Policies 2

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 19th April, 2023

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS: 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 19th April, 2023

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Note No.	**Year ended 31st March 2023**	Year ended 31st March 2022
I INCOME			
(a) Revenue from Operation		**–**	–
(b) Other Income		**–**	–
Total Income (a+b)		**–**	–
II EXPENSES			
(a) Cost of Projects	14	**–**	–
(b) Depreciation and amortisation expense	3	**–**	–
(c) Other expenses	15	**4.88**	21.39
Total Expenses (a+b+c)		**4.88**	21.39
III Loss before tax (I-II)		**(4.88)**	(21.39)
IV Tax Expense			
(a) Current tax		**–**	–
(b) Deferred tax		**–**	–
Total tax expense		**–**	–
V Loss after tax (III-IV)		**(4.88)**	(21.39)
VI Other comprehensive Income / (Loss)		**–**	–
VII Total comprehensive Income / (loss) for the year (V + VI)		**(4.88)**	(21.39)
VIII Earnings per equity share (for continuing operation):			
(a) Basic Rs. per share of Rs. 10/- each	16	**(0.01)**	(0.04)
(b) Diluted Rs. per share of Rs. 10/- each	16	**(0.01)**	(0.04)
Significant Accounting Policies	2		

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 19th April, 2023

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS: 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 19th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
A Cash flow from operating activities			
Loss before tax for the year		**(4.88)**	(21.39)
Adjustments for:			
Provision for expenses			
Interest Income		**–**	
Operating Loss before working capital changes		**(4.88)**	(21.39)
Movements in working capital:			
(Increase)/Decrease in short term loans and advances		**(3.13)**	(295.98)
(Increase)/Decrease in inventories		**(257.01)**	(13.42)
Increase/(Decrease) in other liabilities		**231.24**	(6.90)
Cash used in operating activities		**(33.78)**	**(337.69)**
Income taxes paid		**–**	–
Net cash used in operating activities		**(33.78)**	(337.69)
B Cash flows from investing activities			
Net cash generated by investing activities		**–**	–
C Cash flows from financing activities			
Proceeds from borrowings		**400.00**	300.00
Net cash generated by financing activities		**400.00**	300.00
Net increase in cash and cash equivalents		**366.22**	(37.69)
Cash and cash equivalents at the beginning of the year		**21.67**	59.36
Cash and cash equivalents at the end of the year		**387.89**	21.67
Significant Accounting Policies	2		

The accompanying notes 1 to 24 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Standards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 5 - Cash & Cash Equivalents

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 19th April, 2023

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS: 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 19th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the Beginning of the year	**4,907.17**	4,907.17
Add: Shares Issue during the year	–	–
Balance at the end of the year	**4,907.17**	**4,907.17**

B. Other Equity

(₹ in Lakhs)

Particulars	Other Equity		
	Securities Premium Reserve	Retained Earnings	Total
Opening Balance as on April 01, 2021	348.09	259.06	607.15
Profit /(Loss) for the year	–	(21.39)	(21.39)
Other Comprehensive Income / (Loss)		–	–
Total Comprehensive Income / (Loss) for the year	–	(21.39)	
Issue of Shares at premium		–	
Balance as at March 31, 2022	**348.09**	**237.67**	**585.76**
Profit/(Loss) for the year	–	(4.88)	(4.88)
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income / (Loss) for the year	–	(4.88)	(4.88)
Balance as at March 31, 2023	**348.09**	**232.79**	**580.88**

Significant Accounting Policies (Refer Note 2)

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 19th April, 2023

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS: 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 19th April, 2023

NOTES TO FINANCIAL STATEMENTS AS AT/ FOR THE YEAR ENDED MARCH 31, 2023

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Limited.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has been passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortized upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised in temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified into the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 3 - Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Office Equipment	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2022	0.52	0.63	1.14
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 March 2023	**0.52**	**0.63**	**1.14**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2022	0.52	0.63	1.14
Depreciation expense for the year	–	–	–
Balance as at 31 March 2023	**0.52**	**0.63**	**1.14**
III. Net carrying amount (I-II)	–	–	–

Note No. 4 - Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Work-in-progress	**3,836.76**	3,579.75
Total Inventories (at lower of cost and net realisable value)	**3,836.76**	3,579.75

(i) Redemption premium on OCRD's and borrowing cost on ICD's to the extent of Rs. 234.09 Lakhs has been inventorised during the year

(ii) Mode of Valuation of Inventories is Cost or Net Realisable Value whichever is lower

Note No. 5 - Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
(i) Balances with banks	**387.89**	21.67
(ii) Fixed Deposits with bank with original maturity Less than 3 months		
Total Cash and cash equivalents	**387.89**	21.67

Note No. 6 - Other assets

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Other advances for purchase of Land	**3,558.43**	3,558.44
(Mainly represents advances given to Land Aggregator)		
(ii) Advance Payment for Income Tax	**0.13**	0.13
(iii) Others - Balance with Government Authorities	**3.14**	–
Total Other Current Assets	**3,561.70**	3,558.57

Note No. 7 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount
Authorised:				
Equity shares of Rs 10 each with voting rights	**50,000,000**	**5,000.00**	50,000,000	5,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights (Refer Note)	**49,071,664**	**4,907.17**	49,071,664	4,907.17
	49,071,664	**4,907.17**	49,071,664	4,907.17

Note

(i) Reconciliation of the number of shares and outstanding amount

(₹ in Lakhs)

Particulars	As at 31st March 2023 No. of Shares	As at 31st March 2023 Rs. In lakhs	As at 31st March 2022 No. of Shares	As at 31st March 2022 Rs. In lakhs
Balance at the Beginning of the year	**49,071,664**	**4,907.17**	49,071,664	4,907.17
Add: Shares issued and subscribed during the year*	**–**	**–**	–	–
Balance at the end of the year	**49,071,664**	**4,907.17**	49,071,664	4,907.17

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries:

Particulars	Equity Shares
As at 31st March, 2023	
Mahindra Lifespace Developers Limited	49,071,664
As at 31st March, 2022	
Mahindra Lifespace Developers Limited	49,071,664

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 8 - Other Equity

(₹ in Lakhs)

Particulars	Other Equity: Securities Premium Reserve	Other Equity: Retained Earnings	Total
Opening Balance as on April 01, 2021	348.09	259.06	**607.15**
Profit /(Loss) for the year		(21.39)	**(21.39)**
Issue of Shares at premium			
Balance as at March 31, 2022	348.09	237.67	**585.76**
Profit /(Loss) for the year		(4.88)	**(4.88)**
Balance as at March 31, 2023	348.09	232.79	**580.88**

Note No. 9 - Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured long term borrowings		
(a) Loans repayable on demand		
Optionally Convertible Redeemable Debentures from Related Parties- MIPPL (Refer Note 18)		
771 debentures of Rs. 1,00,000/- each	**771.00**	771.00
Total Non-Current Borrowings	**771.00**	771.00

Note:

The company has issued 771 Optionally convertible Reedemable Debentures of Rs. 1,00,000 each to Mahindra Industrial Park Private Limited. The redemption premium is 11% per annum payable at the time of redemption. The tenor of these debentures is 5 years.

Note No. 10 - Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured short term borrowings		
(a) Loans from Related Parties		
Inter Corporate Deposit from MLDL (Refer Note 18)	**872.00**	472.00
Total Current Borrowings	**872.00**	472.00

Note:

The ICD loan has been availed from Mahindra Lifespace Developers Limited. This loan currently carries interest rate of 8.25%. The tenor of the loan is 5 years and repayable on demand.

Note No. 11 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade payable - Micro and small enterprises	–	–
Trade payable - Other than micro and small enterprises	**3.03**	2.10
Total Trade Payables	**3.03**	2.10

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due		
0 months - 1 year	**2.24**	1.31
1-2 Years	–	–
2-3 years	–	–
More than 3 years	**0.79**	0.79
Total	**3.03**	2.10

Note No. 12 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current		
Other Financial Liabilities Measured at Amortised Cost		
Redemption Premium on Optionally Convertible Redeemable Debentures (OCRD's) (Refer Note 18)	**571.81**	377.81
Interest Accrued and but not due on ICD (from related party repayable on demand) (Refer Note 18)	**78.31**	42.23
Total - Other Financial Liabilities	**650.12**	420.04

Note No. 13 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory remittances		
Withholding Taxes	**2.15**	1.92
Total - Other Current Liabilities	**2.15**	1.92

Note No. 14 - Cost of Projects

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) **Opening Stock**	**3,579.75**	3,159.30
Add:Expenses during the year		
Land	–	–
Redemption premium on OCRD's	**194.00**	377.81
Rates & Taxes - Others		2.18
Liasoning/Statutory Fees	**22.92**	8.00
Interest Expense on ICD	**40.09**	32.46
(b) **Sub-Total**	**257.01**	420.45
(c) **Closing Stock**	**3,836.76**	3,579.75
Total Cost of Projects (a+b-c)	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 15 - Other Expenses

(₹ in Lakhs)

Particulars			For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Auditors remuneration and out-of-pocket expenses		**0.34**	0.35
	(i)	As Auditors	**0.34**	0.35
	(ii)	For Other services		–
(b)	Other expenses			
	Legal and other professional costs		**2.88**	2.41
	Rates and Taxes			5.86
	Miscellaneous Expenses		**1.66**	12.77
Total Cost of Projects (a+b)			**4.88**	21.39

Note No. 16 - Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Rupees)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share		
Profit/(loss) for the year attributable to owners of the Company	**(4,88,000)**	(21,39,000)
Weighted average number of equity shares	**49,071,664**	49,071,664
Earnings per share from continuing operations - Basic	**(0.01)**	(0.04)

Note No. 17 - Financial Instruments

Capital management

The company's capital management objectives are:

To ensure the company's ability to continue as a going concern

To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31st March 2023 and 31st March 2022 is as follows:

(₹ in Lakhs)

	31-Mar-23	31-Mar-22
Debt (A)	**2,214.81**	1,620.81
Equity (B)	**5,488.05**	5,492.93
Debt Ratio (A/B)	**0.40**	0.30

Categories of financial assets and financial liabilities

(₹ in Lakhs)

	As at 31st March 2023		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	**387.89**	**–**	**387.89**
Loans & Advances	**–**	**–**	**–**
Non-current Liabilities			
Borrowings	**771.00**	**–**	**771.00**
Current Liabilities			
Borrowings	**872.00**	**–**	**872.00**
Trade Payables	**3.03**	**–**	**3.03**
Other Financial Liabilities			
– Non Derivative Financial Liabilities	**650.12**	**–**	**650.12**

(₹ in Lakhs)

	As at 31st March 2022		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	21.67	–	21.67
Loans		–	–
Non-current Liabilities			
Borrowings	771.00	–	771.00
Current Liabilities			
Borrowings	472.00	–	**472.00**
Trade Payables	2.10	–	2.10
Other Financial Liabilities			
– Non Derivative Financial Liabilities	420.04	–	420.04

Note No. 18 - Related Party Transactions

(₹ in Lakhs)

Discription of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited
Fellow Subsidiary	Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)

Nature of transactions with Related Parties	For the year ended	Amount
Receiving of Services from Parent Company	31-Mar-23	1.06
	31-Mar-22	0.90
Interest on Inter Corporate Deposit taken from Parent Company (Inventorised Refer Note 4)	31-Mar-23	40.08
	31-Mar-22	32.46
Redemption premium on OCRD's (Fellow Subsidiary) (Inventorised Refer Note 4)	31-Mar-23	171.19
	31-Mar-22	377.81
Inter Corporate Deposit taken from Parent Company	31-Mar-23	400.00
	31-Mar-22	300.00

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Nature of Balances with Related Parties	Balance as on	Amount
Interest Accrued on Inter Corporate Deposits from Parent Company	31-Mar-23	78.31
	31-Mar-22	42.23
Inter Corporate Deposit (ICD) from Parent Company	31-Mar-23	872.00
	31-Mar-22	472.00
Against receiveing of services from Parent Company	31-Mar-23	0.97
	31-Mar-22	1.06
OCRD's (Fellow Subsidiary)	31-Mar-23	771.00
	31-Mar-22	771.00
Redemption premium on OCRD's (Fellow Subsidiary)	31-Mar-23	549.00
	31-Mar-22	377.81

Notes:

(i) During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties

(ii) Related parties have been identified by the management

(iii) Current year figures mentioned above inclusive of GST wherever applicable

Note No. - 19 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2023 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006"

Particulars	31-Mar-23	31-Mar-22
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	–	–
– Interest due on above	–	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 20 - Financial Ratios

	Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance	Reason
a)	Current Ratio	Current Assets	Current Liabilities	**5.10**	7.99	-36%	Decrease due to ICD taken during the year
b)	Debt Equity Ratio	Net Debt	Equity	**0.23**	0.22	3%	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**(0.00)**	(0.02)	-83%	Decrease due to loss incurred in the current year
d)	Return on Equity	PAT	Networth	**-0.09%**	-0.39%	-77%	Decrease due to loss incurred in the current year
e)	Inventory Turnover ratio	COGS	Average Inventory	**–**	–		
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	**–**	–		
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–		
h)	Net capital turnover ratio,	Average Networth	Turnover	**–**	–		
i)	Net profit ratio	PAT	Revenue	**–**	–		
j)	Return on Capital employed	PAT	Borrowing	**-0.08%**	-0.36%	-79%	Decrased due to ICD taken during the year
k)	Return on investment.	PAT	Capital employed	**-0.08%**	-0.36%	-79%	Decrased due to ICD taken during the year

Note : ICD means Inter Corporate Deposits

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 21 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 22 - Additional regulatory information

a) **Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) **Relationship with struck off companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) **Utilisation of borrowed funds and securities premium**

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) **Registration of Charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) **Whistle Blower-**

During the year ended March 31, 2023 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

i) **Discrepancies between books of accounts & quarterly statements submitted to banks**

The Company has not availed any borrowings from Banks or financial institutions. Consequently the reporting under this clause is not applicable.

Note No. 23 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

Note No. 24 - Standards issued but not yet effective

On 31st March 2023, the Ministry of Corporate Affairs (MCA) through a notification, The amendments rules to the Companies (Indian Accounting Standards) Amendment Rules, 2023 are applicable from 01 April 2023 (Financial Year 2023-2024)

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 19th April, 2023

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS: 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 19th April, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Industrial Township Maharashtra Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit and total comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the company's accounting software is applicable to the company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No:. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 23040852BGURAE2319
Place: Mumbai
Date: April 14, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Industrial Township Maharashtra Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

UDIN: 23040852BGURAE2319
Place: Mumbai
Date: April 14, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising construction work in progress has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section(1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures or Accounting Standard (AS) 18, Related Party Disclosures (*remove the one not applicable*), specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company (*add only if applicable*) or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1.46 lakhs during the current financial year and Rs. 4.16 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

UDIN: 23040852BGURAE2319
Place: Mumbai
Date: April 14, 2023

BALANCE SHEET AS AT 31 MARCH 2023

₹ in Lakhs

	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
CURRENT ASSETS			
(i) Inventories	3	**187.18**	187.18
(ii) Financial Assets			
(i) Cash and Cash Equivalents	4	**84.29**	79.13
(ii) Other Financial Assets	5	**–**	3.01
(iii) Current Tax Assets (Net)		**–**	–
SUB-TOTAL		**271.47**	269.32
TOTAL ASSETS		**271.47**	269.32
II EQUITY AND LIABILITIES			
EQUITY			
(i) Equity Share Capital	6	**500.00**	500.00
(ii) Other Equity	7	**(230.37)**	(232.05)
SUB-TOTAL		**269.63**	267.95
LIABILITIES			
CURRENT LIABILITIES			
(i) Financial Liabilities			
(i) Trade Payables	8		
(a) Total Outstanding Dues of Micro Enterpirses and Small Enterprises		**–**	–
(b) Total Outstanding Dues of Creditors Other than Micro Enterpirses and Small Enterprises		**1.12**	1.18
(ii) Other financial liabilities		**–**	–
(ii) Current Tax Liabilities (Net)		**0.72**	0.19
SUB-TOTAL		**1.84**	1.37
TOTAL		**271.47**	269.32

Significant Accounting Policies 2

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 14th April, 2023

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 14th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

₹ in Lakhs

Particulars		Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	**INCOME**			
	(a) Revenue from operations		–	–
	(b) Other Income		3.14	2.82
	Total Income (a+b)		3.14	2.82
II	**EXPENSES**			
	(a) Cost of Projects	9	–	–
	(b) Other expenses	10	0.90	3.69
	Total Expenses (a+b)		0.90	3.69
III	**Profit/(loss) before tax (I-II)**		2.24	(0.87)
IV	**Tax Expense**		–	–
	(1) Current Tax		0.56	0.47
	Total tax expense		0.56	0.47
V	**Profit/(loss) after tax (III-IV)**		1.68	(1.34)
VI	**Other Comprehensive Income / (Loss)**		–	–
VII	**Total comprehensive Income / (Loss) for the year (V+VI)**		1.68	(1.34)
VIII	**Earnings per equity share (face value of Rs. 10/- each):**			
	(a) Basic	11	0.03	(0.03)
	(b) Diluted	11	0.03	(0.03)
	Significant Accounting Policies	2		

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 14th April, 2023

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 14th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flows from operating activities		
Profit before tax for the year	**1.68**	(1.34)
Adjustments for:		
Interest Income	**(3.14)**	(2.82)
Income tax expense recognised in profit or loss	**0.56**	0.47
Operating Loss before working capital changes	**(0.90)**	(3.69)
Movements in working capital:		
Decrease/(Increase) in Inventory	**–**	–
Decrease/(Increase) in other assets	**3.01**	2.79
(Decrease)/increase in other liabilities	**(0.06)**	(0.65)
Total changes in working capital	**2.95**	2.14
Cash generated from / (used in) operating activities	**2.05**	(1.55)
Income taxes paid	**(0.03)**	(0.28)
Net Cash generated from / (used in) operating activities	**2.02**	(1.83)
B Cash flows from investing activities		
Interest received	**3.14**	0.29
Net cash generated by investing activities	**3.14**	0.29
C Cash flows from financing activities		
Net cash generated by financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**5.16**	(1.55)
Cash and cash equivalents at the beginning of the year	**79.13**	80.68
Cash and cash equivalents at the end of the year	**84.29**	79.13

Significant Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 18 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Standards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 4 - Cash & Cash Equivalents

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 14th April, 2023

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 14th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity share capital

₹ in Lakhs

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Balance at the Beginning of the year	**500.00**	500.00
Balance at the end of the year	**500.00**	500.00

B. Other Equity

₹ in Lakhs

Particulars	**Reserves and Surplus**	
	Retained Earnings	Total
As at 31 March 2021	(230.71)	(230.71)
Profit/ (Loss) for the year	(1.34)	(1.34)
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income for the year	(1.34)	(1.34)
As at 31 March 2022	(232.05)	(232.05)
Profit / (Loss) for the period	1.68	1.68
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Loss for the year	**1.68**	1.68
As at 31 March 2023	**(230.37)**	**(230.37)**

Significant Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 14th April, 2023

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 14th April, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. General Information

The company was incorporated on July 02, 2008 and is engaged in the business of development of Industrial Park in Roha, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Limited

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

Costs to obtain contracts (“Contract costs”) relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Note No. 3 - Inventories

₹ in Lakhs

Particulars	**As at 31st March 2023**	As at 31st March 2022
(i) Work-in-progress	**187.18**	187.18
Total Inventories (at lower of cost and net realisable value)	**187.18**	187.18

Note:
1. Work in Progress includes Land and its related expenses

Note No. 4 - Cash and Bank Balances

₹ in Lakhs

Particulars	**As at 31st March 2023**	As at 31st March 2022
Cash and cash equivalents		
(a) Balances with banks	**0.96**	0.63
(b) Fixed Deposits with original maturity less than 3 months	**83.33**	78.50
Total Cash and cash equivalent	**84.29**	79.13

Note No. 5 - Other Financial Assets

₹ in Lakhs

Particulars	**As at 31st March 2023**	As at 31st March 2022
Other Financial Assets		
(a) Interest Accrued	**–**	3.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 6 - Equity Share Capital

₹ in Lakhs

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**10,000,000**	**1,000**	10,000,000	1,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**5,000,000**	**500**	5,000,000	500
Total	**5,000,000**	**500**	5,000,000	500

(i) Reconciliation of the number of shares and the amount outstanding.

₹ in Lakhs

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount
Balance at the Beginning and at the end of the year	**5,000,000**	**500**	5,000,000	500

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends.

(ii) Details of shares held by the holding company and its subsidiaries

₹ in Lakhs

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount
Mahindra Lifespace Developers Limited (Holding Company)	**5,000,000**	**500**	5,000,000	500

(iii) Details of shares held by each shareholder holding more than 5% shares:

₹ in Lakhs

Class of Shares/Name of shareholder	As at 31st March 2023 No. of shares	As at 31st March 2023 % holding	As at 31st March 2022 No. of shares	As at 31st March 2022 % holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

(iv) Details of shareholdings by the Promoter's of the Company

₹ in Lakhs

Class of Shares/Name of shareholder	As at 31st March 2023 No. of shares	As at 31st March 2023 % holding	As at 31st March 2022 No. of shares	As at 31st March 2022 % holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

Note No. 7 - Other Equity

₹ in Lakhs

	Reserves and Surplus Retained Earnings	Total
As at 31 March 2021	(230.71)	(230.71)
Profit/ (Loss) for the year	(1.34)	(1.34)
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income/ (Loss) for the year	(1.34)	(1.34)
As at 31 March 2022	**(232.05)**	**(232.05)**
Profit / (Loss) for the period	1.68	1.68
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income/ (Loss) for the year	1.68	1.68
As at 31 March 2023	**(230.37)**	**(230.37)**

Note No. 8 - Trade Payables

₹ in Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro ans small enterprises	**1.12**	**–**	1.18	–
Total trade payables	**1.12**	**–**	1.18	–

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Note No. 8 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
0 months - 1 year	**0.37**	0.30
1-2 Years	**0.13**	–
2-3 years	**–**	–
More than 3 years	**0.62**	0.88
Total	**1.12**	**1.18**

Note No. 9 - Cost of Projects

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year:		
Work-in-progress		
	187.18	187.18
	187.18	187.18
Add: Expenses incurred during the year	**–**	–
Less: Proceeds from Land Aggregator	**–**	–
Inventories at the end of the year:		
Work-in-progress	**187.18**	187.18
	187.18	187.18
Total Cost of Projects	**–**	–

Note No. 10 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Auditors remuneration and out-of-pocket expenses	**0.35**	0.30
(i) As Auditors	**0.35**	0.30
(ii) For other services	**–**	–
(ii) Other expenses		
(i) Legal and Other Professional Charges	**0.38**	0.50
(ii) Rates and Taxes	**–**	2.75
(iii) Miscellaneous Costs	**0.17**	0.14
Total Other Expenses	**0.90**	3.69

Note No. 11 - Earnings per Share

Amount in Rupees

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) for the year attributable to owners of the Company	**1,67,619**	(1,34,000)
Weighted average number of equity shares	**5,000,000**	5,000,000
Earnings per share from continuing operations - Basic & Diluted	**0.03**	(0.03)

Note No. - 12 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the “ Micro, Small and Medium Enterprises Development, Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2023 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	31st March, 2023	31st March, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	**–**	–
– Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 13 - Related Party Transactions

Description of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company
Nature of transactions with Related Parties		
Receiving of services	**31-Mar-23**	–
	31-Mar-22	–

Nature of Balances with Related Parties	Balance as on	Parent Company
Against receiving of services	**31-Mar-23**	–
	31-Mar-23	–

Note No. - 14 - Financial Ratios

	Particulars	Numerator	Denominator	31st March, 2023	31st March, 2022
a)	Current Ratio	Current Assets	Current Liabilities	**147.54**	196.58
b)	Debt Equity Ratio	Net Debt	Equity	**–**	–
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**–**	–
d)	Return of Equity	PAT	Networth	**0.62%**	(0.50)%
e)	Inventory Turnover ratio	COGS	Average Inventory	**–**	–
f)	Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	**–**	–
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–
h)	Net capital turnover ratio,	Average Networth	Turnover	**–**	–
i)	Net profit ratio	PAT	Revenue	**–**	–
j)	Return on Capital employed	PAT	Borrowing	**0.62%**	(0.50)%
k)	Return on investment.	PAT	Capital employed	**0.62%**	(0.50)%

Note No. - 15 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. - 16 - Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Whistle Blower-

During the year ended March 31, 2023 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower complaints.

i) Discrepancies between books of accounts & quarterly statements submitted to banks

The Company has not availed any borrowings from Banks or financial institutions. Consequently the reporting under this clause is not applicable.

Note No. - 17 - Comparitives

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

Note No. - 18 - Standards issued but not yet effective

On 31st March 2023, the Ministry of Corporate Affairs (MCA) through a notification, The amendments rules to the Companies (Indian Accounting Standards) Amendment Rules, 2023 are applicable from 01 April 2023 (Financial Year 2023-2024)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 14th April, 2023

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 14th April, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ANTHURIUM DEVELOPERS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 23040852BGURAD7769

Place: Mumbai
Date: April 14, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Anthurium Developers Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No. : 040852
UDIN: 23040852BGURAD7769

Place: Mumbai
Date: April 14, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order are not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during current financial year. The Company has incurred cash losses of Rs.1.97 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 23040852BGURAD7769

Place: Mumbai
Date: April 14, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	**4a**	**0.28**	0.40
(ii) Bank balances other than (i) above	**4b**	**13.00**	13.00
(b) Other Current Assets	**5**	**0.20**	0.07
SUB-TOTAL		**13.48**	13.47
TOTAL ASSETS		**13.48**	13.47
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	**6**	**5.00**	5.00
(b) Other Equity	**7**	**8.04**	8.08
SUB-TOTAL		**13.04**	13.08
LIABILITIES			
CURRENT LIABILITIES			
(a) Other Current Liabilities	**8**	**0.44**	0.39
SUB-TOTAL		**0.44**	0.39
TOTAL		**13.48**	13.47

Summary of Significant Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 14th April, 2023

For and on behalf of the Board of Directors

Viral Oza
(DIN-03552722)

Parveen Mahtani
(DIN-05189797)

Place : Mumbai
Date : 14th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I Other Income	**9**	**0.58**	0.51
II Total Revenue (I)		**0.58**	0.51
III EXPENSES			
(i) Other expenses	**10**	**0.61**	1.97
Total Expenses (III)		**0.61**	1.97
Profit/(loss) before exceptional items and tax (II - III)		**(0.04)**	(1.46)
IV Profit/(loss) before tax (II-III)		**(0.04)**	(1.46)
V Tax Expense			
(i) Current tax	**11**	**–**	–
Total tax expense		**–**	–
VI Profit/(loss) for the period (IV-V)		**(0.04)**	(1.46)
VII Total comprehensive income for the period		**(0.04)**	(1.46)
VIII Earnings per equity share (for continuing operation):			
Basic/Diluted	**12**	**(0.07)**	(2.92)

Summary of Significant Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 14th April, 2023

For and on behalf of the Board of Directors

Viral Oza
(DIN-03552722)

Parveen Mahtani
(DIN-05189797)

Place : Mumbai
Date : 14th April, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Cash flows from operating activities			
Profit before tax for the year		**(0.04)**	(1.46)
Adjustments for:			
Income tax expense recognised in profit or loss		**–**	–
Interest income recognised in profit or loss		**0.58**	(0.51)
		0.54	(1.97)
Movements in working capital:			
(Increase)/decrease in other assets		**(0.08)**	(0.01)
Decrease in trade and other payables		**–**	–
(Decrease)/increase in other liabilities		**0.05**	(0.49)
Cash generated from operations			(2.47)
Income taxes paid		**(0.06)**	1.70
Net cash generated by operating activities		**0.45**	(0.78)
Cash flows from investing activities			
Interest received		**(0.58)**	0.51
Bank balances not considered as cash and cash equivalents			
- Placed			14.22
- Matured		**–**	–
Net cash (used in)/generated by investing activities		**(0.58)**	14.73
Cash flows from financing activities			
Dividend paid to owners of the Company		**–**	15.00
Net cash used in financing activities		**–**	(15.00)
Net increase in cash and cash equivalents		**(0.12)**	(1.04)
Cash and cash equivalents at the beginning of the year		**0.40**	1.45
Cash and cash equivalents at the end of the year		**0.28**	0.41

Summary of Significant Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 14th April, 2023

For and on behalf of the Board of Directors

Viral Oza
(DIN-03552722)

Parveen Mahtani
(DIN-05189797)

Place : Mumbai
Date : 14th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

	(₹ in lakh)
A. Equity Share Capital	
As at 31st March, 2021	5.00
Changes in equity share capital during the year	–
As at 31st March 2022	5.00
Changes in equity share capital during the year	–
As at 31st March 2023	5.00

B. Other Equity	**Retained earnings** (₹ in lakh)
Balance as at 31st March, 2021	**24.53**
Profit/(Loss) for the year	(1.46)
Other comprehensive income	–
Total comprehensive income	(1.46)
Dividend paid	15.00
Balance as at 31st March, 2022	**8.08**
Profit/(Loss) for the year	(0.04)
Other comprehensive income	–
Total comprehensive income	(0.04)
Dividend paid	–
Balance as at 31st March, 2023	**8.04**

Summary of Significant Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 14th April, 2023

For and on behalf of the Board of Directors

Viral Oza
(DIN-03552722)

Parveen Mahtani
(DIN-05189797)

Place : Mumbai
Date : 14th April, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. **Corporate information**

Anthurium Developers Limited ("the Company") is a public company incorporated in India on 02 June, 2010 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. **Significant Accounting Policies**

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 14th April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4(a) - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Balances with banks	**0.28**	0.40
Total Cash and cash equivalent	**0.28**	0.40

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) In deposit accounts	**13.00**	13.00
Total Cash and cash equivalent	**13.00**	13.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 5 - Other Current assets

(₹ in lakh)

Particulars	As at 31 March, 2023 Current	As at 31 March, 2022 Current
(i) Other advances	**0.11**	0.05
(ii) Interest accrued but not due on term deposit accounts	**0.09**	0.01
Total	**0.20**	0.07

Note No. 6 - Equity Share Capital

Particulars	As at 31 March, 2023 No. of shares	As at 31 March, 2023 Amount	As at 31 March, 2022 No. of shares	As at 31 March, 2022 Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**1,00,000**	**10.00**	1,00,000	10.00
Issued, Subscribed and Partly Paid:				
Equity shares of ₹ 10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

Note No. 6 (a) - Equity Share Capital continued

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31st March 2022						
No. of Shares	50,000	–	–	–	–	50,000
Amount	5.00	–	–	–	–	5.00
Year Ended 31st March 2023						
No. of Shares	**50,000**	**–**	**–**	**–**	**–**	**50,000**
Amount	**5.00**	**–**	**–**	**–**	**–**	**5.00**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

No. of Shares

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2022			
Mahindra Lifespace Developers Ltd. (Holding Company)	**50,000**	**–**	**–**
As at 31st March 2023			
Mahindra Lifespace Developers Ltd. (Holding Company)	50,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 March, 2023 Number of shares held	As at 31 March, 2023 % holding in that class of shares	As at 31 March, 2022 Number of shares held	As at 31 March, 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd..	**50,000**	**100.00%**	50,000	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31 March, 2023 Number of shares held	As at 31 March, 2023 % holding in that class of shares	As at 31 March, 2022 Number of shares held	As at 31 March, 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd..	**50,000**	**100.00%**	50,000	100.00%

Note No. 7 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2021	**24.53**	24.53
Profit/(Loss) for the year	(1.46)	(1.46)
Other comprehensive income	–	–
Total comprehensive income	(1.46)	(1.46)
Dividend paid	15.00	15.00
Balance at 31st March, 2022	**8.08**	**8.08**
Profit/(Loss) for the year	(0.04)	(0.04)
Other comprehensive income	–	–
Total comprehensive income	(0.04)	(0.04)
Dividend paid	–	–
Balance at 31st March, 2023	**8.04**	**8.04**

Note No. 8 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31 March, 2023 Current	As at 31 March, 2022 Current
a. Provision for expenses	**0.44**	0.39
Total Other Liabilities	**0.44**	0.39

Note No. 9 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
(a) Interest Income		
(i) Interest on Bank Deposits	**0.58**	0.51
Total Other Income	**0.58**	0.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 10 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.34**	0.34
(b) Other expenses		
(i) Legal and other professional costs	**0.21**	0.31
(ii) Others	**0.06**	1.32
Total Other Expenses	**0.61**	1.97

Note No. 11 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Current Tax:		
In respect of current year	**–**	–
Total income tax expense on continuing operations	**–**	–

Note No. 12 - Earnings per Share

Note	Particulars	For the Year ended 31 March, 2023 Per Share	For the Year ended 31 March, 2022 Per Share
	Basic Earnings per share		
	From continuing operations	**(0.04)**	(1.46)
	From discontinuing operations	**–**	–
	Total basic earnings per share	**(0.04)**	(1.46)
	Diluted Earnings per share		
	From continuing operations	**(0.04)**	(1.46)
	From discontinuing operations	**–**	–
	Total diluted earnings per share	**(0.04)**	(1.46)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit / (loss) for the year attributable to owners of the Company	**(0.04)**	(1.46)
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	**(0.04)**	(1.46)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**(0.04)**	(1.46)
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**(0.07)**	(2.92)

Note No. 13 - As the Company can continue its current operations with its own cash resources, the accounts of the Company for the year ended 31st March, 2023 have been prepared on the basis of going concern.

Note No. 14 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31st March, 2023	As at 31st March, 2022
Debt (A)	**–**	–
Equity (B)	**13.04**	13.08
Debt Ratio (A/B)	**–**	–

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

(₹ in lakh)

As at 31 March, 2023

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	**0.28**	–	–	**0.28**
Other Bank Balances	**13.00**	–	–	**13.00**
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

As at 31 March, 2022

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	0.40	–	–	0.40
Other Bank Balances	13.00	–	–	13.00
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-23			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal..........	–	–	–
Non-derivative financial liabilities			
31-Mar-22			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal..........	–	–	–

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 15 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-23 Carrying amount	31-Mar-23 Fair value	31-Mar-22 Carrying amount	31-Mar-22 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- trade and other receivables				
- cash & cash equivalents	**0.28**	–	0.40	–
- Other bank balances......................	**13.00**	**–**	13.00	–
- Other Current Assets......................	**0.20**	**–**	0.07	–
	13.48	**–**	13.47	–
Financial liabilities				
Financial liabilities held at amortised cost				
- loans from related parties...................	**–**	**–**	–	–
- trade and other payables....................	**–**	**–**	–	–
Total	**–**	**–**	–	–

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents.............	**–**	**0.28**	**–**	**0.28**
(ii) Other bank balances...........................	**–**	**13.00**	**–**	**13.00**
Total	**–**	**13.28**	**–**	**13.28**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	**–**	**–**	**–**	**–**
(ii) Trade Payable	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2022 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents............	**–**	0.40	**–**	0.40
(ii) Other bank balances...........................	–	13.00	–	13.00
Total	**–**	**13.40**	**–**	**13.40**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan............................	**–**	–	**–**	–
(ii) Trade Payable	**–**	–	**–**	–
Total	**–**	**–**	**–**	**–**

Note: The Company has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 16 Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	30.53	34.39	(11.23%)
b)	Debt Equity Ratio	Net Debt	Equity	NA	NA	NA
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	NA	NA	NA
d)	Return of Equity	PAT	Networth	(0.00)	(0.11)	(97.58%)
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	(6.11%)	(283.62%)	(97.85%)
j)	Return on Capital employed	PAT	Borrowing	(0.27%)	(7.67%)	(96.49%)
k)	Return on investment	PAT	Capital employed	NA	NA	NA

Note No. 17 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 18 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

Note No. 19 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 20 - Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Mahindra Lifespace Developers Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited
Dividend Paid	**31-Mar-23**	**–**
	31-Mar-22	15.00

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 14th April, 2023

For and on behalf of the Board of Directors

Viral Oza
(DIN-03552722)

Parveen Mahtani
(DIN-05189797)

Place : Mumbai
Date : 14th April, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Mahindra Industrial Park Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Income and total comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements;

   g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company have not declared or paid any dividend during the financial year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 23215782BGZGOI1494

Place: Mumbai
Date: 20th April 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Private Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company’s internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 23215782BGZGOI1494

Place: Mumbai
Date: 20th April 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Industrial Park Private Limited** for the year ended March 31, 2023

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC bank on the basis of security of First ranking pari passu charge by way of mortgage on the Mortgaged property during the year. The Stock statements along with CA Certificate filed by the Company with HDFC bank on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) In our opinion and based on our examination, Section 138 of the Act, does not applicable to the Company and thus, Clause 3(xiv)(b) of the Order is not applicable to the Company,

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 0.55 crores during the current financial year and Rs. 6.40 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to adhere to Section 135 of the Companies Act, 2013. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary companies. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 23215782BGZGOI1494

Place: Mumbai
Date: 20th April 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**643,607**	929,022
(b) Deferred Tax Assets (Net)	5	**9,104,880**	26,363,925
(c) Other Non Current Assets	6	**3,920,427**	3,373,293
(d) Investments	7	**132,000,000**	117,800,000
SUB-TOTAL		**145,668,914**	148,466,240
CURRENT ASSETS			
(a) Inventories	8	**2,236,291,790**	2,078,624,253
(b) Financial Assets			
(i) Cash and Cash Equivalents	9a	**2,485,543**	2,340,206
(ii) Bank balances other than (i) above	9b	**–**	8,645,486
(iii) Loans to Related Party	9c	**175,500,000**	175,500,000
(iv) Other Financial Assets	9d	**7,352,485**	11,241,122
(c) Other Current Assets	10	**28,689,882**	28,572,671
SUB-TOTAL		**2,450,319,700**	2,304,923,738
TOTAL ASSETS		**2,595,988,614**	2,453,389,978
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	**500,000**	500,000
(b) Other Equity	12	**(27,729,149)**	(79,040,008)
SUB-TOTAL		**(27,229,149)**	(78,540,008)
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**1,633,884,509**	1,702,925,848
SUB-TOTAL		**1,633,884,509**	1,702,925,848
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**312,188,544**	267,699,683
(ii) Trade Payables	14	**26,255,608**	27,845,623
(iii) Other Financial Liabilities	15	**650,437,130**	531,675,129
(b) Other Current Liabilities	16	**451,972**	1,783,703
SUB-TOTAL		**989,333,254**	829,004,138
TOTAL EQUITY AND LIABILITIES		**2,595,988,614**	2,453,389,978
Singnificant Accounting Policies	2		

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Mumbai
Date: 20th April 2023

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 20th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rs.)

	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I	Revenue from operations		**–**	–
II	Other Income	17	**75,567,872**	157,042,547
III	**Total Revenue (I + II)**		**75,567,872**	157,042,547
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**1,730,311**	6,312,905
	(b) Depreciation and amortisation expense	4	**373,068**	326,944
	(c) Other expenses	19	**4,894,589**	58,052,162
	Total Expenses (IV)		**6,997,968**	64,692,011
V	**Profit/(Loss) before tax (III - IV)**		**68,569,904**	92,350,536
VI	**Tax Expense**			
	Deferred tax		**17,259,045**	23,244,630
	Total tax expense		**17,259,045**	23,244,630
VII	**Profit/(Loss) for the year after tax (V - VI)**		**51,310,859**	69,105,906
VIII	**Earnings per share**			
	(1) Basic/Diluted Earnings per share of Rs. 10/- each (Rs.)	20	**1,026.22**	1,382.12
	Singnificant Accounting Policies	2		

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Mumbai
Date: 20th April 2023

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 20th April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rs.)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	**68,569,904**	92,350,536
Adjustments for:		
Net (gain)/loss arising on financial assets mandatorily measured at market value through profit or loss	**(74,500,000)**	(156,700,000)
Depreciation and amortisation of non-current assets	**373,068**	326,944
	(5,557,028)	(64,022,520)
Movements in working capital:		
(Increase)/decrease in inventories	**(157,667,537)**	(204,151,849)
(Increase)/decrease in other assets	**(117,211)**	1,192,808
(Decrease)/Increase in trade and other payables	**(1,590,015)**	(26,512,501)
(Decrease)/Increase in provisions	**118,762,001**	781,814
(Decrease)/Increase in other deposits	**(547,135)**	4,623,121
(Decrease)/increase in other liabilities	**(1,331,731)**	130,924,144
Cash used in Operating activities	**(48,048,656)**	(157,164,983)
Income taxes paid	**–**	–
Net Cash used in Operating activities	**(48,048,656)**	(157,164,983)
Cash flows from investing activities		
Interest received on Inter-corporate Deposit	**3,888,637**	10,347,033
Payments for property, plant and equipment	**(87,653)**	(183,416)
Net movement in bank deposits	**8,645,487**	200,000
Net cash generated from investing activities	**12,446,471**	10,363,617
Cash flows from financing activities		
Proceeds from short term borrowings	**–**	–
Availment/(Repayment) of short term borrowings	**8,180,233**	(4,928,425)
Availment/(Repayment) of Long term borrowings	**27,567,289**	153,975,848
Net cash generated from financing activities	**35,747,522**	149,047,422
Net increase in cash and cash equivalents	**145,337**	2,246,057
Cash and cash equivalents at the beginning of the year	**2,340,206**	94,149
Cash and cash equivalents at the end of the year	**2,485,543**	2,340,206

Significant Accounting Polices Refer Note 2

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Mumbai
Date: 20th April 2023

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 20th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rs.)

A. Equity share capital	
As at 31st March, 2021	500,000
Changes in equity share capital during the year	–
As at 31st March, 2022	500,000
Changes in equity share capital during the year	–
As at 31st March, 2023	**500,000**

a. Equity share capital	**Equity share capital (no. of shares)**
Balance at April 1, 2021	50,000
Changes in equity share capital during the year	–
Closing Balance at March 31, 2022	**50,000**
Balance at April 1, 2022	50,000
Changes in equity share capital during the year	–
Balance at March 31, 2023	50,000

B. Other Equity	**Retained earnings (Amount in Rs.)**
Balance as 31 March, 2021 (A)	**(148,145,914)**
Profit/(Loss) for the year (B)	69,105,906
Balance as at 31 March, 2022 (C) = [(A)+(B)]	**(79,040,008)**
Profit/(Loss) for the period (D)	51,310,859
Other comprehensive income (E)	–
Total comprehensive income (F) = [(D)+(E)]	51,310,859
Balance as at 31st March, 2023 (G) = [(C)+(F)]	**(27,729,149)**

Significant Accounting Polices Refer Note 2

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Mumbai
Date: 20th April 2023

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 20th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

1. Corporate information

Mahindra Industrial Park Private Limited ("the Company") is a private limited company incorporated in India on 29th March, 2013 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of establishing, acquiring, developing and maintaining Industrial Parks, Technology Parks, Bio-tech Parks, Software Parks, Special Economic zones, Export Processing Zones, Industrial Areas, Industrial estates, Integrated Townships, Residential and/or Commercial Complexes, Housing Facility in India and outside India.

The Company is a joint venture of Mahindra Lifespace Developers Limited and International Finance Corporation (IFC).

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31st March, 2023

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 20th April, 2023

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Note No. 4 - Property, Plant and Equipment

Description of Assets		Office Equipment	Furniture and Fixtures	Computer	Total
I.	**Gross Carrying Amount**				
	Balance as at 1st April, 2022	885,488	181,868	802,805	1,870,161
	Additions during the year			87,653	87,653
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2023	**885,488**	**181,868**	**890,458**	**1,957,814**
II.	**Accumulated depreciation and impairment**				
	Balance as at 1st April, 2022	592,007	62,246	286,886	941,139
	Depreciation expense for the year	165,202	17,278	190,588	373,068
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2023	**757,209**	**79,524**	**477,474**	**1,314,207**
III.	**Net carrying amount (I-II)**	**128,279**	**102,344**	**412,984**	**643,607**

Description of Assets		Office Equipment	Furniture and Fixtures	Computer	Total
I.	**Gross Carrying Amount**				
	Balance as at 1st April, 2021	885,488	181,868	619,389	1,686,745
	Additions	–	–	238,112	238,112
	Deductions/Adjustments during the year	–	–	(54,696)	(54,696)
	Balance as at 31st March, 2022	**885,488**	**181,868**	**802,805**	**1,870,161**
II.	**Accumulated depreciation and impairment**				
	Balance as at 1st April, 2021	426,804	44,969	142,422	614,195
	Depreciation expense for the year	165,203	17,277	162,580	345,060
	Deductions/Adjustments during the year	–	–	(18,116)	(18,116)
	Balance as at 31st March, 2022	**592,007**	**62,246**	**286,886**	**941,139**
III.	**Net carrying amount (I-II)**	293,481	119,622	515,919	929,022

Note No. 5 - Deferred Tax Assets

(Amount in Rs.)

Particulars	For the Year ended 31 March, 2023				
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in OCI**	**Earlier year Adjustments**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Business loss/(Gain)	26,363,925	(17,259,045)			9,104,880
Unabsorbed depreciation loss	–	–	–	–	–
Total Deferred Tax Asset	**26,363,925**	**(17,259,045)**	–	–	9,104,880
Net Deferred Tax Asset	**26,363,925**	**(17,259,045)**	–	–	9,104,880

(Amount in Rs.)

Particulars	For the Year ended 31 March, 2022				
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in OCI**	**Earlier year Adjustments**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Business loss/(Gain)	49,608,555	(23,244,630)	–	–	26,363,925
Unabsorbed depreciation loss	–	–	–	–	–
Total Deferred Tax Asset	**49,608,555**	**(23,244,630)**	–	–	26,363,925
Net Deferred Tax Asset	**49,608,555**	**(23,244,630)**	–	–	26,363,925

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Note No. 6 - Other Non Current Assets

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits		
(i) Other Non Current Assets	**3,920,427**	3,373,293
Total	**3,920,427**	3,373,293

Note No. 7 - Investments

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Fair Value		
Unquoted Investments		
Investment in OCRD's of its fellow subsidiary		
Knowledge Township Limited	**132,000,000**	117,800,000
771 Optionally convertible redeemable debentures @ Rs. 1,00,000/- each		
Total	**132,000,000**	117,800,000

Note No. 8 - Inventories

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Work in Progress		
(Representing cost of land and related expenditure)	**2,236,291,790**	2,078,624,253
Total Inventories	**2,236,291,790**	2,078,624,253

(i) Borrowing costs inventorised relates to interest on borrowings referred in Note 13 to the extent of Rs.15.55 Cr

(ii) Interest of Rs. 1.40 Cr receivable from Mahindra Bloomdale Developers Limited also been inventorised

(iii) The carrying amount of inventories pledged as security for liabilities - Refer Note 13 for Secured non current borrowings

(iv) Mode of Valuation of inventories is Cost or Net Realisable Value Whichever is lower

Note No. 9 - Financial Assets

(a) Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Balances with banks	**2,485,543**	2,340,206
Total Cash and cash equivalents	**2,485,543**	2,340,206

(b) Other bank balances

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) In deposit accounts	**–**	8,645,486
Total other bank balances	**–**	8,645,486

Note : The Fixed Deposit has been withdrawn during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

(c) Loans to Related Parties

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Inter-Corporate Deposit given		
(i) Loans given to Mahindra Bloomdale Developers Limited (Refer Note 21)	**175,500,000**	175,500,000
Total Loans to Related Parties	**175,500,000**	175,500,000

(d) Other Financial Assets

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Accured Interest Income from ICD		
(i) Other Financial Assets	**7,352,485**	11,241,122
Total Other Financial Assets	**7,352,485**	11,241,122

Note No. 10 - Other assets

(Amount in Rs.)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**23,310,909**	–	23,310,909	–
(ii) Other advances	**45,402**	–	–	–
(iii) Interest accrued but not due on term deposit accounts	–	–	1,549,417	–
(iv) Advance Payment Of Income Tax	**5,333,571**	–	3,712,345	–
Total	**28,689,882**	–	28,572,671	–

Note No. 11 - Equity Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Authorised:				
Equity shares of Rs.10 each with voting rights	**100,000**	**1,000,000**	100,000	1,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**500,000**	50,000	500,000
Total	**50,000**	**500,000**	50,000	500,000

Note No. 11a - Equity Share Capital (cont.d)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Closing Balance
(a) Equity Shares with Voting rights		
Year Ended 31st March 2021		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31st March 2022		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31st March 2023		
No. of Shares	50,000	50,000
Amount	500,000	500,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2021	
Mahindra Lifespace Developers Limited	50,000
As at 31st March 2022	
Mahindra Lifespace Developers Limited	50,000
As at 31st March 2023	
Mahindra Lifespace Developers Limited	50,000

(ii) Details of shares held by each shareholder/promoter holding more than 5% shares:

Class of shares/Name of shareholder	**As at 31st March, 2023**		As at 31st March, 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**50,000**	**100.00%**	50,000	100.00%

Note No. 12 - Other equity

(Amount in Rs.)

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Balance at the Beginning of the year	**(79,040,008)**	**(148,145,914)**
Profit/(Loss) for the year	51,310,859	69,105,906
Balance at the end of the year	**(27,729,149)**	(79,040,008)

Note No. 13 - Borrowings

(Amount in Rs.)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Secured Borrowings		
(a) Term Loan		
(i) From HDFC Bank Limited	**145,234,509**	153,975,848
Total Secured Borrowings (A)	**145,234,509**	153,975,848

The term loan has been taken from HDFC Bank Limited. This facility has been exclusively charged on the land with minimum FACR of 1.50 times on the assets of the company. The rate of interest is linked with MCLR of HDFC Bank and the current rate of interest is 9.45%. The principle is repayable in 20 equal quarterly instalments after 7 years from the date of disbursement. There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

Unsecured Borrowings:

Non Current	**As at 31st March, 2023**	As at 31st March, 2022
Unsecured (Carried at Fair value through P&L)		
(a) 771 Series IV and 6,686 Series V Optionally convertible debentures of Rs. 1,00,000/- each taken from Mahindra Lifespace Developers Limited (Note 1)	**732,200,000**	792,500,000
Unsecured (Carried at amortised cost)		
(a) Non convertible debentures taken from International Finance Corporation - 8,321 debentures (Note 2) (7,565 debentures issued at Rs. 90,000 each and 756 debentures issued at Rs. 1,00,000 each)	**756,450,000**	756,450,000
Total Non current Unsecured borrowings (B)	1,488,650,000	1,548,950,000
Total Non current borrowings (A + B)	1,633,884,509	1,702,925,848

Note 1:- The company has availed OCRD from Mahindra Lifespace Developers Limited in the FY 2019-20 in Series IV and Series V.

Series IV - These debentures carry coupon rate of 14%. The company has issued 771 debentures of Rs. 1,00,000/- each . The tenure of the debentures is 5 years.

Series V - These debentures carry coupon rate of 17%. The company has issued 6,686 debentures of Rs. 1,00,000/- each. The tenure of the debentures is 19 years.

Note 2:- The company has availed NCD from International Finance Corporation under the following tranches

Series 1A :- Under this series 2,641 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 90,000/- per debenture. This series of issue carries an interest coupon of 14% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series 1A Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Series 1B :- Under this series 4,924 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 90,000/- per debenture. This series of issue carries a interest coupon of 14% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series 1B Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Series B :- Under this series 756 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 1,00,000/- per debenture. This series of issue carries a interest coupon of 17% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series B Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Current	As at 31st March, 2023	As at 31st March, 2022
Unsecured (Carried at Amortised cost)		
(a) Loans from related parties taken from Mahindra Lifespace Developers Limited (Note 1)	**175,500,000**	175,500,000
(b) Short term loan from bank taken from HDFC Bank Limited (Note 2)	**100,379,917**	92,199,683
(c) Current maturities of Long term Term Loan taken from HDFC Bank Limited (Note 3)	**36,308,627**	
Total Current Borrowings	**312,188,544**	267,699,683

Note 1:- The Loan has been taken from Mahindra Lifespace Developers Limited. The company has availed loan of Rs. 28,30,00,000/-. During the Financial year 19-20, the company has repaid an amount of Rs. 10,75,00,000/-. Interest is chargeable at 8.25% per annum. The repayment of loan has to be done upon call from the Borrowee.

Note 2:- The short term loan has been taken from HDFC Bank Limited. This facility is secured by charge on all the assets of the company except land. The interest rate is mutually agreeable and the current interest rate as agreed with HDFC Bank is 9.20%. The loan is repayable on demand of HDFC Bank Limited. There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

Note 3:- The outstading term loan from HDFC bank is 18.15 Crores which should be payable in 20 quarterly instalments starting from FY 2023-24, the repayment liability related to FY 2023-24 has been categorised under current liabilities

Note No. 14 - Trade Payables

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payable - Micro and small enterprises*	**–**	–
Trade payable - Other than micro and small enterprises	**26,255,608**	27,845,623
Total	**26,255,608**	27,845,623

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

14 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of micro enterprises and small enterprises		
0 months - 1 year		
1-2 Years		
2-3 years		
More than 3 years		
Undisputed dues of creditors other than micro enterprises and small enterprises		
0 months - 1 year	**12,209,721**	22,521,734
1-2 Years	**11,339,567**	540,913
2-3 years	**2,120,268**	1,811,677
More than 3 years	**586,052**	2,971,299
Total	**26,255,608**	27,845,623

Note No. 15 - Other Financial Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
(a) Interest accrued	**650,437,130**	531,675,129
Total	**650,437,130**	531,675,129

Note No. 16 - Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Statutory dues		
– taxes payable (other than income taxes)	**451,972**	1,783,702
Total	**451,972**	1,783,702

Note No. 17 - Other Income

(Amount in Rs.)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Other Income	**185,953**	342,547
(b) Reversal of Gratuity provision	**881,919**	–
(c) FVTPL Gain on OCRD	**74,500,000**	156,700,000
Total	**75,567,872**	157,042,547

Note No. 18 - Employee Benefit Expense

(Amount in Rs.)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Salaries and wages, including bonus	**1,432,895**	6,128,212
(b) Contribution to provident and other funds	**297,416**	184,693
Total	**1,730,311**	6,312,905

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Note No. 19 - Other Expenses

(Amount in Rs.)

Particulars			Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	Business Promotion Expenses		**1,883,922**	3,310,148
(b)	Payments to auditors (including service tax):			
	(i)	For audit	**177,000**	177,000
	(ii)	For Other services	**28,320**	118,000
(c)	Other expenses			
	(i)	Professional Fees	**1,055,433**	51,711,454
	(ii)	Assets Written off		36,580
	(iii)	Travelling & Conveyance	**331,403**	632,145
	(iv)	Miscellaneous expenses	**106,654**	311,983
	(v)	IT - Sharing Expenses & Others	**220,983**	747,595
	(vi)	Bank Charges	**1,753**	6,912
	(vii)	Rent Rates and Taxes	**1,089,121**	1,000,345
Total Other Expenses			**4,894,589**	58,052,162

* During the year, there were no foreign exchange inflows & outflows

Note No. 20 - Earnings per Share

Particulars	For the year ended 31st March, 2023 Per Share	For the year ended 31st March, 2022 Per Share
Basic Earnings per share		
From continuing operations	**1,026.22**	1,382.12
From discontinuing operations	**–**	–
Total basic earnings per share	**1,026.22**	1,382.12
Diluted Earnings per share		
From continuing operations	**1,026.22**	1,382.12
From discontinuing operations		
Total diluted earnings per share	**1,026.22**	1,382.12

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year attributable to owners of the Company	**51,310,859**	69,105,906
Profit for the year used in the calculation of basic earnings per share	**51,310,859**	69,105,906
Profit used in the calculation of basic earnings per share from continuing operations	**51,310,859**	69,105,906
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**1,026.22**	1,382.12

Note No. 21 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

1	Mahindra & Mahindra Limited	Entities having joint control/ significant influence over Company
2	Mahindra Lifespace Developers Limited	
3	Mahindra Integrated Business Solutions Private Limited	Other related parties
4	Mahindra Bloomdale Developers Limited	
5	Knowledge Township Limited	
6	Mahindra World City (Jaipur) Limited	

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

(Amount in Rs.)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Knowledge Township Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Nature of transactions with Related Parties							
Interest on ICD payable	**31-Mar-23**		**13,950,808**				
	31-Mar-22		13,513,500				
Reimbursement received	**31-Mar-23**						
	31-Mar-22		126,714				
ESOP Expenses accounted	**31-Mar-23**						
	31-Mar-22		139,047				
Professional charges	**31-Mar-23**			**92,394**			
	31-Mar-22			98,176			
ICD given	**31-Mar-23**						
	31-Mar-22						
Interest on ICD receivable	**31-Mar-23**						**14,038,557**
	31-Mar-22						11,241,122
Redemption Premium on OCRD's	**31-Mar-23**				**17,119,000**		
	31-Mar-22				37,781,000		
Reimbursement of expenses accounted	**31-Mar-23**	**270,872**	**135,933**			**1,057,587**	
	31-Mar-22	334,862	720,000			–	

(Amount in Rs.)

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Knowledge Township Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Payables							
(i) Reimbursement of Expenses	**31-Mar-23**	**270,872**		**30,144**			
	31-Mar-22			12,420			
(ii) Loans Taken	**31-Mar-23**		**175,500,000**				
	31-Mar-22		175,500,000				
(iii) Interest Accrued on Loans taken	**31-Mar-23**		**51,350,567**				
	31-Mar-22		38,794,849				
(iv) OCRD's Issued	**31-Mar-23**		**745,700,000**				
	31-Mar-22		745,700,000				
(v) Fair Value (Gain)/Loss on OCRD's	**31-Mar-23**		**(13,500,000)**				
	31-Mar-22		46,800,000				
Receivables							
Financial Assets							
(i) Loans given/ OCRD's	**31-Mar-23**				**77,100,000**		**175,500,000**
	31-Mar-22				77,100,000		175,500,000
(ii) Interest Accrued on Loan/ Redemption Premium on OCRD's	**31-Mar-23**				**54,900,000**		**7,352,485**
	31-Mar-22				37,781,000		11,241,122

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.
3. Current year figures mentioned above inclusive of GST wherever applicable

Note No. 22 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern
– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amount in Rs.)

	31-Mar-23	31-Mar-22
Equity	**(27,229,149)**	(78,540,008)
Less: Cash and cash equivalents	**2,485,543**	2,340,206
	(29,714,692)	(80,880,214)

Categories of financial assets and financial liabilities

	As at 31st March, 2023		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Cash Equivalent	2,485,543	–	**2,485,543**
Other Bank Balances	–	–	**–**
Loans	175,500,000	–	**175,500,000**
Non-current Liabilities			
Borrowings	756,450,000	732,200,000	**1,488,650,000**
Current Liabilities			
Borrowings	312,188,544	–	**312,188,544**
Trade Payables	26,255,608	–	**26,255,608**
Other Financial Liabilities	650,437,130	–	**650,437,130**

	As at 31st March, 2022		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Cash Equivalent	2,340,206	–	2,340,206
Other Bank Balances	8,645,486	–	8,645,486
Loans	175,500,000	–	175,500,000
Non-current Liabilities			
Borrowings	756,450,000	792,500,000	1,548,950,000
Current Liabilities			
Borrowings	267,699,683	–	267,699,683
Trade Payables	27,845,623	–	27,845,623
Other Financial Liabilities	531,675,129	–	531,675,129

Note No. 22a - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 23 - Ratios

Amount (In INR)

a) Current Ratio	2022-23	2021-22	Variance %
Particulars			
Current Assets (A)	2,450,319,700	2,304,923,738	
Current Liabilities (B)	989,333,254	829,004,138	
Ratio (A / B)	**2.48**	**2.78**	**-11%**

b) Debt Equity Ratio	2022-23	2021-22	Variance %
Particulars			
Total Debt including interest accrued (A)	2,596,510,183	2,502,300,660	
Equity (B)	(27,229,149)	(78,540,008)	
Debt Equity Ratio (A / B)	**(95.36)**	**(31.86)**	**199%**

Reduction of equity is mainly on account of gain on fair valuation of OCRD

c) Return of Equity (ROE)	2022-23	2021-22	Variance %
Particulars			
Profit After Tax (A)	68,569,904	92,350,536	
Networth (B)	(27,229,149)	(78,540,008)	
Ratio (A / B)	**-251.83%**	**-117.58%**	**114%**

Reduction in ROE is mainly on account of gain on valuation of OCRD

d) Return on Capital employed	2022-23	2021-22	Variance %
Particulars			
Earnings before Interest and Tax (A)	68,569,904	92,350,536	
Net worth	(27,229,149)	(78,540,008)	
Borrowing	1,633,884,509	1,702,925,848	
Capital employed (B)	1,606,655,360	1,624,385,840	
Ratio (A / B)	**4.27%**	**5.69%**	**-25%**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

Reduction in Capital Employed is mainly on account of gain on Fair valuation of OCRD

	2022-23	2021-22
e) Return on investment.		
Not applicable as the Company does not have any investments		

Note No. 24 - Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 2,84,985 for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 18 Employee benefits expense. The details of actuarial valuation are given below:

(Amounts in INR)

	Gratuity (Un-Funded)	
	2022-23	**2021-22**
i. Net Asset/ (Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	891,952	891,952
Fair Value of Plan assets	–	–
Liability (Asset) recognised in the balance sheet	**891,952**	**891,952**
ii. Expense recognized in the Statement of Profit & Loss		
Past service cost	–	–
Current Service cost	103,934	153,071
Interest cost	60,920	50,572
Expected return on plan assets		–
Actuarial (gains) / Losses	(152,423)	(121,944)
Total expenses	**12,431**	**81,699**
iii. Amounts recognized in other comprehensive income	–	–
iv. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	891,952	810,253
Past service cost	–	–
Current Service cost	103,934	153,071
Interest Cost	60,920	50,572
Actuarial (Gains) /Losses	(152,423)	(121,944)
Benefits Paid	(209,899)	–
(Liability Transferred Out/ Divestments)	(684,451)	–
Present value of the obligation as at the end of the year	**10,033**	**891,952**

(Amounts in INR)

	Gratuity (Un-Funded)	
	2022-23	**2021-22**
v. Principal actuarial assumptions		
Discount Rate	7.31%	6.83%
Salary Growth Rate	10.00%	10.00%
Attrition rate	21.21%	7.81%

vi. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Amounts in INR)

			Impact on defined benefit obligation	
	Year	**Change in Assumption**	**Increase in assumption**	**Decrease in assumption**
Discount Rate	2023	1.00%	(625)	690
	2022	1.00%	820,177	974,062
Salary Growth Rate	2023	1.00%	666	(615)
	2022	1.00%	947,411	830,801

Maturity profile of defined benefit obligation:

(Amounts in INR)

	2022-23	2021-22
Year 1	25	64,521
Year 2	23	63,866
Year 3	21	73,975
Year 4	2,396	73,219
Year 5	2,073	73,304
Next 5 Years	6,853	355,639

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

(Amounts in INR)

Particulars	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Discount rate	7.31%	6.83%
Salary Growth rate	10.00%	10.00%
Attrition rate	21.21%	7.81%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

25 - Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

h) Whistle Blower-

During the year ended March 31, 2023 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower complaints.

i) Discrepancies between books of accounts & quarterly statements submitted to banks

The company has duly complied with all the requirements of providing the data/certificates to various convenants with the Banks and the information provided is in agreement with the books of accounts during the year ended March 31, 2023.

Note No. 26 - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to confirm to current year's grouping/classification.

Note No. 27 - Standards issued but not yet effective

On 31st March 2023, the Ministry of Corporate Affairs (MCA) through a notification, The amendments rules to the Companies (Indian Accounting Standards) Amendment Rules, 2023 are applicable from 01 April 2023 (Financial Year 2023-2024)

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Mumbai
Date: 20th April 2023

For and on behalf of Board of the Directors
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 20th April 2023

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Water Utilities Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report but does not include the financial statements and our auditor’s report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company’s Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. The company has not declared any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN:23049660BGYEDP6524

Place: Mumbai
Date: April 21, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **Mahindra Water Utilities Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statement of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm’s Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 23049660BGYEDP6524

Place: Mumbai
Date: April 21, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended March 31, 2023).

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets, so reporting under clause 3(i)(a) of the Order is not applicable.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has not made any investments, provided any loans or advance in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The Company has not made any investments, provided any loans or advance in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(b) of the Order is not applicable.

(c) In respect of loans granted or advance in nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of sections 185 or 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act. Hence, reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(ix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 23049660BGYEDP6524

Place: Mumbai

Date: April 21, 2023

BALANCE SHEET AS AT MARCH 31, 2023

	Particulars	Note No.	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	4	**62.34**	82.60
	(b) Financial Assets			
	(i) Loans	10	**–**	426.27
	(ii) Other Financial assets	6	**12.86**	0.18
	(c) Deferred tax assets (net)	25	**29.38**	34.05
	(d) Non-current tax assets (net)	7	**211.48**	209.79
	(e) Other Current Assets	7.1	**–**	1.23
	Total Non - Current Assets		**316.06**	754.12
	2 Current assets			
	(a) Financials Assets			
	(i) Investments	8	**–**	3.75
	(ii) Trade receivables	5	**1,369.74**	260.24
	(iii) Cash and cash equivalents	9	**15.38**	38.46
	(iv) Bank Balances other than (iii) above	9	**166.20**	1,362.71
	(v) Other financial assets	6	**5.57**	17.69
	(b) Other Current Assets	7.1	**15.87**	16.82
	Total Current Assets		**1,572.76**	1,699.67
	Total Assets		**1,888.82**	2,453.79
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	11	**10.00**	10.00
	(b) Other Equity	12	**1,519.94**	2,066.15
	Total equity		**1,529.94**	2,076.15
	LIABILITIES			
	2 Non-current liabilities			
	Provisions	18	**54.44**	85.92
	Total Non - Current Liabilities		**54.44**	**85.92**
	3 Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables			
	– total outstanding dues of micro enterprises; and small enterprises and	13	**–**	0.26
	– total outstanding dues of creditors other than and micro enterprises and small enterprises	13	**78.39**	72.19
	(ii) Other financial liabilities	14	**79.60**	84.04
	(b) Other current liabilities	15	**30.11**	28.29
	(c) Provisions	16	**20.88**	11.48
	(d) Current Tax liabilities (net)	17	**95.46**	95.46
	Total Current Liabilities		**304.44**	291.72
	Total Equity and Liabilities		**1,888.82**	2,453.79
	See accompanying notes to the financial statements	1-43		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 21, 2023

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Arvind Subramanian
Director
DIN: 02551935

Place: Mumbai
Date : April 21, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

	Particulars	Note No.	For the year ended March 31, 2023 In Lakhs	For the year ended March 31, 2022 In Lakhs
I	Revenue from operations	19	**2,234.87**	2,218.91
II	Other Income	20	**39.22**	101.38
III	**Total Income (I + II)**		**2,274.09**	2,320.29
IV	**EXPENSES**			
	(a) Employee benefits expense	21	**705.31**	720.25
	(b) Finance costs	22	**0.13**	0.86
	(c) Depreciation	4	**16.89**	15.90
	(d) Other operating expenses	23	**569.29**	535.85
	(e) Other expenses	24	**105.69**	95.12
	Total Expenses (IV)		**1,397.31**	1,367.98
V	**Profit before tax (III - IV)**		**876.78**	952.31
VI	**Tax Expense**			
	(i) Current tax	25	**221.03**	245.70
	(ii) Deferred tax	25	**3.98**	(0.25)
	Total tax expense		**225.01**	245.45
VII	**Profit for the year (V - VI)**		**651.77**	706.86
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		**2.71**	6.05
	Tax relating to items that will not be reclassified to profit or loss		**(0.68)**	(1.52)
			2.03	4.53
IX	**Total comprehensive income for the year (VII + VIII)**		**653.79**	711.39
X	**Earnings per equity share : (Face Value of Rs. 10 each) (In Rupees.)**			
	(i) Basic	26	**651.77**	706.86
	(ii) Diluted		**651.77**	706.86
	See accompanying notes to the financial statements	1-43		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 21, 2023

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Arvind Subramanian
Director
DIN: 02551935

Place: Mumbai
Date : April 21, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	For the year ended March 31, 2023 In Lakhs		For the year ended March 31, 2022 In Lakhs	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		**876.78**		952.31
Adjustments for:				
Depreciation and amortisation expense	**16.89**		15.90	
Gain on disposal of property, plant and equipment	**–**		(2.52)	
Finance Cost	**0.13**		0.86	
Provision for doubtful trade receivables written off / (written back)	**–**		–	
Service tax payable written off	**–**		–	
Dividend Income	**(0.06)**		(0.13)	
Interest Income from loan to related party	**(15.36)**		(82.42)	
Interest Income from Bank	**(23.80)**	**(22.19)**	(16.31)	(84.62)
Operating Profit before Working Capital changes		**854.59**		867.69
Movements in working capital				
Decrease/ (Increase) in Trade receivables	**(1,109.50)**		54.33	
(Increase)/ Decrease in Other Financial assets and Other assets	**2.22**		(6.20)	
Increase Trade payables, Provisions, Other financial liabilities and other liabilities	**(16.06)**	**(1,123.34)**	9.27	57.40
Cash generated from operations		**(268.75)**		925.09
Income-tax paid (net of refunds)		**(222.73)**		(251.60)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**(491.48)**		673.49
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	**(2.64)**		(18.86)	
Proceeds from sale of property, plant and equipment	**6.01**		2.52	
Interest received - Fixed Deposits at Bank	**34.20**		15.39	
Interest received - Loan to related party	**17.08**		116.61	
Loan given to related party	**–**		(426.27)	
Loan repaid by related party	**426.27**		1,175.00	
Fixed Deposit made during the period	**(3,145.17)**		(1,500.00)	
Fixed Deposit Matured / Pre-closed	**4,328.97**		875.98	
Increase in other bank balances	**3.81**		(2.19)	
NET CASH FROM INVESTING ACTIVITIES		**1,668.53**		238.18

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

	Particulars	For the year ended March 31, 2023 In Lakhs		For the year ended March 31, 2022 In Lakhs	
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Finance costs paid	**(0.13)**		(0.86)	
	Dividend paid	**(1,200.00)**		(900.00)	
	NET CASH USED IN FINANCING ACTIVITIES		**(1,200.13)**		(900.86)
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(23.08)**		10.81
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**38.46**		27.64
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**15.38**		38.46

Particulars	April 1, 2022	Cash Flow	Non Cash Changes	March 31, 2023
Borrowing - Non Current	–	–	–	–
Borrowing - Current	–	–	–	–
Total	–	–	–	–

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) 7 'Cash Flow Statement'.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 21, 2023

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Arvind Subramanian
Director
DIN: 02551935

Place: Mumbai
Date : April 21, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

	In Lakhs
As at April 1, 2022	10.00
Changes in equity share capital during the year	–
As at March 31, 2022	10.00
Changes in equity share capital during the year	–
As at March 31, 2023	10.00

B. Other Equity

	Reserves and Surplus		
Particular	**Retained earnings**	**Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)**	**Total**
	In Lakhs	In Lakhs	In Lakhs
Balance at March 31, 2021	**2,264.75**	**(9.98)**	**2,254.77**
Profit for the year	706.85	–	706.85
Dividend paid during the year	(900.00)		(900.00)
Other Comprehensive Income / (Loss) for the year (net of tax)	–	4.53	4.53
Total Comprehensive Income for the year	(193.15)	4.53	(188.62)
Balance at March 31, 2022	**2,071.60**	**(5.45)**	**2,066.15**
Profit for the year	651.77	–	651.77
Dividend paid during the year	(1,200.00)		(1,200.00)
Other Comprehensive Income / (Loss) for the year (net of tax)	–	2.03	2.03
Total Comprehensive Income for the year	(548.23)	2.03	(546.21)
Balance at March 31, 2023	**1,523.36**	**(3.42)**	**1,519.94**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 21, 2023

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Arvind Subramanian
Director
DIN: 02551935

Place: Mumbai
Date : April 21, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on August 10, 1999, under the provisions of the Companies Act, 1956. The Company is engaged in the operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Significant accounting policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment:

Property, Plant, and Equipment held for use in the supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. The estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 are fully depreciated in the year of purchase.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of tangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.

ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of the costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.11 New and amended standards

I) The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

— **Reference to the Conceptual Framework – Amendments to Ind AS 103**

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

— **Property, Plant, and Equipment:**

Proceeds before Intended Use – Amendments to Ind AS 16. The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of the cost of an item of property, plant, and equipment.

— **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37**

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

There were certain amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2023, but either the same are not relevant or do not have an impact on the financial statements of the Company. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

II) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Note 3 Critical accounting judgments and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 4 - Property, Plant and Equipment

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Balance as at March 31, 2021	**37.01**	**7.19**	**8.16**	**62.81**	**115.18**
Additions during the year ended March 31, 2022	3.46	–	0.39	15.00	18.86
Disposal of assets during the year ended March 31, 2022	–	3.66	0.62	9.20	13.48
Balance as at March 31, 2022	**40.47**	**3.53**	**7.93**	**68.61**	**120.55**
Additions during the Year ended March 31, 2023	0.39	0.07	2.18	–	2.64
Disposal of assets during the Year ended March 31, 2023	–	–	–	11.02	11.02
Balance as at March 31, 2023	**40.86**	**3.60**	**10.11**	**57.59**	**112.17**
II. Accumulated depreciation					
Balance as at April 1, 2020	**15.93**	**2.26**	**5.10**	**2.87**	**26.16**
Depreciation for the year	9.06	1.66	0.43	10.39	21.53
Eliminated on Disposal of assets during the year ended March 31, 2020	0.50	–	–	11.66	12.16
Balance as at March 31, 2021	**24.49**	**3.92**	**5.53**	**1.60**	**35.54**
Depreciation for the year	2.77	1.05	0.44	11.63	15.90
Eliminated on Disposal of assets during the Year ended March 31, 2023	–	3.66	0.62	9.20	13.48
Balance as at March 31, 2022	**27.27**	**1.31**	**5.35**	**4.03**	**37.96**
Depreciation for the year	**2.77**	**0.97**	**0.63**	**12.53**	**16.89**
Eliminated on Disposal of assets during the Period ended March 31, 2023	**–**	**–**	**–**	**5.01**	**5.01**
Balance as at March 31, 2023	**30.03**	**2.28**	**5.97**	**11.55**	**49.84**
Net carrying amount (I-II)					
Balance as at March 31, 2023	**10.83**	**1.32**	**4.14**	**46.04**	**62.34**
Balance as at March 31, 2022	13.20	2.22	2.59	64.58	82.60

Note 5 - Trade receivables

	Particulars	**As at March 31, 2023**		As at March 31, 2022	
		Current	**Non Current**	Current	Non Current
		In Lakhs	In Lakhs	In Lakhs	In Lakhs
(a)	Trade Receivables considered good - Unsecured;	**1,369.74**	**–**	260.24	–
(b)	Trade Receivables - Credit impaired		**27.53**		27.53
	Less: Allowances for Expected Credit Losses		**(27.53)**		(27.53)
	Total	**1,369.74**	**–**	260.24	–

Trade receivables

The entire trade receivables balance as at March 31, 2023 and March 31, 2022 is due from M/s. New Tirupur Area Development Corporation Limited., the sole client of the Company.

The average credit period on invoice for services is 15 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corporation Limited.

Reconciliation of loss allowance provision for Trade Receivables

	As at March 31, 2023	As at March 31, 2022
	In Lakhs	In Lakhs
Particulars		
Balance as at beginning of the year	**27.53**	27.53
Impairment losses/Gain recognised in the year based on 12 month expected credit losses		
On receivables originated in the year	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As at March 31, 2023	As at March 31, 2022
	In Lakhs	In Lakhs
Other receivables	**–**	–
Amount written-off during the year	**–**	–
Balance at end of the year	**27.53**	27.53

Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	**As at 31 March 2023**							
	Unbilled	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**–**	**216.47**	**1,079.80**	**49.24**	**1.99**	**2.59**	**19.65**	**1,369.74**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**27.53**	**27.53**
(iii) Disputed Trade Receivables considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables - which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**216.47**	**1,079.80**	**49.24**	**1.99**	**2.59**	**47.18**	**1,397.27**

Particulars	As at 31 March 2022							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	–	216.66	19.53	1.80	2.60	3.42	16.22	260.24
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	27.53	27.53
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–	–
Total	–	216.66	19.53	1.80	2.60	3.42	43.75	287.77

Note 6 - Other Financial Assets

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	Current	**Non Current**	Current	Non Current
	In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Financial assets at amortised cost				
(a) Interest accrued on deposits with bank	**3.37**	**–**	13.77	–
(b) Interest accrued on Loan to Related Party	**–**	**–**	1.72	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	**Non Current**	Current	Non Current
	In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
(c) Balance with bank held as margin money	**–**	**12.71**	–	–
(d) Security deposits	**2.20**	**0.15**	2.20	0.18
Total	**5.57**	**12.86**	17.69	0.18

Note 7 - Non-current tax assets (net)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	**Non Current**	Current	Non Current
	In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Advance income tax including fringe benefit tax	**–**	**211.48**	–	209.79
Total	**–**	**211.48**	–	209.79

Note 7.1 - Other assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	**Non Current**	Current	Non Current
	In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Others				
(a) Gratuity Assets (Net of provision)	**–**	**–**	–	1.23
(b) Advance to Suppliers	**0.04**	**–**	–	–
(c) Prepaid Expenses	**15.83**	**–**	16.82	–
Total	**15.87**	**–**	16.82	1.23

Note 8 - Investment

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of units	**In Lakhs**	No. of units	Rupees
Investments Carried at: Fair Value Through Profit and Loss				
Unquoted Investments				
Investments in Mutual Funds				
HDFC Cash Management Fund of Rs. 10/-each fully paid up	**–**	**–**	36,996.045	3.75
Total	**–**	**–**	36,996.045	3.75

Note 09 - Cash and Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
	In Lakhs	In Lakhs
(a) Balance with Banks		
(i) In Current Account	**15.38**	38.46
	15.38	38.46
(b) Bank Balances other than above		
Balance with Banks		
Balance with bank held as margin money	**–**	12.71
Fixed Deposits with maturity greater than 3 months and less than one year	**166.20**	1,350.00
	166.20	1,362.71
Total	**181.58**	1,401.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 10 - Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Loans Receivables considered good - Unsecured				
Loan to related party	–	–	–	426.27
Total	–	–	–	426.27

Loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance outstanding	% to the total loans and advances	Amount of loan or advance outstanding	% to the total loans and advances
Promoter	–	–	–	–
Directors	–	–	–	–
KPM's	–	–	–	–
Related parties	–	–	–	–
Total	–	–	–	–

Note - 11 Equity Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	In Lakhs	Nos	In Lakhs
Authorised shares:				
Equity Shares of Rs. 10 each	1,00,000	10.00	1,00,000	10.00
	1,00,000	10.00	1,00,000	10.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs.10 each	1,00,000	10.00	1,00,000	10.00
	1,00,000	10.00	1,00,000	10.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at March 31, 2023		As at March 31, 2022	
	Nos	In Lakhs	Nos	In Lakhs
Opening Balance	1,00,000	10.00	1,00,000	10.00
Closing Balance	1,00,000	10.00	1,00,000	10.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and dividend proportionate to their shareholding . The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of the Interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

Particulars	As at March 31, 2023	As at March 31, 2022
	Number of shares	Number of shares
Mahindra Infrastructure Developers Limited, the holding company	98,999	98,999

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	98,999	99%	98,999	99%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated March 24, 2021

Disclosure of shareholding of promoters and percentage of change as at 31 March 2023

Promoter Name	**Shares held by promoter at the end of the year i.e. 31 March 2023**		Shares held by promoter at the end of the year i.e. 31 March 2022		% Change during the year
	No of Shares	**% of total shares**	No of Shares	% of total shares	
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%	–
United Utilities Limited	**1,001**	**1%**	1,001	1%	–
Total	**1,00,000**	**100%**	1,00,000	100%	**–**

Disclosure of shareholding of promoters and percentage of change as at 31 March 2022

Promoter Name	Shares held by promoter at the end of the year i.e. 31 March 2022		Shares held by promoter at the end of the year i.e. 31 March 2021		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Mahindra Infrastructure Developers Limited	98,999	0.00%	98,999	0.00%	0.00%
United Utilities Limited	1,001	0.00%	1,001	0.00%	0.00%
Total	1,00,000	0.00%	1,00,000	0.00%	0.00%

Note 12 - Other Equity

Particulars	**As at March 31, 2023 In Lakhs**	As at March 31, 2022 In Lakhs
Retaining Earnings		
As per last balance sheet	**2,066.15**	2,254.77
Add: Profit for the year	**651.77**	706.86
Dividend paid during the year	**(1,200.00)**	(900.00)
Other Comprehensive Income/(Loss) for the year (net of tax)	**2.03**	4.53
Balance As at March 31, 2023	**1,519.94**	2,066.15

Retained Earnings represent the cumulative profits of the Company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note - 13 Trade Payables

Particulars	**As at March 31, 2023 In Lakhs**	As at March 31, 2022 In Lakhs
Total outstanding dues of Micro and Small enterprises [Refer Note no: 32]	**–**	0.26
Total outstanding dues of creditors other than micro and small enterprises	**78.39**	72.19
Total	**78.39**	72.45

Note:
Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Ageing for trade payable from the due date of payment for each of the category is as follows:

* Dues to Micro and Small Enterprises (MSE) have been determined to the extent such parties have been identified on the basis of information collected by management. The amount remaining unpaid at the end of the reporting year to MSE suppliers is pertaining to principal and interest due there on for current year (refer Note 35).

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated March 24, 2021

Particulars	**As at 31 March 2023**						
	Unbilled	**Not Due**	**< 1year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	–	–	–	–	–	–	–
Others	–	**22.75**	**55.64**	–	–	–	**78.39**
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31 March 2022						
	Unbilled	Not Due	< 1year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	0.26	–	–	–	–	0.26
Others	–	19.50	52.69	–	–	–	72.19
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–

Note - 14 Other financial Liabilities

Particulars	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
Loans Receivables considered good - Secured		
(a) Payable to employees	**75.30**	79.74
(b) Deposits received from Service providers	**4.30**	4.30
Total	**79.60**	84.04

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations, if any.

Note - 15 Other Current Liabilities

Particulars	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
(a) Statutory Dues - Taxes payable (other than income taxes)	**29.11**	27.42
(b) Interest payable U/s 234B of the Income Tax Act	**1.00**	0.87
Total	**30.11**	28.29

Note - 16 Provisions

Particulars	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
Provisions for Gratuity	**2.87**	–
Provision for employee benefits		
Compensated absences	**18.01**	11.48
Total	**20.88**	11.48

Note - 17 Current Tax Liabilities (net)

Particulars	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
Provision for tax (net of advance tax)	**95.46**	95.46
Total	**95.46**	95.46

Note - 18 Provisions

Particulars	As at March 31, 2023 In Lakhs	As at March 31, 2022 In Lakhs
Provision for employee benefits		
Compensated absences	**54.44**	85.92
Total	**54.44**	85.92

Note - 19 Revenue from Operations

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
(a) Revenue from rendering of services	**2,142.45**	2,142.45
(b) Revenue from ancilliary services	**92.42**	76.46
Total	**2,234.87**	2,218.91

Note - 20 Other Income

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
(a) Interest Income on financial assets carried at amortised cost		
(i) Bank deposits	**23.80**	16.31
(ii) Loan to related party	**15.36**	82.42
(b) Dividend Income	**0.06**	0.13
(c) Gain on Sale of Property, plant and equipment	**–**	2.52
Total	**39.22**	101.38

Note - 21 Employee Benefits Expenses

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
(a) Salaries and wages	**652.46**	663.41
(b) Contribution to provident and other funds (See below Note)	**33.01**	34.34
(c) Staff welfare expenses	**19.84**	22.50
Total	**705.31**	720.25

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service/employment.

Contribution to provident fund and other funds includes contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note - 22 Finance Cost

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
Interest expense - interest on delayed/ deferred payment of income tax	**0.13**	0.86
Total	**0.13**	0.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note - 23 Other Operating Expenses

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
(a) Rent including lease rentals	**3.30**	3.30
(b) Rates and taxes	**2.84**	2.29
(c) Repairs and maintenance - Machinery	**24.00**	17.00
(d) Repairs and maintenance - Others	**7.96**	11.74
(e) Software Expenses	**7.91**	11.30
(f) Subcontracting, Hire and Service Charges	**443.08**	413.34
(h) Vehicle running expenses	**80.20**	76.88
Total	**569.29**	535.85

Note - 24 Other Expenses

Particulars	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
(a) Insurance	**36.44**	29.76
(b) Repairs and maintenance - Office	**4.89**	4.55
(c) Legal and professional charges	**5.38**	8.42
(d) Printing & Stationery	**5.49**	4.03
(e) Postage and telephone	**8.74**	7.46
(f) Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	**20.10**	21.00
(g) Payment to auditors (refer Note (i) below)	**12.03**	12.00
(h) Directors Fee	**0.70**	0.80
(i) Miscellaneous Expenses	**11.92**	7.11
Total	**105.69**	95.12

Note (i)

Payment to Auditors:	For the Year ended March 31, 2023 In Lakhs	For the Year ended March 31, 2022 In Lakhs
Payment to auditors (net of GST input credit)		
For Statutory audit	**8.70**	8.70
For Certification and other services	**3.33**	3.30
For Out of pocket expenses	**–**	–
Total	**12.03**	12.00

Note - 25 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2023 In Lakhs	Year ended March 31, 2022 In Lakhs
Current Tax:		
In respect of current year	**221.03**	245.70
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**3.98**	(0.25)
Adjustments due to changes in tax rates	**–**	–
	3.98	(0.25)
Total income tax expense	**225.01**	245.45

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2023 In Lakhs	Year ended March 31, 2022 In Lakhs
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities/(assets)	**0.68**	1.52
Total	**0.68**	1.52
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**0.68**	1.52
Total	**0.68**	1.52

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2023 In Lakhs	Year ended March 31, 2022 In Lakhs
Profit before tax	**876.78**	952.31
Income tax expense calculated at 25.170% #	**220.67**	239.68
Reduction in tax rate	**–**	**–**
Effect of income that is exempt from taxation	**(0.02)**	(0.03)
Effect of expenses that is non-deductible in determining taxable profit	**4.36**	5.80
Income tax expense recognised In profit or loss	225.01	245.45

The tax rate used for the March 31, 2023 and March 31, 2022 in reconciliations above is the corporate tax rate of 25.170% (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(d) Movement of Deferred Tax

Particulars	For the Year ended March 31, 2023 Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	**2.01**	**0.60**	**–**	**2.61**
Employee Benefits	**0.91**	**(0.02)**	**–**	**0.89**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Expenses allowable on actual payment	**24.51**	**(6.27)**	**–**	**18.24**
Provisions	**6.93**	**–**	**–**	**6.93**
Gratutity Provision	**(0.31)**	**1.03**		**0.72**
Net Tax Asset (Liabilities)	**34.05**	**(4.66)**	**–**	**29.38**

Particulars	For the Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	2.61	(0.60)	–	2.01
Employee Benefits	0.98	(0.07)	–	0.91
Expenses allowable on actual payment	23.87	0.65	–	24.51
Provisions	6.93	–	–	6.93
Gratutity Provision	0.94	(2.77)	1.52	(0.31)
Net Tax Asset (Liabilities)	35.32	(2.79)	1.52	34.05

Note - 26 Earnings per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	In Rupee	In Rupee
	Per Share	Per Share
Basic Earnings per share	**651.77**	706.86
Diluted Earnings per share	**651.77**	706.86
	651.77	706.86

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2023 In Lakhs	For the year ended March 31, 2022 In Lakhs
Profit for the year attributable to owners of the Company	**651.77**	706.86
Earning used in the calculation of basic and diluted earnings per share	**651.77**	706.86
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Face value per share Rs. 10)	**1,00,000**	1,00,000
Earnings per share - Basic & Diluted (In Rupees.)	**651.77**	706.86

Note - 27 Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-23	31-Mar-22
Equity	**1,529.94**	2,076.15
Less : Cash and Bank Balances	**(181.58)**	(1,401.17)
	1,348.36	674.98

Categories of financial assets and financial liabilities

	As at March 31, 2023			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-current Assets				
Trade Receivables	–	–	–	–
Other Financial Assets	–	–	–	–
– Non Derivative Financial Assets	**12.86**	–	–	**12.86**
Current Assets				
Investments	–	–	–	–
Trade Receivables	**1,369.74**	–	–	**1,369.74**
Cash and Cash Equivalents	**15.38**	–	–	**15.38**
Other Bank Balances	**166.20**	–	–	**166.20**
Loans and advances	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	**5.57**	–	–	**5.57**
Current Liabilities				
Trade Payables	**78.39**	–	–	**78.39**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**79.60**	–	–	**79.60**

	As at March 31, 2022			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-current Assets				
Trade Receivables	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	0.18	–	–	0.18
– Loans and advances	426.27	–	–	426.27
Current Assets				
Investments	–	3.75	–	3.75
Trade Receivables	260.24	–	–	260.24
Cash and Cash Equivalents	38.46	–	–	38.46
Other Bank Balances	1,362.71	–	–	1,362.71
Loans and advances	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	17.69	–	–	17.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As at March 31, 2022			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Current Liabilities				
Trade Payables	72.45	–	–	72.45
Other Financial Liabilities				
– Non Derivative Financial Liabilities	84.04	–	–	84.04

** The Company considers that the carrying amount of these financial instruments recognised in the financials statements approximate their fair values.

Fair value of Investments

Investments represent investment by the Company in units of HDFC Cash Management Fund. The closing value at the end of each accounting period represents NAV as per HDFC Cash Management Fund and hence no separate fair valuation.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.

(ii) The Company has invested in units of HDFC Cash Management Fund which has the NAV is Nil as at the end of the reporting period(Previous year Rs. 3.75 Lakhs). HDFC has been regular in dividend payments and the credit risk on the investment is minimal.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-derivative financial liabilities				
31-Mar-23				
Non-interest bearing	**157.99**	**–**	**–**	**–**
Total	**157.99**	**–**	**–**	**–**
31-Mar-22				
Non-interest bearing	156.49	–	–	–
Total	156.49	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-derivative financial assets				
31-Mar-23				
Non-interest bearing	**1,556.89**	**–**	**–**	**12.86**
Total	**1,556.89**	**–**	**–**	**12.86**
31-Mar-22				
Non-interest bearing	1,682.85	–	–	0.18
Total	1,682.85	–	–	0.18

Note - 28 Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Fair value hierarchy	Valuation technique(s) and key input(s)
	In Lakhs	In Lakhs		
Financial assets				
Investments				
Mutual fund investments	**–**	3.75	Level -1	Net asset value published by HDFC Mutual Fund
Total financial assets	**–**	3.75		

Note - 29 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 24.13 Lakhs (2022 : Rs. 24.45 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	**7.31%**	7.20%
Expected rate(s) of salary increase	**10.00%**	8.00%
Expected rate of return on plan assets	**7.31%**	7.20%

Attrition rate

	Valuation as at	
Age (Years)	**31-Mar-23**	**31-Mar-22**
21 - 30	**10.00%**	**10.00%**
31 - 40	**5.00%**	**5.00%**
41 - 50	**3.00%**	**3.00%**
51 - 59	**1.00%**	**1.00%**

Defined benefit plans – as per actuarial valuation on March 31, 2023

Particulars	**Funded Plan Gratuity 2023** In Lakhs	2022 In Lakhs
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	**7.26**	7.86
2. Past Service Credit	**—**	—
3. Interest on net defined benefit liability/ (asset)	**(0.09)**	0.25
Components of defined benefit costs recognised in profit or loss	**7.18**	8.12
Remeasurement on the net defined benefit liability	**–**	–
Return on plan assets (excluding amount included in net interest expense)	**0.66**	(0.18)
Actuarial (gains) and losses arising from changes in financial assumptions	**5.28**	(4.12)
Actuarial (gains) and losses arising from changes in demographic assumptions	**(5.26)**	–
Actuarial (gains) and losses arising from experience adjustments	**(3.39)**	(1.75)
Change in asset ceiling, excluding amounts included in interest expenses	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(2.71)**	(6.05)
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31,		
1. Present value of defined benefit obligation as at March 31,	**99.30**	98.40
2. Fair value of plan assets as at March 31,	**96.43**	99.64
3. Surplus/(Deficit)	**(2.87)**	1.23
4. Amount not recognised due to asset limit	**–**	–
5. Current portion of the above	**–**	–
6. Non current portion of the above	**(2.87)**	1.23
II. Change in the obligation during the year ended March 31,	**–**	–
1. Present value of defined benefit obligation at the beginning of the year	**98.40**	90.58
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**7.26**	7.86
– Past Service Cost	**–**	–
– Interest Expense (Income)	**7.09**	6.06
4. Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses	**–**	–
- Actuarial Gain (Loss) arising from:	**–**	–
i. Demographic Assumptions	**(5.26)**	–
ii. Financial Assumptions	**5.28**	(4.12)
iii. Experience Adjustments	**(3.39)**	(1.75)
5. Benefit payments	**(10.09)**	(0.22)
6. Others (Specify)	**–**	–
7. Present value of defined benefit obligation at the end of the year	**99.30**	98.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Funded Plan Gratuity 2023 In Lakhs	2022 In Lakhs
III. Change in fair value of plan assets during the year ended March 31,	**–**	–
1. Fair value of plan assets at the beginning of the year	**99.64**	86.84
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account	**–**	–
– Expected return on plan assets	**7.17**	5.80
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**(0.66)**	0.18
5. Contributions by employer (including benefit payments)	**0.37**	7.03
6. Benefit payments	**(10.09)**	(0.22)
7. Fair value of plan assets at the end of the year	**96.43**	99.64
IV. The Major categories of plan assets		
– Insurer managed funds (Non Quoted Value)	**96.43**	99.64

Notes:

The current service cost and net interest expenses for the year is included in the "Employee benefits expenses" line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

V The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	2023	3.15	2.91
	2022	89.16	109.23
Salary growth rate	2023	3.04	2.87
	2022	101.30	81.30

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

VI Maturity profile of defined benefit obligation:

	2023	2022
Expected benefits for year 1	**21.78**	5.81
Expected benefits for year 2	**18.15**	5.27
Expected benefits for year 3	**22.91**	19.47
Expected benefits for year 4	**10.38**	3.87
Expected benefits for year 5	**8.51**	2.81
Expected benefits for year 6 to 10	**30.06**	32.37
Expected benefits for year 11 and above	**18.27**	172.38

VII Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and 2022 category are as follows:

	2023	2022
Asset category:		
Cash and cash equivalents	**–**	–
Debt instruments (quoted)	**–**	–
Debt instruments (unquoted)	**–**	–
Equity instruments (quoted)	**–**	–
Deposits with Insurance companies	**96.43**	99.64
	96.43	99.64

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 11.34 years (2022: 10.14 years)

VIII. Experience Adjustments :

	Year ended 2023	2022	2021 Gratuity	2020	2019
1. Defined Benefit Obligation	99.30	98.40	90.58	87.12	73.67
2. Fair value of plan assets	96.43	99.64	86.84	84.34	78.79
3. Surplus/(Deficit)	(2.87)	1.23	(3.74)	(2.78)	5.12
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(3.39)	(1.75)	(5.16)	(5.67)	(1.84)
5. Experience adjustment on plan assets [Gain/(Loss)]	0.66	(0.18)	(0.10)	0.11	0.54

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note - 30 Related Party Transactions

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Parent of the Holding Company
Mahindra Infrastructure Developers Limited	Holding Company

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

List of other related parties & relationships

Name of the related party	Relationship
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Rural Housing Finance Limited	Fellow subsidiary

List of Key Management Personnel (KMP)

Name of the related party	Relationship
Mr. S Venkatraman	Director

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Rural Housing Finance Limited	Key Management Personnel	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Loan to related party	– (–)	– (426.27)	– (–)	– (–)	– (–)	– (426.27)
Repayment of loan by related party	– (–)	426.27 (375.00)	– –	– (800.00)	– (–)	426.27 (1,175.00)
Interest on loan to related party	– (–)	15.36 (27.88)	– –	– (54.54)	– (–)	15.36 (82.42)
Dividend paid	– (–)	– (–)	1,187.99 (890.99)	– (–)	– (–)	1,187.99 (890.99)
Professional Charges	0.01 (3.78)	– (–)	– (–)	– (–)	– (–)	0.01 (3.78)
Safety Consumables	– (–)	– (–)	– (–)	– (–)	– (–)	- -
Software expenses	4.18 (6.83)	– (–)	– (–)	– (–)	– (–)	4.18 (6.83)
Sitting Fees	– (–)	– (–)	– (–)	– (–)	0.70 (0.80)	0.70 (0.80)

Nature of Balances with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Rural Housing Finance Limited	Key Management Personnel	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Trade payables	0.34 (3.78)	– (–)	– (–)	– (–)	– (–)	0.34 (3.78)
Loan to related party	– (–)	– (426.27)	– (–)	– (–)	– (–)	– (426.27)
Interest Accrued on Loan to related party	– (–)	– (1.72)	– (–)	– (–)	– (–)	– (1.72)

Note: Previous year's figures are in brackets.
Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 31 - Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

	Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Details of revenue from contract with customer recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Rendering of Services	**2,234.87**	2,218.91
2	Impairment loss on trade receivables recognised/(written back) in the Statement of profit and loss based on evaluation under Ind AS 109	**–**	–

3 **Disaggregate Revenue**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue based on market or customer type		
Government/bodies established by Government	**2,234.87**	2,218.91
Other than Government	**–**	–
	2,234.87	2,218.91
Revenue based on its geographical location		
Within India	**2,234.87**	2,218.91
Overseas locations	**–**	–
	2,234.87	2,218.91
Revenue based on its timing of recognition		
Point in time	**–**	–
Over a period of time	**2,234.87**	2,218.91
	2,234.87	2,218.91

4 **Reconciliation of revenue from contract with customer**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customer as per the contract price	**2,234.87**	2,218.91
Adjustments made to contract price on account of :-		
Discounts/Rebates/Incentives	**–**	–
Sales Returns/Reversals	**–**	–
Deferrment of revenue	**–**	–
Changes in estimates of variable consideration	**–**	–
Recognition of revenue from contract liability out of opening balance of contract liability	**–**	–
Any other adjustments	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**2,234.87**	2,218.91

5 **Breakup of Revenue into contracts entered in previous year and in current year**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from PO/ contract/agreement entered into previous year	**2,234.87**	2,218.91
Revenue from New PO/ contract/agreement entered into current year	**–**	–
Total Revenue recognised during the period	**2,234.87**	2,218.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 32 - Details of Dues to Micro And Small Enterprises

	Particulars	March 31, 2023	March 31, 2022
	Current		
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	–	0.26
	Interest	–	–
b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
	Principal	–	–
	Interest	–	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	–	–
d)	The amount of interest accrued and remaining unpaid at the end of the year	–	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	–	–

This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note - 33 Disclosure under Section 186(4) of the Companies Act, 2013:

Particulars	Mahindra & Mahindra Financial Services Limited
Nature	Loan
Opening Balance (In Lakhs)	426.27
Given during the year	–
Repaid during the year (In. Lakhs)	426.27
Closing Balance	–
Period (Refer Note)	04.03.2022 to 04.03.2024
Rate of Interest	5.85%
Purpose	Business

Note: ICD of Rs. 426.27 Lakhs Foreclosed on Feb 15th, 2023

Note - 33 Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year - Rs. 20.10 Lakhs

(b) Amount spent during the year on (give categories):

Particulars	Amount spent	Amount yet to be paid	Total Amount
Education of the girl Child	10.00	–	**10.00**
Plantation of Trees	10.10	–	**10.10**
Total	**20.10**	**–**	**20.10**

Note: 35 Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

(Values in Lakhs)

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance (%)
Current Ratio	Current Assets	Current Liabilities	**5.17**	4.50	–15%
Debt Equity Ratio	Debt	Equity	**–**	–	0%
Debt Service Coverage Ratio (DSCR) [b]	EBITDA [1]	Debt Service [2]	**6,875.38**	1,126.82	–510%
Return of Equity [a]	Profit after tax	Net worth	**0.43**	0.34	–25%
Trade Receivables turnover ratio [c]	Turnover	Avg Trade Receivable	**2.74**	7.72	64%
Trade Payable turnover ratio	Cost of Sales	Avg Trade Payable	**8.95**	8.25	-8%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Values in Lakhs)

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance (%)
Net capital turnover ratio	Average Net worth	Turnover	**0.81**	0.98	18%
Net profit ratio	PAT	Revenue	**0.29**	0.32	8%
Return on Capital employed [a]	PBT	Capital employed [3]	**0.57**	0.46	-25%
Return on investment	PBT	Total Assets	**0.46**	0.39	-20%

Notes:

1. Earnings before interest, tax, depreciation and amortisation.
2. Debt service= Current Borrowings + Non- Current borrowings + Interest charged to statement of profit and loss.
3. Capital employed=Total Equity + Total debt + Deferred tax liabilites

Reason for Variance

a. In FY23, Dividend of Rs. 12 Cr paid out from Equity

b. Accurate Tax payments reduced interest on 234C for FY23

c. Due to Increase in the debtor outstandings for FY23

a) Current Ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
Current Assets (A)	**1,572.76**	1,699.67
Current Liabilities (B)	**304.44**	377.63
Ratio (A/B)	**5.17**	4.50

b) Debt Equity Ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
Net Debt (A)	**–**	–
Equity (B)	**1,529.94**	2,076.15
Debt Equity Ratio (A/B)	**–**	–

c) Debt Service Coverage Ratio (DSCR)

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
PBT	**876.78**	952.31
Depreciation	**16.89**	15.90
Interest (Charged to P&L)	**0.13**	0.86
EBDITA (A)	**893.80**	969.07
Current maturities of long term debt	**–**	–
Long term borrowings	**–**	–
Short term borrowings	**–**	–
Interest expenses	**0.13**	0.86
Total Debt (B)	**0.13**	0.86
Debt Service Coverage Ratio (DSCR) (A/B)	**6,875.38**	1,126.82

d) Return of Equity

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
PAT	**651.77**	706.86
Networth	**1,529.94**	2,076.15
Ratio (A/B)	**0.43**	0.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

e) Trade Receivables turnover ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
Turnover (A)	2,234.87	2,218.91
Trade Receivables (Average) (B)	814.99	287.40
Ratio (A/B)	2.74	7.72

f) Trade Payable turnover ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
Total Supplier Purchases	674.98	630.97
Average Trade payable (B)	75.42	76.48
Ratio (A/B)	8.95	8.25

g) Net capital turnover ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
Average Networth (A)	1,803.05	2,170.46
Turnover (B)	2,234.87	2,218.91
Ratio (A/B)	0.81	0.98

h) Net profit ratio

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
PAT (A)	651.77	706.86
Revenue (B)	2,234.87	2,218.91
Ratio (A/B)	0.29	0.32

i) Return on Capital employed

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
PAT (A)	876.91	953.17
Total Debt	–	–
Net worth	1,529.94	2,076.15
Deferred Tax Liabilities	–	–
	1,529.94	2,076.15
Ratio (A/B)	0.57	0.46

j) Return on investment.

Particulars	March 31, 2023	March 31, 2022
	In Lakhs	In Lakhs
PAT (A)	876.91	953.17
Total Assets (B)	1,888.82	2,453.79
Ratio (A/B)	0.46	0.39

Note - 36 : Other Statutory Information :

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has no transactions with the companies struck off under Companies Act, 2013.

(iii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company is not declared wilful defaulter by Bank or Financial Institution.

(vi) The Company has not witnessed any delay in filing of registration of Charges.

(vii) The Company does not have immovable property held in name of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note - 37

The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The company operates only in India. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments".

Note - 38

The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is Rs. 3.30 Lakhs (Previous year 3.30 Lakhs)

Note - 39

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2022.

Note - 40

Disclosure Of Struck Off Companies: The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note - 41

No material events have occurred after the balance sheet date and upto the approval of the financial statements.

Note - 42

The financial statements were approved for issue by the Board of Directors on April 21st , 2023.

Note - 43

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place : Mumbai
Date : April 21, 2023

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Arvind Subramanian
Director
DIN: 02551935

Place : Mumbai
Date : April 21, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of

MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Mahindra World City Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, of its Income and total comprehensive Income, its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matters	How our audit addressed the Key Audit Matter
1	Assessment of recognition of MAT credit (Refer Note 4c to the financial statements.) The Company has recognised MAT credit of Rs.1587.74 Lakhs. These assets have been recognised on the basis of the Company's assessment of availability of future taxable profit to offset such tax losses based on business projections for the next three years. The recoverability of the deferred tax assets/MAT credit depends upon factors such as the projected taxable profitability of business and the period considered for such projections, the rate at which those profits will be taxed and the period over which tax losses will be available for recovery. This was considered as a key audit matter as the amount is material to the financial statements and significant judgement in key assumptions was required by the Company's Management in the preparation of forecasts of future taxable profits based on the underlying business plans.	Principal audit procedure performed: Evaluation of the design and testing operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses and MAT credit. • Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment. • Comparing the Company's performance for the year with the approved budget along with evaluation of Company's projections with regard to future profits and determining whether the tax losses can be utilized within the forecast recoupment period.
2	Carrying values of Inventories (Construction work in Progress and Stock in Trade) There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement (Refer Notes 8 and 21 to the Standalone Financial Statements)	Principal audit procedures performed: Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We assessed the Company's process for the valuation of inventories. • Evaluated the design, implementation and tested the operating effectiveness of the internal controls relating to the valuation of inventories, including the management process for the review and approval of the estimated costs to complete the projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls Selected a sample of inventories and performed procedures around: • Construction costs incurred for the inventories by testing the supporting documents and wherever available, corroborated the same with the reports from external supervising engineers. • Estimated total construction cost to be incurred for completing the construction of the project and wherever available, corroborated the same with the reports from external supervising engineers. Examined the detailed project reviews by senior operational and financial management to determine the total budgeted costs for the project. Assessed the significant judgements/ estimates adopted by the Company for the estimated total construction costs to be incurred for completing the construction of the project. Additionally, we carried out site visits for a number of projects in the year. • The company's methodology and key assumptions for determining NRV of the inventories. Assessed the estimates used by the Company for the expected net amounts to be realized from the sale of inventories in the ordinary course of business. We examined the total projected budgeted cost to the total budgeted sale value from the project. We examined the NRV to recent sales in the project or to the estimated selling price applied in assessing the NRV. We assessed the NRV to the carrying value in books.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

(g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 29 to the Standalone Financial Statements)

(ii) The Company did not have any long- term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company is represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN:23215782BGZGOG2844

Place: Chennai
Date: April 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Mahindra World City Developers Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 23215782BGZGOG2844

Place: Chennai
Date: April 21, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its Property, Plant and Equipment:

(a) According to the information and explanations given to us, the Company has generally maintained proper records showing particulars, including quantitative details and situation of property, plant and equipment and investment properties. However, quantitative details and situation of certain property, plant and equipment and investment properties needs to be updated.

(b) The property, plant and equipment and investment properties are physically verified by the Company once in two years. The physical verification of property, plant and equipment and investment properties was conducted in the previous financial year and accordingly no physical verification is required to be carried out in the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties.

(c) With respect to immoveable properties of land that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the original title deeds/Land Delivery Receipts (LDR's) issued by Government provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

ii. a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds are done at reasonable intervals and no material discrepancies were noticed on physical verification.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of the current assets of the Company excluding Inventories during the year. The Cashflow statements filed by the Company with HDFC Bank Limited on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made. The Company has not granted any loans or provided any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) The details of dues of Service Tax & Income Tax which has not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount Unpaid (Rs. in Lakhs)
Finance Act, 1994	Service Tax	CESTAT	2008-2017	455.23
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2012-13 to AY 2014-15	365.77
Income Tax Act, 1961	Income Tax	Hon'ble High Court of Madras	2016-17	10,181.93

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a) In our opinion and according to the information and explanations given to us and on the basis of our examination of books and records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks and debenture holders. The Company has not taken any loans or borrowings from Government.

b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and based on the audit procedures performed by us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not utilised funds raised on short-term basis for long-term purposes.

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, Associate, Joint venture or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under (xv) of the Order is not applicable to the Company.

xvi. a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause (xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Group has more than one Core Investment Company (CIC) as part of the group. There are six CIC forming part of the group.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year. The Company has incurred cash losses of Rs.1.69 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 23215782BGZGOG2844

Place: Chennai
Date: April 21, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	**2,444.79**	2,642.12
(b) Capital Work in Progress	3.1	**48.00**	30.00
(c) Intangible Assets	3	**–**	–
(d) Financial Assets			
(i) Investments	5		
(a) Investments in Associate		**–**	1,300.00
(b) Investments in Joint Venture		**10,200.00**	10,200.00
(ii) Other Financial Assets	6	**5.13**	5.02
(e) Deferred Tax Asset (Net)	4	**1,526.04**	1,110.76
(f) Other Non-Current Assets	7	**2,696.65**	196.66
Total Non-Current Assets (a+b+c+d+e+f)		**16,920.61**	15,484.56
2 Current assets			
(a) Inventories	8	**51,146.99**	27,680.47
(b) Financial Assets			
(i) Trade Receivables	9	**1,776.46**	403.04
(ii) Cash and Cash Equivalents	10	**2,283.92**	1,360.95
(iii) Bank balances other than (ii) above	10	**683.70**	–
(iv) Other Financial Assets	6	**400.00**	–
(c) Other Current Assets	7	**4,782.37**	3,384.68
Total Current Assets (a+b+c)		**61,073.44**	32,829.14
Total Assets (1+2)		**77,994.05**	48,313.70
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	11	**2,000.00**	2,000.00
(b) Other Equity	12	**11,666.15**	9,013.17
Total Equity (a+b)		**13,666.15**	11,013.17
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**37,786.37**	–
(ii) Other Financial Liabilities	14	**1.75**	1.64
(b) Other Liabilities	17.1	**2,205.60**	1,279.47
(c) Provisions	18	**21.30**	22.61
Total Non-Current Liabilities (a+b+c)		**44,591.21**	1,302.41
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**6,881.57**	33,705.25
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	16	**79.13**	65.45
total outstanding dues of creditors other than micro enterprises and small enterprises		**3,752.93**	827.80
(iii) Other Financial Liabilities	14	**480.83**	793.38
(b) Other Liabilities	17.2	**8,261.69**	426.16
(c) Provisions	18	**280.54**	180.08
Total Current Liabilities (a+b+c)		**19,736.69**	35,998.12
Total Liabilities (2+3)		**64,327.90**	37,300.53
Total Equity and Liabilities (1+2+3)		**77,994.05**	48,313.70
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these standalone financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 21st April 2023

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

STATEMENT OF STANDALONE PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2023
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
REVENUE			
Revenue from operations	**19**	**17,617.17**	2,849.98
Other Income	**20**	**123.32**	12.42
Total income		**17,740.49**	2,862.40
EXPENSES			
(a) Cost of Projects			
– Cost of Sales	**21**	**10,232.75**	–
– Operation and Maintenance Expenses	**22**	**1,833.83**	1,670.15
Employee Benefits Expense	**23**	**735.95**	379.81
Depreciation/Amortisation Expense	**3**	**314.52**	332.94
Finance Costs	**24**	**3,511.79**	2,711.98
Other Expenses	**25**	**1,996.66**	652.09
Total Expenses		**18,625.50**	5,746.97
(Loss) before tax		**(885.01)**	(2,884.57)
Exceptional Items			
(a) Fair Value gain on revaluation of investment	**38**	**(2,920.09)**	–
Profit/(Loss) before tax after exceptional items		**2,035.08**	(2,884.57)
Tax expenses/(Credit)			
Current tax	**4**	**169.54**	–
Deferred Tax (Net of MAT Credit Entitlement)	**4**	**(672.27)**	(852.54)
Total tax expense/(Credit)		**(502.73)**	(852.54)
Profit/(Loss) after tax		**2,537.81**	(2,032.03)
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		**6.54**	(1.14)
(b) Income tax relating to Items that will not be reclassified to profit or loss		**(1.90)**	0.33
Total Other Comprehensive (Loss)/Income		**4.64**	(0.81)
Total Comprehensive Income/(Loss)		**2,542.45**	(2,032.84)
Profit from continuing operations for the year attributable to:			
Owners of the Company		**2,537.81**	(2,032.03)
Earnings per equity share (face value of Rs.10/- each)			
Basic/Diluted in Rs.	**27**	**12.69**	(10.16)
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these standalone financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 21st April 2023

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash flow from operating activities		
Profit/(Loss) before tax and exceptional items	**(885.02)**	(2,884.57)
Adjustments for:		
Finance costs	**3,511.79**	2,711.98
Interest Income	**(33.78)**	–
Depreciation	**314.52**	332.94
Non-Cash Gains/Loss	**–**	94.77
Operating Profit before working capital changes	**2,907.51**	255.12
Movements in working capital:		
(Increase) /Decrease in trade receivables	**(1,373.42)**	(58.29)
Decrease/(Increase) in inventories	**(9,374.31)**	(16.40)
(Increase)/Decrease in other assets	**(1,722.69)**	(80.04)
Decrease/(Increase) in other non current assets	**(2,499.98)**	–
Increase/(Decrease) in trade and other payables	**2,938.71**	83.78
Increase/(Decrease) in Other Financial Liabilities	**(532.77)**	538.99
Increase in Provisions	**4,768.74**	10.56
Increase/(Decrease) in other liabilities	**8,761.66**	(28.65)
Cash generated from operations	**3,873.45**	705.07
Income taxes (paid)/(received)	**(75.00)**	106.23
Net cash generated from operating activities	**3,798.45**	811.30
Cash flows from investing activities		
Payments for property, plant and equipment	**(135.19)**	(67.65)
Bank balances not considered as Cash and Cash Equivalents	**(683.70)**	–
Interest received	**33.78**	–
Net cash (used in) from investing activities	**(785.11)**	(67.65)
Cash flows from Financing activities		
(Repayment)/Proceeds from Short term borrowings	**–**	30,940.00
Repayment of long term borrowings	**(2,915.23)**	(27,775.94)
Proceeds from long term borrowings	**26,500.00**	4,900.00
Repayment of/Reduction in Intercorporate Deposits to Related parties	**(25,000.00)**	(4,200.00)
Interest paid	**(3,291.46)**	(2,572.10)
Net cash (used in)/generated from financing activities	**(4,706.69)**	1,291.96

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023 (Cont'd)
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Net (Decrease)/Increase in cash and cash equivalents	**(1,693.35)**	2,035.61
Cash and cash equivalents at the beginning of the year	**(1,404.30)**	(3,439.91)
Cash and Cash equivalents at the end of the year *	**(3,097.65)**	(1,404.30)

*** Comprises of**

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Cash and cash equivalents		
(a) Balances with banks		
in Current Accounts	**270.67**	60.95
Deposits with original maturity of less than three months	**2,013.25**	1,300.00
Overdraft with Banks	**(5,381.57)**	(2,765.25)
Total Cash and cash equivalents (considered in Statement of Cash Flows)	**(3,097.65)**	(1,404.30)

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows' under Section 133 of Companies Act 2013

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 44 are an integral part of these standalone financial statements

Change in Liabilities arising from financing activities

Particulars	As at 01st April, 2022	Cashflows	Other Adjustments	As at 31st March, 2023
Non Current Borrowings	–	23,584.77	14,201.60	37,786.37
Current Borrowings other than Grouped under Cash and Cash Equivalents	30,940.00	(30,940.00)	1,500.00	1,500.00
Total	**30,940.00**	**(7,355.23)**	**15,701.60**	**39,286.37**

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 21st April 2023

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Capital	Other Equity					
	Equity Share Capital	General Reserve	Capital Redemption Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve	Total
Balance as at April 1, 2021	2,000.00	345.00	6,500.00	4,201.01	–	–	13,046.01
Profit/(Loss) for the year	–	–	–	(2,032.03)	–	–	(2,032.03)
Other Comprehensive Loss	–	–	–	(0.81)	–	–	(0.81)
Balance as at March 31, 2022	2,000.00	345.00	6,500.00	2,168.17	–	–	11,013.17

Particulars	Share Capital	Other Equity					
	Equity Share Capital	**General Reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Debenture Redemption Reserve**	**Capital Reserve arising on Merger**	**Total**
Balance as at April 1, 2022	**2,000.00**	**345.00**	**6,500.00**	**2,168.17**	**–**		**11,013.17**
Effect of Business Combination (Refer Note 38)	**–**	**–**	**–**	**(450.00)**	**450.00**	**110.54**	**110.54**
Profit for the year	**–**	**–**	**–**	**2,537.81**	**–**	**–**	**2,537.81**
Other Comprehensive Income	**–**	**–**	**–**	**4.64**	**–**	**–**	**4.64**
Balance as at Mar 31, 2023	**2,000.00**	**345.00**	**6,500.00**	**4,260.61**	**450.00**	**110.54**	**13,666.15**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 44 are an integral part of these standalone financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 21st April 2023

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

1. General Information

Mahindra World City Developers Limited ("the Company") was incorporated on February 19, 1997. The Company is in the business of land development for industrial, commercial, and residential use and township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. The Company has developed and operates an integrated business city "Mahindra World City" at Chengalpattu taluk near Chennai.

Promoted in a Public Private Partnership by the Mahindra Group and Tamilnadu Industrial Development Corporation Limited (A Government of Tamil Nadu Undertaking), Mahindra World City surpasses the conventional definition of a business space - it is a business eco-system, carefully linked and integrated to function with efficiency. Mahindra World City, Chennai is India's first integrated City and Corporate India's first operational SEZ.

Etching its name on India's business map, Mahindra World City Chennai, has attracted corporate giants such as BMW, B. Braun, Capgemini, Marriot, Infosys, BASF, Lincoln Electric, Parker Hannifin, Renault-Nissan, Tesa SE, Federal Mogul, Fujitec, Pegatron, NTN Corporation, Timken, TVS Group of Companies and Wipro among others.

The Registered office of the company is located at Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai, Tamil Nadu -600 002.

2. Significant Accounting Policies

2.1 Statement of compliance

The Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

2.2.1 Basis of preparation and presentation

The Standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2.2.3 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 1 year for the purpose of Current – Non-Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Sale of Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time i.e Completed contract method of accounting as per IND AS 115 when (a)the seller has transferred all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with the ownership, (b) The seller has effectively handed over the possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) it is not unreasonable to expect ultimate collection of revenue from buyers.. The revenue is measured at the transaction price agreed under the contract.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Group offers deferred payment schemes to its customers. The Group adjusts the transaction price for the effects of the significant financing component.

2.3.3 Sale of land

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts/agreements.

2.3.3 Project Management fee

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

2.3.4 Income from Operation and Maintenance (O&M)

Income from operation and maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 Contract Cost

Costs to obtain contracts (“Contract costs”) relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.6 Significant accounting Judgements, Estimates and Assumptions

2.3.6.1 Determining the timing of revenue recognition on the sale of completed and under development property.

The Group has generally evaluated and concluded that based on an analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Group has concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.6.2 Determination of performance obligations

With respect to the sale of property, the Group has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Group is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.7 Dividend and interest income

Dividend income from investments from Joint ventures and Associates is recognised when the unit holder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 The Company as a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.4.2 The Company as a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.5.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment’s are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Impairment of tangible and intangible asset other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit and loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.10 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Provisions, contingent liabilities and contingent assets

2.12.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.12.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12.3 Contingent liabilities

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events when no reliable estimate is possible.

2.12.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.14 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain/loss arising out of such translation is adjusted to the statement of profit and loss.

2.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit and loss for financial assets at fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value.

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2.15.2 The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

2.15.3 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at financial assets at fair value through profit or loss (“FVTPL”). Interest income is recognised in statement of profit and loss and is included in the “Other income” line item.

2.15.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

In addition, the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

2.15.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

2.15.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

2.17 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

2.18 Earnings per Share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

2.21 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these Standalone financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the standalone financial statements.

Determination of the timing of revenue recognition on the sale of completed and under development property.

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

Determination of performance obligation

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

3. Property, Plant and Equipment

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1st April, 2021	195.05	2,746.78	2,504.18	153.26	532.94	14.03	61.57	6,207.81
Additions	–	–	36.14	23.38	0.93	–	7.22	67.67
Disposals	–	–	–	(5.71)	–	–	(17.21)	(22.92)
Balance as at 31st March, 2022	**195.05**	**2,746.78**	**2,540.32**	**170.93**	**533.87**	**14.03**	**51.58**	**6,252.56**
II. Accumulated depreciation								
Balance as at 1st April, 2021	–	893.62	1,821.50	142.95	371.89	14.03	56.41	3,300.40
Depreciation expense for the year	–	67.85	178.34	20.80	62.72	–	3.25	332.96
Eliminated on disposal of assets	–	–	–	(5.71)	–	–	(17.21)	(22.92)
Balance as at 31st March, 2022	**–**	**961.47**	**1,999.84**	**158.04**	**434.61**	**14.03**	**42.45**	**3,610.44**
III. Net carrying amount (I-II)								
Balance as at 31st March, 2022	**195.05**	**1,785.31**	**540.48**	**12.89**	**99.26**	**–**	**9.13**	**2,642.12**
Balance as at 31st March, 2021	**195.05**	**1,853.16**	**682.68**	**10.31**	**161.05**	**–**	**5.16**	**2,907.41**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1st April, 2022	195.05	2,746.78	2,540.32	170.93	533.87	14.03	51.58	6,252.56
Effect of business combination (Refer Note 38)	–	–	15.96	5.62	125.54	11.53	22.84	181.50
Other Additions during the year			7.57	0.87	1.28		26.48	36.19
Disposals	–	–	(3.50)	(3.60)	–	–	–	(7.10)
Balance as at 31st March, 2023	**195.05**	**2,746.78**	**2,560.35**	**173.82**	**660.69**	**25.56**	**100.90**	**6,463.15**
II. Accumulated depreciation								
Balance as at 1st April, 2022	–	961.47	1,999.84	158.04	434.61	14.03	42.45	3,610.44
Effect of business combination (Refer Note 38)	–	–	12.84	5.34	65.68	4.32	12.32	100.50
Depreciation expense for the year	–	67.64	141.67	15.95	76.14	1.44	11.68	314.52
Eliminated on disposal of assets	–	–	(3.50)	(3.60)	–	–	–	(7.10)
Balance as at 31st March, 2023	**–**	**1,029.11**	**2,165.90**	**160.68**	**576.43**	**19.79**	**66.45**	**4,018.36**
III. Net carrying amount (I-II)								
Balance as at 31st March, 2023	**195.05**	**1,717.67**	**394.45**	**13.14**	**84.26**	**5.77**	**34.45**	**2,444.79**
Balance as at 31st March, 2022	**195.05**	**1,785.31**	**540.48**	**12.89**	**99.26**	**–**	**9.13**	**2,642.12**

No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

3.1 Movement of Capital Work in Progress

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Opening Balance	**30.00**	30.00
Effect of business combination (Refer Note 38)	**18.00**	
Additions	**–**	–
Subtotal	**48.00**	30.00
Capitalised during the year		–
Closing Balance	**48.00**	30.00

Description of Assets	As at 31st Mar, 2023	As at 31st Mar, 2022
Capital Work-in-Progress	**48.00**	30.00
Less than 1 year	**18.00**	30.00
1-2 years	**30.00**	–
2-3 years	–	–
More than 3 years	–	–
Total	**48.00**	30.00

3.2 Intangible Assets

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2022	**59.16**	59.16
Additions	**–**	–
Disposals	**–**	–
Balance as at 31st March, 2023	**59.16**	59.16
II. Accumulated amortisation		
Balance as at 1st April, 2022	**59.16**	59.16
Amortisation expense for the year	**–**	–
Eliminated on disposal of assets	**–**	–
Balance as at 31st March, 2023	**59.16**	59.16
III. Net carrying amount (I-II)		
Balance as at 31st March, 2023	**–**	–
Balance as at 31st March, 2022	**–**	–

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2021	**59.16**	59.16
Additions	**–**	–
Disposals	**–**	–
Total	**59.16**	59.16
II. Accumulated amortisation		
Balance as at 1 stApril, 2021	**59.16**	59.16
Amortisation expense for the year	**–**	–
Eliminated on disposal of assets	**–**	–
Total	**59.16**	59.16
III. Net carrying amount (I-II)		
Balance as at 31st March, 2022	**–**	–
Balance as at 31st March, 2021	**–**	–

Refer note 2 for Company's policy on recognition and measurement of Property Plant , Equipment, Intangible and Depreciation/amortisation methods used.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

4. Income Tax

(a) Income Tax recognised in profit or loss

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Current Tax:		
In respect of current year	**171.44**	–
Deferred Tax		
Tax of earlier years (Net)	**(672.27)**	(852.54)
Total income tax (credit)/expense on income from operations	**(500.83)**	(852.54)

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement Profit and Loss is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit/(Loss)Loss before tax	**2,035.08**	(2,884.57)
Income tax expense calculated at statutory rate***	**593.00**	(840.00)
Non deductible exepenses under income tax	**–**	1.23
Others	**(1,093.83)**	(13.77)
	(500.83)	(852.54)
Income tax (credit)/expense recognised in statement of profit and loss	**(500.83)**	(852.54)

*** The Tax Rate used for 31st March 2023 and 31st March 2022 reconciliations above are the corporate tax rate of 29.12% payable by Corporate Entities in India on taxable profits under Indian Income Tax Act laws.

(c) Movement in deferred tax balances

All amounts are in Rupees Lakhs unless otherwise stated

For the Year ended 31st March, 2023

Particulars	Opening Balance	Effect of business Combination	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Tax effect of items constituting deferred tax Liabilities						
Property, Plant and Equipment	**263.04**	**33.27**	**(65.43)**	**–**	**–**	**230.88**
FVTPL Financials Asset & Liabilties	**18.00**	**–**	**(6.55)**	**–**	**–**	**11.45**
FV of Assets Transferred on Business Combination	**–**	**1,526.92**	**(347.76)**	**–**	**–**	**1,179.16**
Total Deferred Tax Liabilities	**281.04**	**1,560.19**	**(419.74)**	**–**	**–**	**1,421.49**
Tax effect of items constituting deferred tax assets						
Section 43B disallowances	**17.17**	**–**	**21.10**	**–**	**–**	**38.27**
Business loss	**1,007.00**	**–**	**–**	**–**	**–**	**1,007.00**
Unabsorbed depreciation loss	**192.00**	**–**	**–**	**–**	**–**	**192.00**
Provision for doubtful debts & DLP	**62.53**	**–**	**59.99**	**–**	**–**	**122.52**
MAT Credit entitlement	**113.11**	**1,303.19**	**171.44**	**–**	**–**	**1,587.74**
Total Deferred Tax Asset	**1,391.81**	**1,303.19**	**252.53**	**–**	**–**	**2,947.53**
Net Deferred Tax Asset	**1,110.77**	**(257.00)**	**672.27**	**–**	**–**	**1,526.04**

All amounts are in Rupees Lakhs unless otherwise stated

For the Year ended 31st March, 2022

Particulars	Opening Balance	Effect of business Combination	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Tax effect of items constituting deferred tax Liabilities						
Property, Plant and Equipment	311.90		(48.86)	–	–	263.04
Interest Inventorised	–		–	–	–	–
FVTPL Financials Asset & Liabilties	18.00		–	–	–	18.00
Total Deferred Tax Liabilities	329.90	–	(48.86)	–	–	281.04
Tax effect of items constituting deferred tax assets						
Section 43B disallowances	13.76		3.08	0.33	–	17.17
Business loss	294.00		713.00	–	–	1,007.00
Unabsorbed depreciation loss	131.99		60.00	–	–	191.99

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2022					
	Opening Balance	Effect of business Combination	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Provision for doubtful debts	34.93		27.60	–	–	62.53
MAT Credit entitlement	113.11		–	–	–	113.11
Total Deferred Tax Asset	587.79	–	803.68	0.33	–	1,391.80
Net Deferred Tax Liabilities	(257.89)	–	(852.54)	(0.33)	–	1,110.76

5. Investments

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**As at 31st Mar, 2023**		As at 31st Mar, 2022	
	Current	**Non Current**	Current	Non Current
A. Cost				
Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
– of Associates				
Mahindra Integrated Township Limited 1,30,00,000 Shares @ INR 10 Per Share (refer note 38)	**–**	**–**	–	1,300.00
– of Joint Venture				
Mahindra Industrial Park chennai Limited 10,20,00,000 Shares @ INR 10 Per Share	**–**	**10,200.00**	–	10,200.00
Investments Carried At Cost	**–**	**10,200.00**	–	11,500.00
Other disclosures				
Aggregate amount of unquoted investments	**–**	**10,200.00**	–	11,500.00

6. Other Financial Assets

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**As at 31st Mar, 2023**		As at 31st Mar, 2022	
	Non-current	**Current**	Non-current	Current
Advances, Considered good				
Advances for purchase of land - unsecured	**–**	**–**	–	–
Advances, Considered doubtful				
Advances for purchase of land - unsecured	**34.05**	**–**	34.05	–
Less: Provision for advances considered doubtful	**(34.05)**	**–**	(34.05)	–
Unsecured, considered good unless stated otherwise				
Interest accrued on fixed deposits	**–**	**–**	–	–
Fixed deposits under lien	**400.00**	**5.13**	–	5.02
Total	**400.00**	**5.13**	–	5.02

7. Other Assets

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**As at 31st Mar, 2023**		As at 31st Mar, 2022	
	Current	**Non-Current**	Current	Non-Current
(a) Advances other than capital advances				
(i) Advances to employees	**14.24**	**–**	0.20	–
(ii) Advances for purchase of land - secured**	**3,347.04**	**–**	3,347.04	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non-Current	As at 31st Mar, 2022 Current	As at 31st Mar, 2022 Non-Current
(iii) Advances to suppliers Unsecured considered good	**1,142.12**	**–**	6.51	–
(iv) Balances with government authorities (other than income taxes)***	**–**	**1,271.41**	–	112.88
(b) **Advance income tax**	**–**	**1,185.86**	–	–
(c) **Security Deposit**				
- Unsecured, considered good	**3.50**	**210.08**	3.50	67.51
(d) **Prepaid Expenses**	**275.47**	**29.30**	27.43	16.27
Total	**4,782.37**	**2,696.65**	3,384.68	196.66

** Advance for purchase of Land is secured by equitable Mortgage by deposit of title deeds of 39.19 acres of land at Varadarajapuram , Kancheepuram Dist. Tamilnadu.

*** Balance with Government authorities as at 31st March 2023 includes payment of Rs. 37.98 lakhs made under protest against service tax demands.

8. Inventories

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Construction Materials	**796.12**	27,637.50
Construction Work-in-progress*	**50,203.09**	42.97
Finished goods	**147.78**	–
Total Inventories (at lower of cost and net realisable value)	**51,146.99**	27,680.47

* Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Construction Materials primarily comprises of Steel, Cement, Chrome plated & Sanitary Fixtures and UPVC windows which are used for construction activities.

The cost of inventories recognised as an expense during the year in respect of continuing operations is Rs. 5,417.85 lakhs (FY 21-22: Rs. Nil)

The Company has availed cash credit facilities, Term Loan and borrowings through issue of Non-Convertible Debentures which are secured by hypothecation of inventories.

9. Trade Receivables

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non Current	As at 31st Mar, 2022 Current	As at 31st Mar, 2022 Non Current
Trade Receivables:				
– Unsecured considered Good	**1,776.46**	–	**403.04**	–
– Receivables with significant credit risk	**188.07**	–	**180.65**	–
Less: Provision for expected credit losses	**(188.07)**	–	**(180.65)**	–
Total	**1,776.46**	–	**403.04**	–

Refer Note 32 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period in the range of 7-31 days on lease of residential property as per the agreement with customers.

9 a Ageing for trade receivables from the due date of payment for each of the category is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**–**	–
0 months - 6 months	**1,498.84**	293.04
6 months -1 year	**205.54**	42.46
1-2 Years	**22.62**	28.49
2-3 years	**37.36**	4.25
More than 3 years	**12.10**	34.80
Total	**1,776.46**	403.04

9(b) Movement in the allowance for credit loss

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Balance at beginning of the year	**180.65**	85.88
On account of Business Combination	**9.70**	–
Additions/reversals during the year	**(2.28)**	94.77
Balance at end of the year	**188.07**	180.65

10. Cash and Cash Equivalents

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Cash and cash equivalents		
Balances with banks		
In Current Accounts	**270.67**	60.84
Cash in hand	**–**	0.11
Deposits with original maturity of less than three months	**2,013.25**	1,300.00
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**2,283.92**	1,360.95
Bank Balances other than Cash and cash equivalents		
– Current Accounts - earmarked *	**25.69**	–
– Earmarked Deposit account with scheduled banks #	**410.41**	–
– Deposits with original maturity of More than three months	**247.60**	–
Total Other Bank balances	**683.70**	–

* Required to be set aside and kept in separate bank account under Tamil Nadu Real Estate (Regulation and Development) Act, 2016.

Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

Reconciliation of Cash and Cash Equivalents

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Total Cash and Cash Equivalents as per Balance Sheet	**2,283.92**	1,360.95
Overdraft with Banks (Note 15)	**(5,381.57)**	(2,765.25)
Total Cash and Cash Equivalents as per Statement of Cashflow	**(3,097.65)**	(1,404.30)

11. Equity Share Capital

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023 No. of shares	As at 31st Mar, 2023 Amount	As at 31st Mar, 2022 No. of shares	As at 31st Mar, 2022 Amount
Authorized shares				
2,50,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**2,50,00,000**	**2,500.00**	2,50,00,000	2,500.00
50,00,000 Unclassified Shares of Rs.10 each with Voting rights	**–**	**–**	50,00,000	500.00
65,00,000 Cumulative Redeemable preference shares of Rs. 100 each	**–**	**–**	65,00,000	6,500.00
13,05,00,000 Cumulative Redeemable preference shares of Rs. 10 each	**13,05,00,000**	**13,050.00**	–	–
Issued, Subscribed and Fully Paidup:				
2,00,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
Total	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares with Voting rights*			
As at 31st March, 2022			
No. of Shares	2,00,00,000	–	2,00,00,000
Amount in Lakhs	2,000.00	–	2,000.00
As at 31st March, 2023			
No. of Shares	**2,00,00,000**	**–**	**2,00,00,000**
Amount in Lakhs	**2,000.00**	**–**	**2,000.00**

* **Terms/ rights attached to equity shares:** 'The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

* Terms/ rights attached to Preference shares: 0.01% Non-convertible Redeemable Preference Shares of Rs 10/- each are classified as compound financial instrument and liability component of these shares has been disclosed under non-current borrowing {Refer note 13}

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st Mar, 2023 No.	As at 31st Mar, 2023 % holding in the class	As at 31st Mar, 2022 No.	As at 31st Mar, 2022 % holding in the class
Equity shares with voting rights:-				
Mahindra Lifespace Developers Limited, Holding Company	**1,77,99,999**	**89.00%**	1,77,99,999	89.00%
Tamilnadu Industrial Development Corporation Limited	**22,00,000**	**11.00%**	22,00,000	11.00%

(iii) Details of shares held by the Promoters, holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st Mar, 2023	
Mahindra Lifespace Developers Limited	1,77,99,999
As at 31st Mar, 2022	
Mahindra Lifespace Developers Limited, the Holding Company	1,77,99,999

(iv) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows: (refer note 38)

Particulars	As at 31st Mar, 2023 No.	As at 31st Mar, 2023 Amount	As at 31st Mar, 2022 No.	As at 31st Mar, 2022 Amount
0.01% Non-convertible redeemable Preference Shares issued on settlement of consideration payable	**12,02,50,000**	**12,025.00**	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

12 (a) Other Equity

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
General Reserve	**345.00**	345.00
Capital Redemption Reserve	**6,500.00**	6,500.00
Retained earnings	**4,260.61**	2,168.17
Debenture Redemption Reserve	**450.00**	–
Capital Reserve arising on Business Combination	**110.54**	–
Total Other Equity	**11,666.15**	9,013.17

12 (b) Other Equity

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	General Reserve	Capital Redemption Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve arising on Merger	Total
Balance as at 1st April, 2022	**345.00**	**6,500.00**	**2,168.17**	**–**	**–**	**9,013.17**
Effect of Business Combination (Refer Note 38)	–	–	(450.00)	450.00	110.54	110.54
Profit for the year	–	–	2,537.81			2,537.81
Other Comprehensive Income for the year (net of tax)	–	–	4.64			4.64
Balance as at March 31, 2023	**345.00**	**6,500.00**	**4,260.61**	**450.00**	**110.54**	**11,666.15**

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Debenture Redemption Reserve (DRR): A debenture redemption reserve is created against issue of debentures to protect investors against the possibility of default by the company. The Company evaluated the DRR required as on March 31, 2023 based on the notification GSR 127(E), dated 19 August 2019 and has created a DRR of Rs. 450 Lakhs.

General Reserve: Reserve created on account of merger of Associates is not available for distribution of dividend and expected to remain invested permanently.

Capital Redemption Reserve: The Capital Redemption Reserve is created against Buy Back of shares.

Capital Reserve arising on Merger: Reserve created on account of merger of Associates is not available for distribution of dividend and expected to remain invested permanently. (Refer Note 38)

13 Non-Current Borrowings

Particulars	Coupon Rate	As at 31st Mar, 2023	As at 31st Mar, 2022
Measured at amortised cost			
Secured Borrowings:			
a. Non-Convertible Debentures (refer to sub note(i) below)	8.40%	**3,000.00**	–
b. Term Loan from financial instituation (refer to sub note(ii) below)	10.20%	**23,584.77**	–
c. Non Convertible Redeemable Preference Shares (refer to sub note(iii) below)	0.01%	**11,201.60**	–
Total		**37,786.37**	–

i) Non-Convertible Debentures(Listed/Secured)

The Terms and conditions of the Listed, Secured Non Convertible Debentures issued by the Company are summarised below

Series	**I**	**II**	**III**
Face Value of the Debentures(Rs in lakhs)	1,500.00	1,500.00	1,500.00
Total Redemption Premium(Rs in lakhs)	214.32	299.64	393.68
Rate of Interest Payable Annually	8.40%	8.40%	8.40%
Maturity Date	14-Sep-2023	13-Sep-2024	12-Sep-2025

The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company and Lein on Fixed Deposits Amounting to Rs 400 Lakhs. The carrying value of these specific Lands is Rs.2,752.15 Lakhs and is shown as part of “”work in Progress”” in Inventories Schedule, Refer note No.8 Interest Payment frequency is half yearly for the said Debentures.

ii) Term Loan (Secured)

The company availed Term Loan from HDFC Ltd ; Sanctioned amount Rs 27,000.00 Lakhs. Present interest rate for the Loan amount is 10.20%. The Loan has a moratarium period of 50 months and from 51st Month onwards the Company has to pay Rs 1,687.5 lakhs per quarter till 96th Month. The Term loans is secured by equitable Mortgage by deposit of title deeds of 59.098 acres of land at Mahindra World City (NH 45), Chengalpattu and 235.58 acres of land at Peruvoyal Village, NH16 near Ponneri/Gummidipundi

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

iii) Non Convertible Redeemable Preference Shares (Non Listed)

The Company has issued 0.01% of Non Convertible Redeemable Preference shares with Series 1 (2,00,00,000), Series 2 (2,00,00,000), Series 3 (2,00,00,000), Series 4 (2,00,00,000), Series 5 (2,00,00,000), Series 6 (2,02,50,000) having the face value of Rs 10 with a tenure of 20 years for each series which is not extendable but can be redemeed at an early date with the concent of all the Preference share holders. Redemption Premium is payable at the time of Redemption @ 6% p.a. on compounded basis for the period from the date of allotment till the date of redemption. The Face value of Preference shares issued is Rs 120,25.00 Lakhs (Refer Note 38)

14. Other Financial Liabilities

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Non-Current		
Security deposits received from lessees	**1.75**	1.64
Other financial liabilities- Non Current	**1.75**	1.64
Current		
Security deposits received from lessees	**–**	545.40
Interest accrued		
Interest Accrued and due on borrowings	**–**	–
Interest Accrued and Not due on borrowings**	**17.09**	203.24
	–	–
Other liabilities		
Deposits from customers*	**463.74**	42.24
Earnest money deposit	**–**	2.50
Other financial liabilities- Current	**480.83**	793.38

* refers to amount collected from customers towards "Advance maintenance and Corpus fund" net off amount receivable. Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 10)

** Refer Note 13(i) of the Standalone Financial Statements

15. Current Borrowings (Amortised Cost)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Coupon Rate	As at 31st Mar, 2023	As at 31st Mar, 2022
A. Secured Borrowings at amortised cost			
Cash Credit from Banks	**7.35% to 9.20%**	**3,555.20**	1,565.33
Non-Convertible Debentures {Refer Note 13(i)}	**8.50%**	**1,500.00**	–
Total Secured Borrowings		**5,055.20**	1,565.33
B. Unsecured Borrowings			
HDFC Bank Limited - Overdraft of INR 20.39 Crores- Repayable on Demand	**7.90%**	**1,826.37**	1,199.92
Tech Mahindra Limited- ICD Loan repayable within 1 year	5.50%	**–**	25,000.00
Mahindra Integrated Township Limited- ICD Loan repayable within 1 year	8.30%	**–**	1,000.00
Mahindra Residential Developers Limited- ICD Loan repayable within 1 year	8.30%	**–**	4,940.00
Total Unsecured Borrowings		**1,826.37**	32,139.92
Total		**6,881.57**	33,705.25

Secured Borrowings:

Cash Credit from Banks Consists of:

1. HDFC Bank Ltd is Rs. 3,059 Lakhs and rate of interest is Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts and Work in progress and first ranking pari passu charge on specific lands of the company.
2. AXIS Bank Ltd is Rs. 2,500 Lakhs is secured by First pari passu charge of current assets of the Company excluding inventories and by Second/Residual charge on Lands mortgaged to HDFC Limited for Term loan availed {Refer Note 13(ii)}.

Unsecured Borrowings:

1. The Cash Credit sanctioned by HDFC Bank Ltd is Rs. 2,039 Lakhs and rate of interest is Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is unsecured.

16. Trade Payables

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Trade Payables		
total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	**79.13**	65.45
total outstanding dues of creditors other than micro enterprises and small enterprises	**3,752.93**	827.80
Total	**3,832.06**	893.25

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

The average credit period in the range of 7-31 days as per the agreement with Contractors/Suppliers.

16 a Ageing for trade payable from the due date of payment for each of the category is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Undisputed dues of micro enterprises and small enterprises		
Not Due	**–**	–
0 months - 1 year	**78.08**	62.17
1-2 Years	**0.25**	3.28

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
2-3 years	–	–
More than 3 years	0.80	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Not Due	–	–
0 months - 1 year	3,558.32	818.18
1-2 Years	22.60	6.55
2-3 years	75.87	3.07
More than 3 years	96.14	–
Total	3,832.06	893.25

17.1 Other Liabilities-Non Current

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
(a) Deferred Revenue	1,747.95	825.79
(b) Unearned Income	457.65	453.68
Total	2,205.60	1,279.47

17.2 Other Liabilities- Current

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
(a) Advances received from customers	2,122.77	277.00
(b) Deferred Revenue	5,976.71	119.29
(c) Employee related dues	111.72	–
(d) Statutory dues		
taxes payable (other than income taxes)	45.12	24.11
Unearned Income	5.37	5.76
Total	8,261.69	426.16

18. Provisions

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Non Current Provisions		
Gratuity	–	–
Leave Encashment	49.47	21.30
Provision for Disputed dues (Excise and Service Tax Dues)	4,548.02	–
Total Non Current Provisions	4,597.49	21.30
Current Provisions		
Income Tax (Net of Advance Tax Rs 106.76 Lakhs)	–	142.42
Gratuity	67.12	23.94
Leave Encashment	14.82	13.72
Defect Liability Provision	198.60	–
Total Current Provisions	280.54	180.08

Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision	Provision for Disputed dues
Balance at April 1, 2021	–	–
Additional provisions recognised	–	–
Amounts used during the year	–	–
Unused amounts reversed during the period	–	–
Balance at March 31, 2022	–	–
Balance at April 1, 2022	–	–
Additional provisions recognised- On Account of Business Combination (refer note 38)	198.60	4,548.02
Amounts used during the year	–	–
Unused amounts reversed during the period	–	–
Balance at March 31, 2023	198.60	4,548.02

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon lease of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years after the reporting date.

19. Revenue from Operations

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Income from Projects (Refer note no: 33)	5,407.72	–
Income From Project Management	780.00	62.04
Land Lease Premium	7,664.45	–
Sale of land	673.40	–
Rental income	98.70	88.67
Operation and maintenance income	2,211.32	2,392.26
Club membership fees	69.95	68.19
Club Annual subscription fees	39.18	34.06
Club Operating Income	269.85	137.26
Sales Commission Income	192.60	–
Other Operational Income Transfer Fees	210.00	67.50
Total	17,617.17	2,849.98

20. Other Income

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Interest Income on Financial assets that are not designated as Fair Value through Profit and Loss	44.74	–
Bank Deposits	33.78	–
Others	10.96	–
Scrap Income	0.16	–
Other Income	78.42	12.42
Total	123.32	12.42

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

21. Cost of Sales

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Inventories at the beginning of the year:	**27,637.52**	27,637.50
Stock-in-trade	**–**	–
Construction Work-in-progress	**27,637.52**	27,637.50
Finished goods	**–**	–
Add: On Effect of Business Combination (refer note 38)	**24,043.95**	–
Add: Expenses Incurred during the year	**9,698.27**	–
Land and Construction Costs	**9,086.33**	–
Employee Cost Inventorised	**211.74**	–
Borrowing Costs Inventorised	**400.20**	–
Inventories at the end of the year:	**51,146.99**	27,637.52
Stock-in-trade	**796.12**	–
Construction Work-in-progress	**50,203.09**	27,637.52
Finished goods	**147.78**	–
Total	**10,232.75**	–

22. Operation & Maintenance Expenses

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Repairs & Maintenance	**457.19**	295.40
Security	**262.89**	254.42
Electrical & Mechanical Maintenance	**361.47**	466.29
Housekeeping	**211.14**	191.06
Power & Fuel	**169.94**	161.25
Landscaping maintenance	**143.33**	124.64
Rates & Taxes	**86.65**	114.10
Other Expenses	**141.22**	62.99
Total Operation & Maintenance Expenses	**1,833.83**	1,670.15

23. Employee Benefits Expense

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Salaries and wages including bonus	**834.67**	350.62
Contributions to provident and other funds	**65.01**	15.95
Staff welfare expenses	**48.01**	13.24
Less: Salaries and wages inventorised*	**(211.74)**	–
Total Employee Benefits Expense	**735.95**	379.81

* Salary Cost inventorised refers to Salary cost Pertaining to projects team

24. Finance Costs

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
(a) Interest expense on:		
(i) Term loan	**1,917.22**	2,045.85
(ii) Loan from Related parties	**358.06**	398.69
(iii) Debentures	**378.00**	–
(iv) Overdraft	**397.77**	267.33
(v) Other Interest	**32.94**	0.11
(vi) Premium on redemption of Redemable Preference Shares (Refer Note 13(iii)	**828.00**	–
Less: Interest inventorised*	**(400.20)**	–
Total Finance Costs	**3,511.79**	2,711.98

* Borrowing cost inventorised refers to interest on Borrowings in Note 13 considered at the average rate of 8.1%

25. Other expenses

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Power and fuel	**69.57**	29.64
Rent including lease rentals	**30.80**	10.49
Repairs and maintenance	**423.11**	7.05
Insurance	**1.25**	26.85
Rates and taxes	**167.68**	69.07
Communication	**14.00**	37.59
Travelling and conveyance	**33.75**	8.58
Printing and stationery	**12.88**	2.19
Business promotion	**420.13**	16.48
Office Maintenance expenses	**45.25**	21.84
Legal and professional	**267.41**	133.51
Payments to auditors* (Refer below for details of Audit fees)	**23.83**	13.60
Directors sitting fees	**4.16**	1.20
Commission	**53.81**	–
Donations	**9.28**	0.20
Services outsourced	**122.63**	99.54
Allowances for expected credit losses	**–**	94.77
Corporate Social Responsibility (CSR) activities (refer Note No 28)	**–**	4.03
Club expenses	**111.26**	72.67
Other General Expenses	**185.86**	2.79
Total Other expenses	**1,996.66**	652.09

All amounts are in Rupees Lakhs unless otherwise stated

*** Payment to auditors (excluding taxes)**	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Statutory Audit and Limited Reviews	**19.00**	11.20
Tax Audit	**2.50**	2.00
Certification and Other Services	**2.20**	0.40
Out of Pocket Expenses	**0.13**	–
	23.83	13.60

26. Segment information

Business segments

The Company operates in only one business segment, i.e. 'Projects, Project Management and Development' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Chairperson regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

27. Earnings per Share

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Basic/Diluted Earnings per share	**12.69**	(10.16)
Total basic/diluted earnings per share	**12.69**	(10.16)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Profit/(Loss) for the year attributable to owners of the Company	**2,537.81**	(2,032.03)
Less: Preference dividend and tax thereon	**–**	–
Profit/(Loss) for the year used in the calculation of basic earnings per share	**2,537.81**	(2,032.03)

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2023	Year ended 31st Mar, 2022
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits/(Loss) used in the calculation of basic earnings per share from continuing operations	**2,537.81**	(2,032.03)
Weighted average number of equity shares (in nos)	**2,00,00,000**	2,00,00,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.)	**12.69**	(10.16)

28. Expense on Corporate Social Responsibility

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Fore the year ended 31st Mar, 2023	Fore the year ended 31st Mar, 2022
Gross amount required to be spent by the company during the year	–	4.03
Amount spent during the year on		
Contribution to Nanhi Kali foundation	–	–
Supporting Primary Health Centre	–	–
Support to School for Enhancing Quality of Education	–	–
Contribution to District Collector for Covid-19 prevention measures	–	–
Awareness programmes -Solid waste Management & others	–	4.03
	–	4.03

29. Contingent liabilities and Capital Commitments

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
Contingent liabilities (to the extent not provided for)		
Income tax demands (to the extent not recognised in the books)		
FY 2015-16 (Assessment Year 2016-17)*	**10,181.93**	10,181.93
Service tax demands received	**493.21**	493.21
Legal Matters		
1. Suit for specific performance filed by Harsha estates before the Principal District and Sessions Court, Thiruvallur, and the connected matters	**3,524.00**	–
2. Land alienated by government to the company and the same land has been transferred by the erstwhile landowner to Pallava Park Hotel	**97.63**	–
Bank Guarantee		
Bank Guarantee issued to The Deputy Director Town and Country Planning	**50.67**	–
Total Contingent Liabilities	**14,347.44**	10,675.14

* The National Faceless Assessment Centre, Delhi passed an assessment Order under Section 147 r.w.s 144 of the IT Act on 29.03.2022 for an amount of Rs 101.82 Crs including an interest of Rs 42 Crs. The company filed a Writ petition on 21st April 2022 (Filing Number is WMP/43619/2022 in WP(SR) 43616/2022) pleading to stay all further proceedings pursuant to the Impugned Order and issue orders for fresh hearing u/s 147. The matter has been posted for hearing on 19th June 2023. The stay has been extended till 19th June 2023

30. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 56.71 Lakhs (PY Rs. 15.95 Lakhs) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 23 Employee benefits expense. The company has funded the gratuity Liability through LIC Scheme. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

All amounts are in Rupees Lakhs unless otherwise stated

		Gratuity (Funded)	
		2022-23	2021-22
a.	**Net Liabilities recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**98.20**	53.56
	Fair Value of Plan assets	**31.09**	29.61
	Liabilities recognised in the balance sheet	**67.11**	23.95
b.	**Expense recognized in the Statement of Profit and Loss**		
	Past service cost	–	–
	Current Service cost	**9.66**	3.14
	Interest cost	**5.18**	2.91
	Expected return on plan assets	**0.31**	(2.85)
	Actuarial (gains)/Losses	**(6.85)**	1.14
	Total expenses	**8.30**	4.34

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

		Gratuity (Funded) 2022-23	2021-22
c.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**53.56**	46.97
	Liability Transferred In/ Acquisitions	**67.99**	
	Past service cost	**–**	–
	Current Service cost	**9.66**	3.14
	Interest Cost	**6.97**	2.91
	Actuarial (Gains) /Losses	**(6.85)**	1.91
	Benefits Paid	**(33.11)**	(1.37)
	Present value of the obligation as at the end of the year	**98.22**	53.56
d.	**Change in fair value of plan assets**		
	Present value of plan assets as the beginning of the year	**29.62**	27.30
	Expected return on plan assets	**1.47**	3.69
	Contributions made	**–**	–
	Benefits paid and Charges	**–**	(1.37)
	Present value of plan assets at the end of the year	**31.09**	29.62
e.	**Principal actuarial assumptions**		
	Discount Rate	**6.03%**	6.03%
	Expected return on plan assets	**6.03%**	6.03%
	Expected rate of Salary increase	**10.00%**	10.00%
	Attrition Rate	**20.00%**	20.00%
	Mortality	LIC (2006-08) Ultimate mortality tables	
f.	**Estimate of amount of contribution in the immediate next year**	**67.12**	23.94

g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

All amounts are in Rupees Lakhs unless otherwise stated

i.	**Experience adjustment as provided by actuary:** for the years	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
	Present value of DBO	**98.20**	53.56	46.97	53.69	41.37
	Fair value of plan assets	**31.09**	29.61	27.30	25.52	24.19
	Experience gain/(loss) adjustments on plan liabilities	**(1.13)**	(2.85)	(2.01)	(1.44)	(2.19)
	Experience gain/(loss) adjustments on plan assets	**0.31**	0.44	0.24	(0.32)	0.52

Long-Term Compensated Absences
Actuarial assumptions:

Particulars	For the year ended 31st Mar, 2023	For the year ended 31st Mar, 2022
Discount rate	**6.03%**	6.03%
Expected return on plan assets	**6.03%**	6.03%
Salary escalation	**10.00%**	10.00%
Attrition	**20.00%**	20.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount Rate	**2023**	1.00%	(3.31)	3.59
	2022	0.50%	(0.77)	0.78
Salary Growth Rate	**2023**	1.00%	3.47	(3.26)
	2022	0.50%	0.56	(0.56)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**As at 31st Mar, 2023**	As at 31st Mar, 2022
Year 1	18.67	26.00
Year 2	16.48	5.80
Year 3	14.30	5.17
Year 4	12.45	4.57
Year 5	11.09	3.94
Next 5 Years	38.27	15.96

Plan of Assets

The fair value of Company's pension plan asset as of 31st March, 2023 and 31st March, 2022 by category are as follows:

Asset Category	**As at 31st March, 2023**	As at 31st March, 2022
Deposits with Insurance companies	100%	100%

31. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

32. Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2023 and 31st March, 2022 is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

	31st Mar, 2023	31st Mar, 2022
Debt (A)	**44,667.94**	33,705.24
Equity (B)	**11,666.15**	11,013.17
Debt Equity Ratio (A/B)	**3.83**	3.06

Categories of financial assets and financial liabilities

All amounts are in Rupees Lakhs unless otherwise stated

	As at 31st Mar, 2023			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments in Associate	**–**	**–**	**–**	**–**
Investments in Joint Venture	**10,200.00**	**–**	**–**	**10,200.00**
Other Financial Assets	**5.13**	**–**	**–**	**5.13**
Current Assets				
Trade Receivables	**1,776.46**	**–**	**–**	**1,776.46**
Cash and Cash equivalents	**2,283.92**	**–**	**–**	**2,283.92**
Bank Balances	**683.70**			
Other Financial Assets	**400.00**	**–**	**–**	**400.00**
	15,349.21	**–**	**–**	**14,665.51**
Non-current Liabilities				
Borrowings	**37,786.37**	**–**	**–**	**37,786.37**
Other Financial Liabilities	**1.75**	**–**	**–**	**1.75**
Current Liabilities				
Borrowings	**6,881.57**	**–**	**–**	**6,881.57**
Trade Payables	**3,832.06**	**–**	**–**	**3,832.06**
Other Financial Liabilities				**–**
– Non Derivative Financial Liabilities	**480.83**	**–**	**–**	**480.83**
	48,982.58	**–**	**–**	**48,982.58**

All amounts are in Rupees Lakhs unless otherwise stated

	As at 31st Mar, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments in Associate	1,300.00	–	–	1,300.00
Investments in Joint Venture	10,200.00	–	–	10,200.00
Other Financial Assets	5.02	–	–	5.02
Current Assets				
Trade Receivables	403.04	–	–	403.04
Cash and Cash equivalents	1,360.95	–	–	1,360.95
Other Financial Assets	–	–	–	–
	13,269.01	–	–	13,269.01
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	1.64	–	–	1.64
Current Liabilities				
Borrowings	33,705.25	–	–	33,705.25
Trade Payables	893.25	–	–	893.25
Other Financial Liabilities				
– Non Derivative Financial Liabilities	793.38	–	–	793.38
	35,393.52	–	–	35,393.52

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

The amount of trade receivable from Land leasing, Industrial park maintenance service and property leasing activities as appearing in the balance sheet of the company shows the amount due from the customers to whom the Industrial park Maintenance charges, water charges and property Lease services are provided. Company executes Land leasing agreement with customers only, entire lease premium is paid by customers and hence no risk of credit loss in dues relating to Land leasing premium. Further, As per the company's policy, every customer has to deposit 3 to 6 months of Maintenance charges and/or monthly lease rentals with the company and as per the terms of the agreement with the customer's, company is entitled to adjust the pending dues against the deposits taken from customer and hence, company is not exposed to any credit loss risk. Further there has been no instance in past which shows that the company has written off any significant dues pending and is not exposed to a credit risk. During the year to the extent where recoverability of debt is doubtful the company has made provision for expected credit loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31st March, 2023				
Non-interest bearing				
Trade Payables	**3,832.06**	**–**	**–**	**–**
Capital Creditors	**–**	**–**	**–**	**–**
Other Financial Liabilities	**480.83**	**–**	**–**	**1.75**
Variable interest rate instruments				
Short term Borrowing – Principal	**6,881.57**	**–**	**–**	**–**
Loan term Borrowing – Principal	**–**	**3,000.00**	**8,429.50**	**26,356.87**
Total	**11,194.46**	**3,000.00**	**8,429.50**	**26,358.62**
31st March, 2022				
Non-interest bearing				
Trade Payable	893.25	–	–	–
Capital Creditors	–	–	–	–
Other Financial Liabilities	793.38	–	–	1.64
Variable interest rate instruments		–	–	
Short term Borrowing - Principal	33,705.25	–	–	–
Loan term Borrowing - Principal	–	–	–	–
Total	35,391.88	–	–	1.64

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	31st Mar, 2023	31st Mar, 2022
Secured Bank Overdraft facility		
– Expiring within one year	**2,216.43**	2,234.75
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
– Expiring within one year	**120.00**	20.00
	2,336.43	2,254.75

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31st March, 2023				
Non-interest bearing				
Non Current Investments	**–**	**–**	**–**	**10,200.00**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Security Deposits	–	–	–	–
Trade Receivables	**1,776.46**	–	–	–
Cash and Cash equivalents	**2,283.92**	–	–	–
Cash and Bank Balances	**683.70**	–	–	–
Other Current Financial Assets	**400.00**	**5.13**	–	–
Total	**5,144.08**	**5.13**	–	**10,200.00**
31st March, 2022				
Non-interest bearing				
Non Current Investments	–	–	–	11,500.00
Trade Receivables	403.04	–		
Cash and Cash equivalents	1,360.95	–	–	–
Other Current Financial Assets	–	5.02	–	–
Total	1,763.99	5.02	–	11,500.00

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	All amounts are in Rupees Lakhs unless otherwise stated		
Year	**Currency**	**Increase/ decrease in basis points**	**Effect on financials**
31 March, 2023	INR	+100	446.68
	INR	-100	(446.68)
31 March, 2022	INR	+100	337.05
	INR	-100	(337.05)

33. INDAS 115 Disclosures

1 Contract Balances

Amounts received before the related performance obligation is satisified are included in the balance sheet (Contract liability) as "Deferred revenue". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 5,407.72 lakhs (FY 21-22 Rs. Nil) from Opening Contract liability as on 01 April 2022 (after Ind AS 115 adoption) arising out of Merger amounting to Rs.5,913.08 lakhs

There were no significant changes in the composition of the contract liabilities and trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as trade receivables increase due to further milestone based invoices raised during the year and decrease due to colelctions during the year.

There are no contract assets outstanding at the end of the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, is Rs. 6,834.82 Lakhs (as at March 31, 2022 Rs. Nil). Out of this, the Company expects to recognize revenue of 86% within the next year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

2 Reconciliation of revenue recognized with the contracted price is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**Year ended 31st Mar, 2023**	Year ended 31st Mar, 2022
Contracted price	**5,407.72**	–
Adjustments on account of cash discounts or early payment rebates, etc.	**–**	–
Revenue recognised as per Statement of Profit & Loss	**5,407.72**	–

3 Contract costs

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	**Year ended 31st Mar, 2023**	Year ended 31st Mar, 2022
Contract costs included in Prepaid expenses in Note no.7(d)- Other Assets	**239.47**	–

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 7(d) - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2023, amortisation amounting to Rs. 53.81 lakhs (FY 21-22 Rs. Nil) is recognised as part of other expenses in the statement of profit and loss. There was no impairment loss in relation to the costs capitalised.

34. Related Party Transactions

Details of related parties:

Description of relationship	
Ultimate Holding Company	Mahindra & Mahindra Limited(M&M)
Holding Company	Mahindra Lifespaces Developers Limited (MLDL)
Joint Venture	Mahindra Industrial Park Chennai Ltd (MIPCL)
Joint Venture	Mahindra World City Jaipur Ltd (MWCJL)
Associate	Mahindra Consulting Engineers Limited (MACE)
Associate	Mahindra Bloomdale Developers Limited (MBDL)
Associate	Tech Mahindra Limited (TML)
Associate	Mahindra Integrated Township Limited (MITL) (Merged with MWCDL w.e.f 01 April 2022)*
Associate	Mahindra Residential Developers Limited (MRDL) (Merged with MWCDL w.e.f 01 April 2022)*
Key Management Personnel (KMP)	
Chief Executive Offcer	Mr. Vimal Agarwal
Company Secretary	Mr. Audikesavan Muthukumaran (Upto 19 October 2021)
Company Secretary	Mr. Antaryami Sahoo (w.e.f 25 January 2022)
Chief Financial Officer	Ms. Bharathy K (Upto 28 October 2022)
Chief Financial Officer	Mr. Bhaskar Pulipati (w.e.f 31 January 2023)

Details of related party transactions during the year ended 31st March, 2023 and balances outstanding as at 31st March, 2023:

All amounts are in Rupees Lakhs unless otherwise stated

Transactions during the year	**Utilimate Holding Company (M&M)**	**Holding Company (MLDL)**	**Joint Venture (MIPCL)**	**Joint Venture (MWCJL)**	**Associate (MITL)***	**Associate (MRDL)***	**Associate (MBDL)**	**Associate (TML)**	**Associate (MACE)**	**Associate (MIBS)**	**KMP**
Land Sale	–	–	673.40	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–
Lease of Land	–	–	1,960.45	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–
Operation and maintenance Income	240.34	–	–	–	–	–	–	–	–	–	–
	(203.68)	–	–	–	(198.25)	(19.28)	–	–	–	–	–
Water charges income	12.26	–	–	–	–	–	–	–	–	–	–
	(15.95)	–	–	–	(7.28)	(1.36)	–	–	–	–	–
Club income	75.78	–	–	–	–	–	–	–	–	–	–
	(61.25)	–	–	–	–	–	–	–	–	–	–
Other Services Provided	–	–	1,138.92	0.07	–	–	–	–	–	–	–
	–	–	(44.49)	–	(3.43)	(1.47)	–	–	–	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Transactions during the year	Utilimate Holding Company (M&M)	Holding Company (MLDL)	Joint Venture (MIPCL)	Joint Venture (MWCJL)	Associate (MITL)*	Associate (MRDL)*	Associate (MBDL)	Associate (TML)	Associate (MACE)	Associate (MIBS)	KMP
Service received	12.25	60.94	–	–	–	–	–	–	16.05	2.88	–
	(12.71)	(7.20)	(6.91)	–	–	–	–	–	–	(2.10)	–
Reimbursement of expenses- Given	56.99	–	–	–	–	–	–	–	–	–	–
	(11.86)	–	–	–	–	–	–	–	–	–	–
ESOP Costs	–	2.91	–	–	–	–	–	–	–	–	–
	–	(12.21)	–	–	–	–	–	–	–	–	–
Interest Paid	–	–	–	–	–	–	15.23	350.34	–	–	–
	–	–	–	–	–	(417.80)	–	–	–	–	–
Inter Corporate Deposit received	–	–	–	–	–	–	500.00	–	–	–	–
	–	–	–	–	(1,000.00)	(4,940.00)	–	(25,000.00)	–	–	–
Issue of Redeemable preference shares	–	12,025.00	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit/Term loan repaid	–	–	–	–	–	–	500.00	25,000.00	–	–	–
	–	–	–	–	–	(4,200.00)	–	–	–	–	–
Managerial Remuneration											
Chief Financial Officer	–	–	–	–	–	–	–	–	–	–	61.21
	–	–	–	–	–	–	–	–	–	–	(60.75)
Company Secretary	–	–	–	–	–	–	–	–	–	–	12.95
	–	–	–	–	–	–	–	–	–	–	(10.71)
Sitting Fees	–	–	–	–	–	–	–	–	–	–	3.80
	–	–	–	–	–	–	–	–	–	–	(1.20)
Balance Outstanding as at the year end											
Inter corporate deposits(ICD) payable	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	(1,000.00)	(4,940.00)	–	–	–	–	–
Security Deposits taken	55.65	–	–	–	–	–	–	–	–	–	–
	(55.65)	–	–	–	(66.27)	(23.07)	–	–	–	–	–
Receivables	9.26	–	–	–	–	–	–	–	–	–	–
	(1.76)	–	–	–	(55.30)	(7.77)	–	–	–	–	–
Payables	13.34	55.32	562.09	–	–	–	–	–	–	1.05	–
	(3.46)	(14.16)	(5.20)	–	(26.20)	(170.28)	–	–	–	(0.16)	–

Note: Figures in bracket relates to the previous year

35. Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023		As at 31st Mar, 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	**10,200.00**	**10,200.00**	11,500.00	11,500.00
– trade and other receivables	**1,776.46**	**1,776.46**	403.04	403.04
– Cash and cash equivalents	**2,283.92**	**2,283.92**	1,360.95	1,360.95
– Bank balances other than above	**1,083.70**	**1,083.70**	–	–
– deposits and similar assets	**5.13**	**5.13**	5.02	5.02
Total	**15,349.21**	**15,349.21**	13,269.01	13,269.01
Financial liabilities				
Financial liabilities held at amortised cost				
– Debentures	**4,500.00**	**4,500.00**	–	–
– Non Convertible Redeemable Preference Shares	**11,201.60**	**11,201.60**	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2023		As at 31st Mar, 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
– Long term loans from Financial Institutions	**23,584.77**	**23,584.77**	–	–
– OD limits from Bank	**5,381.57**	**5,381.57**	2,765.25	2,765.25
– Loans from related parties	**–**	**–**	30,940.00	30,940.00
– Trade and other payables	**3,832.06**	**3,832.06**	893.25	893.25
– Other Financial Liabilities	**482.58**	**482.58**	795.02	795.02
Total	**48,982.58**	**48,982.58**	35,393.52	35,393.52

Fair value hierarchy as at 31st March, 2023

All amounts are in Rupees Lakhs unless otherwise stated

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	**–**	**10,200.00**	–	**10,200.00**
– trade and other receivables	**–**	**1,776.46**	**–**	**1,776.46**
– cash and cash equivalents	**–**	**2,283.92**	**–**	**2,283.92**
– Bank balances other than above	**–**	**1,083.70**	**–**	**1,083.70**
– deposits and similar assets	**–**	**5.13**	**–**	**5.13**
Total	**–**	**15,349.21**	**–**	**15,349.21**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Debentures	**–**	**4,500.00**		**4,500.00**
– Non Convertible Redeemable Preference Shares	**–**	**11,201.60**		**11,201.60**
– Long term loans from Financial Institutions	**–**	**23,584.77**	–	**23,584.77**
– OD limits from Bank	**–**	**5,381.57**	–	**5,381.57**
– loans from related parties	**–**	**–**	–	**–**
– trade and other payables	**–**	**3,832.06**	–	**3,832.06**
– Other Financial Liabilities	**–**	**482.58**	–	**482.58**
Total	**–**	**48,982.58**	**–**	**48,982.58**

Fair value hierarchy as at 31st March, 2022

All amounts are in Rupees Lakhs unless otherwise stated

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	11,500.00	–	11,500.00
– trade and other receivables	–	403.04	–	403.04
– cash and cash equivalents	–	1,360.95	–	1,360.95
– deposits and similar assets	–	5.02	–	5.02
Total	–	13,269.01	–	13,269.01
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Long term loans from Financial Institutions	–	–	–	–
– OD limits from Bank	–	2,765.25	–	2,765.25
– loans from related parties	–	30,940.00	–	30,940.00
– trade and other payables	–	893.25	–	893.25
– Other Financial Liabilities	–	795.02	–	795.02
Total	–	35,393.52	–	35,393.52

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

36. Ratios

a) Current Ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Current Assets (A)	**61,073.44**	32,829.14	
Current Liabilities (B)	**19,736.69**	35,998.12	
Ratio (A/B)	**3.09**	0.91	239%

Variance in current ratio is mainly on account of Proceeds from Long-term borrowings from Financial Institutions and effect of Business Combination

b) Debt Equity Ratio

Particulars	2022-23	2021-22	Variance %
Total Debt including interest accrued (A)	**44,685.03**	33,908.48	
Equity (B)	**13,666.15**	11,013.17	
Debt Equity Ratio (A/B)	**3.27**	3.08	6%

No Major Variance

c) Debt Service Coverage Ratio (DSCR)

Particulars	2022-23	2021-22	Variance %
Profit After Tax	**(885.01)**	(2,032.05)	
Depreciation	**314.52**	332.96	
Interest (Charged to P&L)	**3,511.79**	2,711.98	
Non Cash Expense	**–**	94.77	
Earnings available for Debt Service (A)	**2,941.30**	1,107.66	
Debt Service			
Interest Payments	**3,911.99**	2,572.10	
Pricipal Repayments	**44,667.94**	31,975.94	
Total Debt Serviced (B)	**48,579.93**	34,548.04	
Debt Service Coverage Ratio (DSCR) (A/B)	**0.06**	0.03	89%

Increase in Earning available for Debt Service and Debt service coverage ratio is mainly on account of Exceptional gain recognised during the year and the repayment of the term loans during the year.

d) Return of Equity (ROE)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Profit After Tax	**2,537.81**	(2,032.05)	
Networth	**13,666.15**	12,029.59	
Ratio (A/B)	**18.57%**	(16.89%)	(209.93%)

Increase in ROE is mainly on account of loss reported during the Previous year and recoginition of exceptional gain of Rs 1920.00 Lakhs in the curent year.

e) Inventory Turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Cost of Land leased (A)	**10,232.75**	–	
Average Inventory (B)	**51,146.99**	27,672.25	
Ratio (A/B)	**–**	0.02	(100%)

Reduction in Inventory Turnover Ratio is mainly on account of no Cost of Land Leased booked during the previous year.

f) Trade Receivables turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Turnover (credit) (A)	**17,617.17**	2,862.40	
Trade Receaivables (Average) (B)	**1,089.75**	421.28	
Ratio (A/B)	**16.17**	6.79	138%

The company has not recorded any revenue from land lease premium & Sale of land during the previous financial year

g) Trade Payable turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Project Development Expenses and other expenses (excluding interest) (A)	**14,063.24**	5,746.97	
Average Trade payable (B)	**2,362.65**	851.35	
Ratio (A/B)	**5.95**	6.75	(12%)

h) Net capital turnover ratio,

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Working Capital (A)	**41,336.75**	(3,168.98)	
Turnover (B)	**17,617.17**	2,862.40	
Ratio (A/B)	**2.35**	(1.11)	(312%)

Variance in Net Capital Turnover Ratio is mainly on account of Repayment of short term borrowings from related parties. The company has not recorded any revenue from land lease premium & Sale of land during the Previous financial year.

i) Net profit ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Profit After Tax (A)	**2,537.81**	(2,032.05)	
Revenue (B)	**17,617.17**	2,862.40	
Ratio (A/B)	**14.41%**	(70.99%)	(120%)

Increase in ROE is mainly on account of loss reported during the Previous year and recoginition of exceptional gain of Rs 1920.00 Lakhs in the curent year.

j) Return on Capital employed

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22	Variance %
Earnings before Interest and Tax (A)	**5,546.87**	(172.61)	
Net worth	**13,666.15**	12,029.59	
Borrowing	**44,667.94**	33,705.24	
Capital employed (B)	**58,334.09**	45,734.83	
Ratio (A/B)	**9.51%**	(0.38%)	(2619%)

Reduction in ROE is mainly on account of loss reported during the Previous year and recoginition of exceptional gain of Rs 1920.00 Lakhs in the curent year.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

k) Return on investment.

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2022-23	2021-22
Earnings before Interest and Tax (A)	**5,546.87**	(172.61)
Capital employed (B)	**58,334.09**	45,734.83
Ratio (A/B)	**9.51%**	(0.38%)

Reduction in ROE is mainly on account of loss reported during the Previous year and recoginition of exceptional gain of Rs 1920.00 Lakhs in the curent year.

37 a Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Whistle Blower-

During the year ended March 31, 2023 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

37. b Discrepancies between books of accounts & quarterly statements submitted to banks

The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the period ended 30 June 2022, 30 September 2022 and 31 December 2022.

All amounts are in Rupees Lakhs unless otherwise stated

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement
HDFC Bank	Apr'22 to June'22	Actual CFS	1,444	1,444
HDFC Bank	July'22 to Sep'22	Actual CFS	1,994	1,994
HDFC Bank	Oct'22 to Dec'22	Actual CFS	1,811	1,811

37. c Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to few IndAS namely:

Ind AS 101 - First time adoption of Ind AS

Ind AS 102 - Share Based Payment

Ind AS 103 - Business Combination

Ind AS 107 - Financial Instruments: Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The company shall assess and ensure appropriate compliances wherever applicable.

38. Merger of Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL) with Mahindra World City Developers Ltd (MWCDL)

a) Scheme of Amalgamation

The Scheme of Amalgamation ('Scheme') filed during the year ended 31 March, 2022 under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Mahindra Integrated Township Limited (MITL) ("Transferor Company 1") and Mahindra Residential Developers Limited (MRDL) ("Transferor Company 2") and Mahindra World City Developers Ltd ("Transferee Company") was approved by the Hon'ble National Company Law Tribunal vide its order dated 09 December 2022 with appointed date of 1 April 2022. Consequently the Company has given effect to the scheme as per Ind AS 103-

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

Business Combinations (Aquisition method) in the standalone financial statements w.e.f. appointed date i.e. 1 April 2022 in accordance with General Circular No.09/2019 issued by Ministry of Corporate Affairs dated August 21, 2019. The Company received the certified copy of the said order on 09th December 2022 and filed the same with the respective Registrar of Companies on 30 December 2022.

b) Details of Consideration

The scheme provides for issue of non-convertible redeemable preference shares by the Transferee Company in the manner set out in the Scheme on amalgamation of the Transferor Companies with the Transferee Company. On the Scheme of amalgamation becoming effective, the Transferee Company issued 325 fully paid up 0.01% Redeemable Preference shares of Rs 10 each for every 100 equity share of Rs 10 each held by Mahindra Lifespace Developers Limited (MLDL) in MITL (Transferor Company 1) (after considering cancellation of shares on account of cross holding.)

Persuant to the Amalgamation of the Transferor Company 1(MITL), Transferor Company 2 (MRDL) becomes the wholly owned Subsidiary of Transferee Company (MWCDL) and accordingly , as regards the amalgamation of the Transferor Company 2 is concerned, no shared will be issued by the Transferee company in Respect of the same.

c) Fair value of Consideration Transferred

S No	Particulars	MITL	MRDL	Total
	Assets:			
(a)	Property, Plant and Equipment	73.27	7.21	80.48
(b)	Other Financial Assets	0.75	34.91	35.66
(c)	Deferred Tax Assets	1,209.71	60.20	1,269.91
(d)	Other Non-current Assets	251.62	867.72	1,119.34
(e)	Inventories	22,647.43	1,396.52	24,043.95
(f)	Trade Receivables	1,937.39	–	1,937.39
(g)	Cash and Cash Equivalents	617.59	405.93	1,023.52
(h)	Bank balances	330.25	–	330.25
(i)	Other Financial Assets	1,027.41	5,111.92	6,139.33
(j)	Other Current Assets	1,236.43	583.87	1,820.30
	Total Assets	**29,331.85**	**8,468.28**	**37,800.13**

S No	Particulars	MITL	MRDL	Total
	Less: Liabilities			
(a)	Borrowings (Non-Current)	4,500.00	–	4,500.00
(b)	Provisions	80.71	–	80.71
(c)	Borrowings (Current)	3,182.45	–	3,182.45
(d)	Trade Payables	2,124.30	498.18	2,622.48
(d)	Other Financial Liabilities	274.97	7.68	282.65
(e)	Other Current Liabilities	6,131.15	31.72	6,162.87
(f)	Provisions	118.17	71.65	189.83
(g)	Contingent Liability	1,337.29	3,210.73	4,548.02
	Total Liabilities	**17,749.05**	**3,819.96**	**21,569.01**
	Fair value of the net asset acquired	11,582.81	4,648.31	16,231.12
	% of Investment held by MWCDL in MITL			26%
	FV value of Investment in MITL by MWCDL			4,220.09
	Investment Held by MWCDL in the Books			1,300.00
	Exceptional Gain/ (Loss)			2,920.09
	Purchase Consideration is dischared by way:			
	Knocking of Investments in MITL held by MWCDL			4,220.09
	Fair Value of RPS issued to MLDL			10,373.60
	Deferred Tax Liability on Fair Value of Assets	2,608.32	(1,081.40)	1,526.92
	Fair value of the Consideration Transferred			16,120.61
	Capital Reserve			110.51

39. Additional Information to the Financial Statements

i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

	All amounts are in Rupees Lakhs unless otherwise stated		
S. No.	**Particulars**	**As at 31st Mar, 2023**	As at 31st Mar, 2022
1	Dues remaining unpaid		
	Principal	**79.13**	65.45
	Interest	**–**	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

	All amounts are in Rupees Lakhs unless otherwise stated		
S. No.	**Particulars**	**As at 31st Mar, 2023**	As at 31st Mar, 2022
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the MSMED Act	**–**	–
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
5	Amount of interest accrued and remaining unpaid	**–**	–

40. Other Notes

i. The Company has disclosed the impact of pending litigations on its financial position in these financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company does not have foreign exchange exposure as at 31 March, 2023.

41. Leases

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised as expense in Statement of Profit and Loss is Rs. 30.80 Lakhs (FY 2020-21 Rs 10.49 Lakhs).

42. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

43. Regrouping and Reclassification

Previous period/year figures have been regrouped/reclassified where found necessary, to conform to current period/year classification.

44. Approval of Financial Statements

The standalone financial statements were approved for issue by the board of directors in the meeting on 21st April, 2023.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 21st April 2023

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

Form AOC 1

PART "A" - Subsidiaries

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.

Statement containing salient features of financial statements of Subsidiary / Associates / Joint Ventures as per Companies Act, 2013.

Particulars	**MIPCL**
The date since when Joint venture/Associate acquired	22-Dec-14
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share capital	17,000.00
Reserves & surplus	370.96
Total assets	32,143.92
Total Liabilities	14,772.96
Investments	–
Turnover	20,562.24
Profit/(Loss) before taxation	1,023.31
Provision for taxation	330.12
Profit/(Loss) after taxation	693.19
Proposed Dividend	–
% of shareholding	60%

1. There are no Subsidiaries which are yet to commence operations
2. No Subsidiaries which have been liquidated or sold during the year

PART B- Joint Ventures/Associates$: Nil

$ Mahindra Industrial Park Chennai Limited is direct joint venture cum subsidiary companies and have been covered in Part A above.

1. There are no Joint Ventures/Associates which are yet to commence operations
2. Associates which have been liquidated or sold during the year* : Nil

* w.e.f 01 April 2022, Mahindra Integrated Township Limited & Mahindra Residential Developers Limited has been Merged with Mahindra World City Developers Limited

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 21st April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra World City (Jaipur) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The final dividend proposed in the previous year and declared and paid during the year and interim dividend declared and paid during the year by the Company are in compliance with Section 123 of the Act; and

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMJ5627

Pune, April 18, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **Mahindra World City (Jaipur) Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMJ5627

Pune, April 18, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, in respect of the leasehold land on which the properties are constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the Balance Sheet date where the Company is the lessee in the agreements.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and investment properties or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, certificate received from third party confirming the inventory, site visits by the management and certification of extent of work completion by competent persons, is carried out at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of accounts receivables during the year. The statements of accounts receivables filed by the Company with HDFC Bank Limited on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Urban Land Tax and Income Tax which have not been deposited as on March 31, 2023 on account of disputes are as under:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount unpaid (Rs. In Lakhs)
The Jaipur Development Authority Act, 1982	Urban Land Tax (Shahri Jamabandi)	Jaipur Development Authority	2006-2016	32,179.39
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2011-2012	32.16

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMJ5627

Pune, April 18, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Lakhs

		Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	5,078.50	5,272.04
	(b) Capital Work-in-Progress	4	151.17	207.10
	(c) Investment Properties	5	7,877.99	8,069.85
	(d) Intangible Assets	6	–	–
	(e) Financial Assets			
	(i) Security Deposits	7	74.76	118.69
	(f) Other Non-current Assets	9	613.08	492.53
	SUB-TOTAL		13,795.50	14,160.21
2	**CURRENT ASSETS**			
	(a) Inventories	10	47,033.75	48,393.01
	(b) Financial Assets			
	(i) Investments	11	8,139.93	4,706.63
	(ii) Trade Receivables	12	571.64	1,023.40
	(iii) Cash and Cash Equivalents	13	154.42	138.93
	(iv) Bank Balances other than (iii) above	13	16.16	5,426.67
	(v) Other Financial Assets	8	0.79	36.58
	(c) Other Current Assets	9	211.87	437.71
	SUB-TOTAL		56,128.56	60,162.93
	TOTAL ASSETS (1 + 2)		69,924.06	74,323.14
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Share Capital	14	15,000.00	15,000.00
	(b) Other Equity	15	27,648.98	27,889.83
	SUB-TOTAL		42,648.98	42,889.83
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	16	11,541.41	15,480.03
	(ii) Other Financial Liabilities	17	4.73	2.67
	(b) Provisions	18	4,872.75	4,869.68
	(c) Deferred Tax Liabilities (Net)	19	2,117.37	2,061.20
	(d) Other Non-current Liabilities	20	1,098.75	938.93
	SUB-TOTAL		19,635.01	23,352.51
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	16	–	50.07
	(ii) Trade Payables	21		
	- Total outstanding dues of micro enterprises and small enterprises		35.30	28.67
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,312.74	1,243.86
	(iii) Other Financial Liabilities	17	3,182.36	4,077.19
	(b) Other Current Liabilities	20	1,436.89	1,586.70
	(c) Provisions	18	1,672.78	1,094.31
	TOTAL CURRENT LIABILITIES		7,640.07	8,080.80
	TOTAL EQUITY AND LIABILITIES (1 + 2 +3)		69,924.06	74,323.14
	Summary of Significant Accounting Policies	2		

The accompanying Notes 1 to 41 are an integral part of these financial statements.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Pune
Date: April 18, 2023

For and on behalf of Board of the Directors

Arvind Subramanian
Director
(DIN No.: 02551935)

Maheswar Sahu
Director
(DIN No.: 00034051)

Anuj Bindal
Chief Executive Officer

Bijal Parmar
Company Secretary
(ACS: 32339)

Place: Jaipur
Date: April 18, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

	Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I	Revenue from operations	22	24,354.95	29,103.34
II	Other Income	23	658.54	145.81
III	**Total Income (I + II)**		25,013.49	29,249.15
IV	**Expenses**			
	(a) Cost of Sales			
	- Cost of Projects	24	4,293.19	6,235.36
	- Operation & Maintenance expenses	25	1,999.10	1,708.15
	(b) Employee benefits expense	26	480.27	386.98
	(c) Finance costs	27	720.82	1,623.97
	(d) Depreciation and amortisation expense	3 and 5	470.53	506.78
	(e) Other expenses	28	909.51	729.48
	Total Expenses (IV)		8,873.42	11,190.72
V	**Profit before tax (III - IV)**		16,140.07	18,058.43
VI	**Tax Expense**			
	(1) Current tax	29	3,581.48	4,265.90
	(2) Deferred tax	29	54.21	89.62
	Total tax expense (VI)		3,635.69	4,355.52
VII	**Profit after tax (V - VI)**		12,504.38	13,702.91
VIII	**Other comprehensive income/(loss)**		4.77	8.82
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		6.73	12.44
	(b) Income tax relating to item that will not be reclassified to profit or loss		(1.96)	(3.62)
IX	**Total comprehensive income for the year (VII + VIII)**		12,509.15	13,711.73
XI	**Earnings per share (Face Value of Rs. 10/- each)**			
	Basic and Diluted (Rs.)	30	8.34	9.14
	Summary of Significant Accounting Policies	2		

The accompanying Notes 1 to 41 are an integral part of these financial statements.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Pune
Date: April 18, 2023

For and on behalf of Board of the Directors

Arvind Subramanian
Director
(DIN No.: 02551935)

Maheswar Sahu
Director
(DIN No.: 00034051)

Anuj Bindal
Chief Executive Officer

Bijal Parmar
Company Secretary
(ACS: 32339)

Place: Jaipur
Date: April 18, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	**16,140.07**	18,058.43
Non-cash adjustment to reconcile profit before tax to net cash flows		
Finance costs	**720.82**	1,623.97
Interest Income	**(96.44)**	(103.32)
Liabilities written back	**(3.47)**	(35.86)
Investment income	**(519.80)**	(6.63)
Provision for doubtful debts	**–**	54.90
Depreciation and amortisation expense	**470.53**	506.78
Operating Profit before working capital changes	**16,711.71**	20,098.27
Movements in working capital:		
Decrease/ (Increase) in trade and other receivables	**451.76**	(343.69)
Decrease in inventories	**2,128.52**	4,113.58
Decrease/(Increase) in other non-current and current assets	**221.35**	(20.61)
Decrease/(Increase) in financial assets - security deposits	**43.93**	(1.79)
Increase in trade and other payables	**75.51**	103.12
(Decrease)/Increase in financial liabilities	**(1,116.15)**	1,345.58
Increase in other liabilities	**10.01**	399.87
Increase in provisions	**591.74**	1,750.24
Cash generated from operations	**19,118.38**	27,444.57
Income taxes (paid)/refund, net	**(3,697.54)**	(3,420.21)
Net cash generated from operating activities	**15,420.84**	24,024.36
Cash flows from investing activities		
Capital expenditure	**(29.20)**	(67.99)
Net movement in other bank balances	**2,497.01**	(9,611.92)
Interest and investment income received	**132.23**	67.37
Net cash generated from investing activities	**2,600.04**	(9,612.54)
Cash flows from financing activities		
Repayment of long term borrowings	**(4,072.79)**	(5,789.42)
Net repayment of short-term borrowings	**(50.07)**	(280.54)
Dividend paid	**(12,750.00)**	(4,500.00)
Interest paid	**(1,132.53)**	(5,050.43)
Net cash used in financing activities	**(18,005.39)**	(15,620.39)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Net increase/ (decrease) in cash and cash equivalents	**15.49**	(1,208.57)
Cash and cash equivalents at the beginning of the year	**138.93**	1,347.50
Cash and cash equivalents at the end of the year	**154.42**	138.93
Components of cash and cash equivalents		
Cash on hand	**0.69**	0.75
With banks	**153.73**	138.18
Total cash and cash equivalents (Note 13)	**154.42**	138.93

₹ in Lakhs

Change in Liability arising from financing activities	A	B
Particulars	**As at March 31, 2023**	As at March 31, 2022
Non Current Borrowings (Refer Note 16 A)	**11,541.41**	15,480.03
Current Borrowings (Refer Note 16 B)	**–**	50.07
Total	**11,541.41**	15,530.10
Cash flows (A - B)		(3,988.69)
EIR adjustment to the above		(134.17)
Cash flows, net as per Financing Activities for the year ended 31 March, 2023		(4,122.86)

Summary of Significant Accounting Policies (Note 2).
The accompanying Notes 1 to 41 are an integral part of these financial statements.

Notes:
The above Statement of Cash Flows has been prepared under the “Indirect method” as set in ‘Indian Accounting Standard (Ind AS) - Statement of Cash Flows’.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm’s Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Pune
Date: April 18, 2023

For and on behalf of Board of the Directors

Arvind Subramanian
Director
(DIN No.: 02551935)

Maheswar Sahu
Director
(DIN No.: 00034051)

Anuj Bindal
Chief Executive Officer

Bijal Parmar
Company Secretary
(ACS: 32339)

Place: Jaipur
Date: April 18, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

Rs. in Lakhs

Balance as at - April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2023
15,000.00	–	–	–	15,000.00

Balance as at - April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2022
15,000.00	–	–	–	15,000.00

B. Other Equity

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2022	1,563.75	5,000.00	21,305.28	20.80	27,889.83
Profit for the year	–	–	12,504.38	–	12,504.38
Other Comprehensive Income net of taxes	–	–		4.77	4.77
Dividend paid on Equity Shares	–	–	(12,750.00)	–	(12,750.00)
Transfer from Debenture Redemption Reserve	(407.28)	–	407.28	–	–
Balance as at - March 31, 2023	1,156.47	5,000.00	21,466.94	25.57	27,648.98

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2021	2,142.69	5,000.00	11,523.43	11.98	18,678.10
Profit for the year	–	–	13,702.91	–	13,702.91
Other Comprehensive Loss net of taxes	–	–	–	8.82	8.82
Dividend paid on Equity Shares	–	–	(4,500.00)	–	(4,500.00)
Transfer from Debenture Redemption Reserve	(578.94)	–	578.94	–	–
Balance as at - March 31, 2022	1,563.75	5,000.00	21,305.28	20.80	27,889.83

Summary of Significant Accounting Policies (Note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Pune
Date: April 18, 2023

For and on behalf of Board of the Directors

Arvind Subramanian
Director
(DIN No.: 02551935)

Maheswar Sahu
Director
(DIN No.: 00034051)

Anuj Bindal
Chief Executive Officer

Bijal Parmar
Company Secretary
(ACS: 32339)

Place: Jaipur
Date: April 18, 2023

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

1. General Information

Mahindra World City (Jaipur) Limited ("the Company") is engaged in the business of development of an Industrial park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long-term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

The registered office of the Company is located at 4th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur – 302001, Rajasthan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2021 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Companies Act, 2013 ("the Act"). The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on April 18, 2023.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from properties

Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight-line basis over the non-cancellable lease period.

2.3.3 Income from Operations and Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized over time on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle

– Held primarily for the purpose of trading

– Expected to be realised within twelve months after the reporting period, or

– Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle

– It is held primarily for the purpose of trading

– It is due to be settled within twelve months after the reporting period, or

– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

2.5.1 The Company as a Lessee

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.5.2 Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties used in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Certain plant and equipment are depreciated over a period of 12 years based on technical evaluation of useful life by management.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment properties are measured in accordance with requirement of IND AS 16 for cost model.

Investment property includes leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated at the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also, allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Provisions, contingent liabilities and contingent assets

2.14.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14.3 Contingent liabilities

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events, when no reliable estimate is possible.

2.14.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for Fair Value through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments
- that the Company manages together and has a recent actual pattern of short term
- profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or
- a financial guarantee.

2.16.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.16.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16.8 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.9.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.9.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

2.16.9.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the profit and loss account.

2.18 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences etc.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.20 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.22 Use of estimates and judgements

The Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 3 Property, Plant and Equipment

Carrying Amounts of:	As at 31st March, 2023	As at 31st March, 2022
Leasehold Land	**18.50**	18.73
Buildings	**4,524.11**	4,669.48
Plant and Equipment	**453.50**	569.72
Office Equipment	**11.42**	13.78
Furniture and Fixtures	**–**	–
Vehicles	**49.12**	–
Computers	**21.85**	0.33
Total	**5,078.50**	**5,272.04**

Description of Assets	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at April 1, 2022	20.55	5,974.88	2,903.02	60.88	1,490.45	29.87	64.58	**10,544.23**
Additions	–	–	–	5.23	–	56.14	23.76	**85.13**
Disposals	–	–	–	–	–	–	7.31	**7.31**
Balance As at March 31, 2023	**20.55**	**5,974.88**	**2,903.02**	**66.11**	**1,490.45**	**86.01**	**81.03**	**10,622.05**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2022	1.82	1,305.40	2,333.30	47.10	1,490.45	29.87	64.25	**5,272.19**
Depreciation expense for the year	0.23	145.37	116.22	7.59	–	7.02	2.24	**278.67**
Disposals	–	–	–	–	–	–	7.31	**7.31**
Balance As at March 31, 2023	**2.05**	**1,450.77**	**2,449.52**	**54.69**	**1,490.45**	**36.89**	**59.18**	**5,543.55**
III. Net carrying amount as at March 31, 2023 (I-II)	**18.50**	**4,524.11**	**453.50**	**11.42**	**–**	**49.12**	**21.85**	**5,078.50**

Description of Assets	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at April 1, 2021	20.55	5,974.88	2,903.02	49.44	1,490.45	29.87	64.58	10,532.79
Additions	–	–	–	11.44	–	–	–	11.44
Balance as at March 31, 2022	20.55	5,974.88	2,903.02	60.88	1,490.45	29.87	64.58	10,544.23
II. Accumulated depreciation and impairment								
Balance as at April 1, 2021	1.59	1,151.93	2,146.36	45.03	1,487.82	29.87	64.02	4,926.62
Depreciation expense for the year	0.23	153.47	186.94	2.07	2.63	–	0.23	345.57
Balance as at March 31, 2022	1.82	1,305.40	2,333.30	47.10	1,490.45	29.87	64.25	5,272.19
III. Net carrying amount as at March 31, 2022 (I-II)	18.73	4,669.48	569.72	13.78	–	–	0.33	5,272.04

Note:

For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 4 Capital-Work-in Progress

(a) CWIP aging schedule

Rs. In Lakhs

As at March 31, 2023	**Amount in CWIP for a period of**				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**0.23**	**–**	**127.02**	**–**	**127.25**
Projects temporarily suspended	**–**	–	**–**	**23.92**	**23.92**
Total	**0.23**	**–**	**127.02**	**23.92**	**151.17**

Rs. In Lakhs

As at March 31, 2022	Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	56.55	16.87	109.76	–	183.18
Projects temporarily suspended	–	–		23.92	23.92
Total	**56.55**	**16.87**	**109.76**	**23.92**	**207.10**

(b) There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Note No. 5 Investment Property

Carrying Amounts of:	**As at 31st March, 2023**	As at 31st March, 2022
Completed Investment Properties (Net Value)	**7,877.99**	8,069.85

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at April 1, 2022	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2023	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at April 1, 2022	57.32	2,295.21	2,352.53
Addition	3.68	188.18	191.86
Balance As at March 31, 2023	**61.00**	**2,483.39**	**2,544.39**
III. Net carrying amount as at 31 March 2023 (I-II)	**309.04**	**7,568.95**	**7,877.99**

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at April 1, 2021	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2022	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at April 1, 2021	53.64	2,137.68	2,191.32
Addition	3.68	157.53	161.21
Balance As at March 31, 2022	**57.32**	**2,295.21**	**2,352.53**
III. Net carrying amount as at March 31, 2022 (I-II)	**312.72**	**7,757.13**	**8,069.85**

Fair value disclosure on Company's investment properties

(i) The Company's investment properties consist of land and buildings with current rentable area of 4.30 Lakhs sq. ft. Management determined that the investment properties consist of two classes of assets − Land and Buildings − based on the nature, characteristics and risks of each property.

(ii) As at March 31, 2023 and March 31, 2022, the fair values of the properties are Rs. 19,025.24 Lakhs and Rs. 18,027.64 Lakhs respectively (Level 3). These are based on valuations performed by Purshotam Khandelwal who is registered with an authority which governs the valuers in India and has appropriate qualification and experience in the valuation of properties.

(iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique- Income Approach Method

	Range (weighted average)	
Significant unobservable Inputs	**As at 31st March, 2023**	As at 31st March, 2022
Annual Rental	**1,479.20**	1,621.91
Less: Repairs & Maintenance & Mgmt Exp, Insurace Etc.15%	**221.88**	243.29
Net Annual Rental	**1,257.32**	1,378.62
Capitalized Net Yield	**10.00%**	10.00%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Significant unobservable Inputs	Range (weighted average) As at 31st March, 2023	As at 31st March, 2022
Net Annual Income	**12,573.20**	13,786.24
Total Built Up area (Sq Ft area)	**430,672**	430,672
Rented Built Up Area	**331,409**	362,262
Area under Possession MWCJ	**99,262**	68,410
Market Rate /Sq ft Rs. 6,500 yr 2022-23 Rs. 6,200 Yr 2021-22	**6,452.04**	4,241.40
Total Market Value	**19,025.24**	**18,027.64**
Realisable Value	**15,219.23**	13,520.73
Realisable Value (in crores)	**152.19**	135.21
Distress Sale Value	**11,414.42**	9,013.82
Distress Sale Value (in crores)	**114.14**	90.14

Basis of Valuation Method: Valuation is carried out by income approach method (also called Yield Method) adopted in which appropriate rate of return is capitalised to reach the market value of the property of the portion rent out and sales comparable method use for the portion under owner possession.

For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

Note No. 6 Intangible Assets

Carrying Amounts of:	As at 31st March, 2023	As at 31st March, 2022
Other Intangible Assets	**–**	–

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at April 1, 2022	52.03	52.03
Balance As at March 31, 2023	**52.03**	**52.03**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2022	52.03	52.03
Balance As at March 31, 2023	**52.03**	**52.03**
III. Net carrying amount as at 31 March 2023 (I-II)	**–**	**–**

Description of Assets	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at April 1, 2021	52.03	52.03
Balance as at 31 March, 2022	52.03	52.03
II. Accumulated depreciation and impairment		
Balance as at April 1, 2021	52.03	52.03
Balance as at March 31, 2022	**52.03**	**52.03**
III. Net carrying amount as at March 31, 2022 (I-II)	**–**	**–**

Note: For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

Note No. 7 Security Deposits

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current
Security Deposits				
- Unsecured, considered good	**–**	**74.76**	–	118.69
Total	**–**	**74.76**	–	118.69

Note No. 8 Other Financial Assets

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
Financial assets at amortised cost				
a) Interest Accrued on deposits	**0.79**	**–**	36.58	–
Total	**0.79**	**–**	36.58	–

Note No. 9 Other Assets

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(a) Capital advances				
(i) For Capital work in progress	**–**	**–**	–	–
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**–**	**82.91**	110.38	82.91

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(ii) Income Tax Assets (Net of provision of Rs. 16,765.34 Lakhs - FY 23: Rs. 13,183.86 Lakhs - FY22)	**–**	**116.06**		–
(iii) Taxes paid under Protest (Refer note 32)	**–**	**406.88**	–	406.88
(iv) Prepaid Expenses	**67.88**	**7.23**	72.28	2.74
(v) Advance to vendors	**143.10**	**–**	254.43	–
(vi) Others	**0.89**	**–**	0.62	–
Total	**211.87**	**613.08**	437.71	492.53

Note No. 10 Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Inventories (Work-in-progress)	**47,033.75**	48,393.01
Total Inventories	**47,033.75**	48,393.01
Included in above:		
Land Cost	**17,093.10**	17,817.81
Development Cost	**29,940.65**	30,575.20
Total	**47,033.75**	48,393.01

(i) The cost of inventories recognised as an expense during the year was Rs. 4,293.19 Lakhs (FY 2021-2022: Rs. 6,235.36 Lakhs).

(ii) The carrying amount of inventories is pledged as security for liabilities. Refer Note 16 - Borrowings.

(iii) Mode of valuation of inventories is cost or net realisable value whichever is less. Refer Note 2.8.

Note No. 11 Investments

Particulars	Current: As at 31st March, 2023	Current: As at 31st March, 2022
I. Unquoted Investments		
Investments in Mutual Funds	**8,139.93**	4,706.63
Total Unquoted Investments	**8,139.93**	4,706.63
Investments Carried At FVTPL	**8,139.93**	4,706.63
Other disclosures:		
Aggregate amount of Market value of investments	**8,139.93**	4,706.63

Refer Note 37 for disclosure of Measurement Requirements as per Ind AS 107, 109 and 113.

Note No. 12 Trade Receivables

Rs. in Lakhs

Particulars	Current: As at 31st March, 2023	Current: As at 31st March, 2022
Trade receivables		
(a) Trade Receivables considered good - Unsecured	**571.64**	1,023.40
(b) Trade Receivables - credit impaired.	**172.85**	172.85
Less: Allowance for credit losses	**(172.85)**	(172.85)
TOTAL	**571.64**	1,023.40

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

	As at 31st March, 2023		As at 31st March, 2022	
Outstanding for following periods from due date of payment	**Undisputed Trade receivables – considered good**	**Undisputed Trade Receivables – credit impaired**	Undisputed Trade receivables – considered good	Undisputed Trade Receivables – credit impaired
Less than 6 months	**337.19**		681.16	–
6 months - 1 year	**132.47**		110.73	–
1-2 years	**64.35**		117.54	17.69
2-3 years	**31.96**	**17.69**	109.92	4.79
More than 3 years	**5.67**	**155.16**	4.05	150.37
Total	**571.64**	**172.85**	1,023.40	172.85

(i) Trade receivables are dues in respect of services rendered in the normal course of business.

(ii) The average credit period in the range of 7-60 days on service rendered is as per the terms of the service agreement with clients.

Note No. 13 Cash and Bank Balances

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Cash and cash equivalents		
(a) Balances with banks	**153.73**	138.18
(b) Cash on hand	**0.69**	0.75
Total Cash and cash equivalents	**154.42**	138.93
Other Bank Balances		
(a) Earmarked balances with banks (Refer note No. 13 a. below)	**16.16**	15.45
(b) Balances with Banks:		
(i) Fixed Deposits	**–**	5,411.22
Total Other Bank balances	**16.16**	5,426.67
Grand Total	**170.58**	5,565.60

Note No. 13 a. Note No. 13 a. Fixed deposit is earmarked for availing overdraft facility of Rs. 9.00 Lakhs with State Bank of India. The overdraft facility is unutilised as on March 31, 2023 (Previous year - Nil).

Note No. 14 Share Capital

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Authorised Share Capital:		
150,000,000 fully paid equity shares of Rs 10 each	**15,000.00**	15,000.00
50,000,000 Preference shares of Rs 10 each	**5,000.00**	5,000.00
Issued, Subscribed and Fully Paid:		
150,000,000 Equity shares of 10 each	**15,000.00**	15,000.00
Total	**15,000.00**	15,000.00

(a) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry right to dividends.

(ii) The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(iii) Repayment of capital will be in proportion to the number of equity shares held.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Other Changes	Closing Balance
Equity Shares with Voting rights			
Year Ended 31 March 2023			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000
Year Ended 31 March 2022			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000

Note: There were no preference shares issued during the year or outstanding as on March 31, 2023 and March 31, 2022.

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	**As at 31st March, 2023**		As at 31st March, 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Mahindra Lifespace Developers Limited	**111,000,000**	**74%**	111,000,000	74%
- Rajasthan State Industrial Development and Investment Corporation Limited	**39,000,000**	**26%**	39,000,000	26%

(d) Details of shares held by promoters:

Class of shares/ Name of Promoters	Number of shares	% of Total Shares	% Change during the year
As at March 31, 2023			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	–
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	–
As at March 31, 2022			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	–
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	–

Note No. 15 (a) Other Equity

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Retained earnings	**21,492.51**	21,326.08
Capital redemption reserve	**5,000.00**	5,000.00
Debenture redemption reserve	**1,156.47**	1,563.75
Total	**27,648.98**	27,889.83

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 15 (b) Other Equity

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2022	5,000.00	1,563.75	21,326.08	27,889.83
Profit for the year	–	–	12,504.38	12,504.38
Other Comprehensive Income (net of taxes)	–	–	4.77	4.77
Total Comprehensive Income for the year	5,000.00	1,563.75	33,835.23	40,398.98
Dividend paid on Equity Shares	–	–	(12,750.00)	(12,750.00)
Transfers from Debenture Redemption Reserve	–	(407.28)	407.28	–
As at March 31, 2023	**5,000.00**	**1,156.47**	**21,492.51**	**27,648.98**

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2021	5,000.00	2,142.69	11,535.41	18,678.10
Profit for the year	–	–	13,702.91	13,702.91
Other Comprehensive Loss (net of taxes)	–	–	8.82	8.82
Total Comprehensive Income for the year	5,000.00	2,142.69	25,247.14	32,389.83
Dividend paid on Equity Shares	–	–	(4,500.00)	(4,500.00)
Transfers from Debenture Redemption Reserve	–	(578.94)	578.94	–
As at March 31, 2022	5,000.00	1,563.75	21,326.08	27,889.83

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Debenture Redemption Reserve: Debenture redemption reserve is a provision created against issue of debentures to protect investors against the possibility of default by the company.

Pursuant to Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide Notification dated August 16, 2019), an amount of Rs. 407.28 Lakhs (PY - Rs. 578.94 Lakhs) being the excess Debenture Redemption Reserve in the books of account has been transferred to Retained Earnings.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 16 Borrowings

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
A. Non- Current Borrowings		
Measured at amortised cost		
Unsecured Borrowings:		
- Other Loans - Refer Note 16A	**11,541.41**	15,480.03
Total Unsecured Borrowings	**11,541.41**	15,480.03
Total Non-Current Borrowings	**11,541.41**	15,480.03
B. Short Term Borrowings		
Secured Borrowings		
Loans repayable on demand		
- From Banks	**–**	50.07
Total Secured Short Term Borrowings	**–**	50.07
Total Short Term Borrowings	**–**	50.07

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Summary of Borrowing Arrangements:

Note - 16A The Company has issued, on July 5, 2018 - unsecured, unlisted, redeemable, non-convertible debentures as below:

Particulars	Series 1A *	Series 1B	Series B	Total
Face Value (Rs.)	100.00	100.00	100.00	
No. of Debentures	6,622,870	12,856,160	1,947,903	**21,426,933**
Total Face Value (Value in Lakhs)	6,622.87	12,856.16	1,947.90	**21,426.93**
Discount on issue	10%	10%	Nil	**Nil**
Total Issue Value (Value in Lakhs)	**5,960.59**	**11,570.54**	**1,947.90**	**19,479.03**

* Series 1A has been completely redeemed during the FY 2023

The key terms series 1A are as below:

Coupon on each Series 1A Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1A Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series 1B are as below:

Coupon on each Series 1B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series B are as below:

Coupon on each Series B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Non- Current Borrowings Oustanding Summary

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Non-Convertible Debentures - International Finance Corporation......	**11,541.41**	15,480.03
Total	**11,541.41**	15,480.03

Note - 16B The cash credit facility carries interest rate in the range of 7.70% p.a. to 9.20% p.a. and is secured against trade receivables.

Note No. 17 Other Financial Liabilities

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Security Deposits	**4.73**	2.67
Total Non Current Other financial liabilities measured at amortised cost	**4.73**	2.67
Current		
a) Interest Accrued but not due (Note - 16A)	**1,604.47**	1,381.09
b) Other liabilities		
(1) Capital Creditors	**46.04**	46.04
(2) Security Deposits from lessees	**1,509.39**	2,614.29
(3) Others	**22.46**	35.77
Total Current Other financial liabilities measured at amortised cost	**3,182.36**	4,077.19
Total other financial liabilities	**3,187.09**	4,079.86

Note No. 18 Provisions

Particulars	**As at 31st March, 2023**		As at 31st March, 2022	
	Current	**Non-Current**	Current	Non-Current
(a) Provision for employee benefits				
- Gratuity...	**12.33**	**52.70**	1.10	60.00
- Leave encashment...	**11.42**	**37.58**	0.74	27.21
(b) Other Provisions				
(1) Provision for cost of sale	**1,649.03**	**4,782.47**	1,092.47	4,782.47
Total Provisions...	**1,672.78**	**4,872.75**	1,094.31	4,869.68

Note- 18a. The Other Provisions are not subject to discounting, considering no fixed timeline to incur cash outflow.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 19 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities	**2,150.59**	2,104.33
Deferred Tax Assets	**(33.22)**	(43.13)
Total	**2,117.37**	2,061.20

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March, 2023		
	Opening Balance	**For the year**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**2,104.33**	**46.26**	**2,150.59**
Others	**–**	**–**	**–**
(A)	**2,104.33**	**46.26**	**2,150.59**
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment and Gratuity	**25.93**	**7.29**	**33.22**
Provision for Doubtful Debts	**15.99**	**(15.99)**	**–**
Minimum Alternate Credit Entitlement	**–**	**–**	**–**
Other Items	**1.21**	**(1.21)**	**–**
(B)	**43.13**	**(9.91)**	**33.22**
Net Tax Liabilities.....(A - B)	**2,061.20**	**56.17**	**2,117.37**

Particulars	For the year ended March 31, 2022		
	Opening Balance	For the year	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	2,052.04	52.29	2,104.33
Others	–	–	–
(A)	2,052.04	52.29	2,104.33
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment and Gratuity	32.57	(6.64)	25.93
Provision for Doubtful Debts	44.79	(28.80)	15.99
Minimum Alternate Credit Entitlement	619.19	(619.19)	–
Other Items	6.72	(5.51)	1.21
(B)	703.27	(660.14)	43.13
Net Tax Liabilities.......(A - B)	1,348.77	712.43	2,061.20

Note: Deferred tax (Charge)/Credit recognised in other comprehensive income on remeasurements of the defined benefit plans is Rs. -1.96 Lakhs (Previous Year Rs. -3.62 Lakhs).

Note No. 20 Other Liabilities

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	**Non-Current**	Current	Non-Current
a. Advances received from customers	**1,375.33**	**–**	1,174.43	–
b. Statutory dues				
- taxes payable (other than income taxes)	**48.03**	**–**	37.64	–
- Income Tax Liability	**–**		363.20	
c. Others*	**13.53**	**1,098.75**	11.43	938.93
TOTAL OTHER LIABILITIES	**1,436.89**	**1,098.75**	1,586.70	938.93

* Others represent the rent free deposits received from customers.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 21 Trade Payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables - Micro and small enterprises - Refer Note 33	**35.30**	28.67
Trade payable - Other than micro and small enterprises	**1,312.74**	1,243.86
Total trade payables	**1,348.04**	1,272.53

As at March 31, 2023

Outstanding for following periods	**MSME**	**Others**	**Disputed dues – MSME**	**Disputed dues - Others**
Less than 1 year	**30.88**	**289.35**	**–**	**–**
1-2 years	**4.42**	**268.46**	**–**	**–**
2-3 years		**36.55**	**–**	**–**
More than 3 years		**718.38**	**–**	**–**
Total	**35.30**	**1,312.74**	**–**	**–**

As at March 31, 2022

Outstanding for following periods	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	28.67	728.09	–	–
1-2 years	–	5.86	–	–
2-3 years	–	40.34	–	–
More than 3 years	–	469.57	–	–
Total	**28.67**	**1,243.86**	–	–

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- The average credit period in the range of 0-60 days on goods/service received is as per the terms of the agreement with vendors.
- The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. 22 Revenue from Operations

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from rendering of services:		
(i) Land Lease Premium	**19,890.78**	25,057.83
(ii) Property Rentals- eVolve	**1,544.91**	1,616.93
(iii) Income from Operation and Maintenance	**2,590.22**	2,366.25
(iv) Others	**329.04**	62.33
Total Revenue from Operations	**24,354.95**	29,103.34

22. (a) During the year, the company has leased 71.38 (Previous year - 94.96) acres of land on long term basis. Out of this, 20.04 (Previous year - 12.39) acres in Special Economic Zone (SEZ) and 51.34 (Previous year - 82.57) acres is in the Non Special economic Zone (Non SEZ).

22. (b) Others represent transfer fee towards transfer of plot by clients (226.19 lacs) and income of old dues from State Bank of India (102.85 lacs).

Note No. 23 Other Income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest Income		
- Interest on Bank Deposits	**96.44**	103.32
(b) Net gain/(loss) arising on financial assets designated as at FVTPL	**519.80**	6.63
(c) Miscellaneous Income	**42.30**	35.86
Total Other Income	**658.54**	145.81

Note No. 24 Cost of Projects

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cost of Projects:		
Opening Stock:		
Work-in-progress	**48,393.01**	50,909.84
Sub-Total (a)	**48,393.01**	50,909.84
Add: Expenses incurred during the year		
Civil, Electrical, Contracting etc.	**1,951.32**	1,929.47
Finance Costs	**769.26**	1,596.75
Overheads allocated *	**213.35**	192.31
Sub-Total (b)	**2,933.93**	3,718.53
Less: Closing Stock:		
Work in progress	**47,033.75**	48,393.01
Sub-Total (c)	**47,033.75**	48,393.01
Total (a+b-c)	**4,293.19**	6,235.36

* Overheads represent manpower and admin expenses inventorised.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 25 Operation & Maintenance expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Site Electricity and Diesel Expenses	**172.14**	165.08
(b) Repairs and Maintenance Expenses	**557.48**	346.52
(c) Security Charges	**268.08**	223.44
(d) Landscaping/ Water Charges	**658.51**	526.17
(e) Cleaning/ Housekeeping Charges	**231.75**	336.33
(f) Organization Expenses	**53.97**	68.87
(g) Insurance Expenses	**20.05**	19.89
(h) Legal and Professional Fees	**6.05**	0.31
(i) Rates and Taxes	**6.69**	1.16
(j) Other Miscellaneous Expenses	**24.38**	20.38
Total Operation and Maintenance Expense	**1,999.10**	1,708.15

Note No. 26 Employee Benefits Expense

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Salaries and wages, including bonus*	**593.16**	530.32
(b) Contribution to provident and other funds	**48.22**	39.36
(c) Staff welfare expenses	**23.89**	9.54
Total Employee Benefits Expense	**665.27**	579.22
Less : Allocated to projects	**(185.00)**	(192.24)
Total Net Employee Benefits Expense	**480.27**	386.98

* Includes cost for Employee Stock Options of Mahindra Lifespaces Developers Limited issued to employees of the Company aggregating to Rs 7.94 Lakhs (Previous year Rs. 13.86 Lakhs).

Note No. 27 Finance Costs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest expense	**1,484.77**	3,180.87
(b) Other borrowing costs	**-**	0.89
(c) Other interest costs	**5.31**	38.96
Total finance costs	**1,490.08**	3,220.72
Less : Allocated to projects	**(769.26)**	(1,596.75)
Total finance costs	**720.82**	1,623.97

27 (a) The interest is inventorised on borrowings referred to in Note 16A and in the ratio of undeveloped inventory to the total inventory.

27 (b) Borrowing cost allocated to projects refers to interest on borrowings in Note 16A.

Note No. 28 Other Expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Rent including Lease Rentals	**10.10**	10.72
(b) Rates and Taxes	**104.54**	2.84
(c) Insurance	**14.32**	24.16
(d) Repairs and Maintenance- Others	**56.63**	23.44
(e) Power and Fuel	**7.27**	8.89
(f) Travelling and Conveyance	**38.67**	23.44
(g) Legal and Professional Fees	**66.80**	39.26
(h) Printing and Stationery	**3.75**	3.64
(i) Communication	**6.90**	6.44
(j) Advertisement, Marketing and Business Development	**316.99**	283.05
(k) Auditors Remuneration (Refer note no. 28 (a))	**20.19**	17.93
(l) Expenditure on Corporate Social Responsibility (Refer note no. 28 (b))	**170.40**	85.02
(m) Provision for Doubtful Debts	**–**	54.90
(n) Development Management Fees	**107.50**	116.52
(o) Miscellaneous Expenses	**13.80**	29.30
Total Gross Other Expenses	**937.86**	729.55
Less : Allocated to projects/Capitalised	**(28.35)**	(0.07)
Total Net Other Expenses	**909.51**	729.48

Note No. 28 (a) Auditors Remuneration

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Payments to the auditors comprises:		
- For audit including limited reviews	**16.60**	15.05
- Certifications	**3.40**	2.80
- Reimbursement of expenses	**0.19**	0.08
Total	**20.19**	17.93

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 28(b) Corporate Social Responsibility (CSR)

Nature of CSR activities	Education	Health	Environment	Group CSR Activities	Others	Total
Amount required to be spent by the Company during the year	13.98	42.15	43.17	28.59	42.51	170.40
Amount of expenditure incurred	13.98	42.15	43.17	28.59	42.51	170.40
Shortfall at the end of the year	–	–	–	–	–	–
Total of previous years shortfall	–	–	–	–	–	–
Reason for shortfall	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Details of related party transactions	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Provision	–	–	–	–	–	–

Note No. 28(c) Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance (%)	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	7.35	7.45	-1%	
Debt Equity Ratio	Debt	Equity	0.27	0.36	-25%	Due to repayment of NCD's by Rs. 4,072 lakhs
Debt Service Coverage Ratio (DSCR)	EBITDA[1]	Debt Service[2]	1.41	1.18	20%	
Return of Equity	Profit after tax	Net worth	29.32%	31.95%	-8%	
Inventory Turnover ratio	Cost of Sales[3]	Average Inventory	0.13	0.16	-18%	
Trade Receivables turnover ratio	Turnover	Average Trade Receivables	30.54	15.66	95%	Due to decrease in trade receivables by Rs. 1,061 lakhs
Trade Payable turnover ratio	Cost of Sales[3]	Average Trade Payable	4.80	5.84	-18%	
Net capital turnover ratio	Average Net worth	Turnover	1.76	1.26	39%	Due to decrease in revenue by Rs. 4,748 lakhs
Net profit ratio	PAT	Revenue	51.34%	47.08%	9%	
Return on Capital employed	PAT	Capital employed[4]	23.02%	26.26%	-12%	

Notes:

1. Earnings before interest, tax, depreciation and amortisation.
2. Debt service= Current Borrowings + Non- Current borrowings + Interest charged to statement of profit and loss.
3. Refer Notes 24 and 25
4. Capital employed= Net Worth + Current Borrowings + Non- Current Borrowings

Note No. 29 Current Tax and Deferred Tax

Income Tax recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax:		
In respect of current year	**3,581.48**	4,265.90
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**54.21**	89.62
Total income tax expense	**3,635.69**	4,355.52

The total Income tax computation reconciled with book profit

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before Tax	**16,140.07**	18,058.43
Income Tax @ 29.12% for the year	**4,699.99**	5,258.61
Effect of expenses that is non-deductible in determining taxable profit:		
CSR Expenses (Net of deduction under Section 80G allowed)	**36.94**	19.28
Deduction under Section 80IAB	**(1,091.32)**	(978.71)
Provision for Doubtful Debts	**–**	15.99

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on Advance Tax	–	11.50
Others	(9.92)	28.85
Total	**3,635.69**	4,355.52
Income tax expense recognised in Statement of Profit and Loss	**3,635.69**	4,355.52

Note No. 30 Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year attributable to owners of the Company	**12,504.38**	13,702.91
Weighted average number of equity shares (Nos.)	**150,000,000**	150,000,000
Basic and diluted earnings per share (in rupees per share) of Face Value- Rs. 10 Per Share	**8.34**	9.14

Note No. 31 Segment information

The Company operates in only one business segment, i.e. 'lease of land and properties constructed thereon' based on the nature of the services and products, the risks and returns etc. This has been determined in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who is regarded as Chief Operating Decision Maker ("CODM"). The Company operates only in India and considering that the conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 32 Contingent liabilities and commitments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contingent liabilities (to the extent not provided for)		
(a) Other Matters disputed:		
Shahri Jamabandi (Urban Assessment/Ground rent demanded by Jaipur Development Authority, Government of Rajasthan)	**32,179.39**	32,179.39
Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.		
(b) Other money for which the Company is contingently liable (Income Tax Matter under appeal)	**32.16**	32.16

Note No. 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues to Micro and Small Enterprises remaining unpaid	**35.30**	28.67
- Principal	**35.30**	28.67
- Interest	**-**	-

(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

(ii) There are no overdue amounts at any time during the year and hence, no interest amount is due or paid during the year.

Note No. 34 Leases

The Company has not applied the requirement of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognised in Statement of Profit and Loss Account is Rs. 10.10 Lakhs (Previous year Rs. 10.72 Lakhs).

Note No. 35 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 26.87 lakhs (31st March, 2022 : Rs. 23.39 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31st March, 2023	Valuation as at 31st March, 2022
Discount rate(s)	**7.31%**	7.35%
Expected rate(s) of salary increase	**10.00%**	9.00%
Attrition Rate	**5.00%**	5.00%
Average Longevity	**IALM (2012-14) Urban**	IALM (2012-14) Ultimate

Retirement age is considered to be 60 years.

Defined benefit plans (unfunded) – As per Actuarial Valuation

Particulars	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2023	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**9.12**	11.47
Net interest expense	**4.49**	4.50
Components of defined benefit costs recognised in profit or loss	**13.61**	15.97
Actuarial (Gain)/Loss on obligation	**(6.73)**	(12.44)
Components of defined benefit costs recognised in other comprehensive income	**(6.73)**	(12.44)
Total	**6.88**	3.53
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at 31 March	**65.03**	61.10
2. Surplus/(Deficit)	**(65.03)**	(61.10)
3. Current portion of the above	**12.33**	1.10
4. Non current portion of the above	**52.70**	60.00
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**61.10**	67.76
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**9.12**	11.47
- Interest Expense (Income)	**4.49**	4.50
4. Liability transferred In/ Acquisitions	**7.73**	–
5. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses):		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(9.68)**	–
ii. Financial Assumptions	**2.15**	(5.07)
iii. Experience Adjustments	**0.80**	(7.37)
6. Benefit payments	**(10.68)**	(10.19)
7. Present value of defined benefit obligation at the end of the year	**65.03**	61.10

The sensitivity of the defined benefit obligation to changes by in the weighted principal assumptions is:

Principal assumptions	Year	Impact on defined benefit obligation: Increase in assumption by 1%	Impact on defined benefit obligation: Decrease in assumption by 1%
Discount rate	**2023**	**62.93**	**67.29**
	2022	54.27	69.14
Salary growth rate	**2023**	**67.21**	**62.96**
	2022	68.90	54.34

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:	March 31, 2023	March 31, 2022
Within 1 year	**12.33**	0.94
1 - 2 year	**11.08**	1.13
2 - 3 year	**9.57**	1.20
3 - 4 year	**8.35**	0.83
4 - 5 year	**7.37**	0.91
5 - 10 years	**28.26**	27.21

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 36 Related Party Transactions

Description of relationship	Names of related parties	Description of relationship	Names of related parties
Entities having joint control/ significant influence over Company	Mahindra & Mahindra Limited Mahindra Lifespace Developers Limited Rajasthan State Industrial Development and Investment Corporation Limited	**Fellow Subsidiaries (Note 1)**	Mahindra World City Developers Limited Mahindra Integrated Business Solutions Private Limited Mahindra Susten Private Limited Mahindra EPC Irrigation Industries Ltd Mahindra Industrial Park Private Limited Mahindra Logistics Limited MLL Mobility Private Ltd. Mahindra Holidays and Resorts India Ltd.
Key Management Personnel (KMP)	Mr. Anuj Bindal - Chief Executive Officer w.e.f. 22.07.2022 Mr. Asfar Khan - Chief Financial Office- From 11.10.2018 To 18.05.2022 Mr.Pankaj Sharma - Chief Financial Officer- From 28.10.2022 To 27.01.2023 Mr.Ameet Pratapsinh Hariani-Independent Director Mr. Maheswar Sahu-Independent Director Mr. Salil singhal-Independent Director Ms. Amrita Chowdhury-Independent Director	**Associate of Ultimate Holding Company**	Tech Mahindra Limited

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Development and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra World City Developers Limited	Mahindra Industrial Park Private Limited	MLL Mobility Private Ltd.	Mahindra EPC Irrigation Industries Ltd	Mahindra Holidays & Resorts India Ltd.	Mr.Anuj Bindal	Mr.Pankaj Sharma	Key Management Personnel
Rendering of services	31-Mar-23	44.50	–	–	–	–	18.09	–	–	–	–	–	–	–	–	–
	31-Mar-22	46.52	–	–	–	–	22.84	–	–	–	–	–	–	–	–	–
Receiving of services	31-Mar-23	37.57	158.66	–	1.58	–	–	–	0.07	10.57	14.44	–	–			–
	31-Mar-22	23.79	166.42	–	1.30	–	–	–	0.18		6.73	1.23	0.19	–	–	–
Director Sitting Fee	31-Mar-23															2.20
	31-Mar-22															2.70
Finance arrangements:																
Reimbursement made to parties	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-22	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Remuneration	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	93.62	6.97	–
	31-Mar-22	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Land Purchase	31-Mar-23		–	454.00						–						
	31-Mar-22	–			–	–	–	–	–	–				–		
Trade Advance	31-Mar-23			378.00												
	31-Mar-22															
Equity Shares Dividend Paid	31-Mar-23	–	9,435.00	3,315.00	–	–	–	–	–	–	–	–		–	–	–
	31-Mar-22	–	3,330.00	1,170.00	–	–	–	–	–	–	–	–		–	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Particulars	Balance as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Development and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra World City Developers Limited	Mahindra Industrial Park Private Limited	MLL Mobility Private Ltd.	Mahindra EPC Irrigation Industries Ltd	Mahindra Holidays & Resorts India Ltd.	Mr.Anuj Bindal	Mr.Pankaj Sharma	KMP
Trade payables	31-Mar-23	29.45	88.38	–	0.30	–	–	–	–	–	4.98	–	–	–	–	–
	31-Mar-22	–	84.38	–	0.18	–	–	–	–	–	–	1.58	–	–	–	–
Loans & advances taken (MOU Advance)	31-Mar-23	–	–	–	–	–	–	570.00	–	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	–	–	–	570.00	–	–	–	–	–	–	–	–
Trade Receivable	31-Mar-23	1.39		–	–	–	0.02	0.41	–	–			–	–	–	–
	31-Mar-22	–	–	–	–	0.12	0.56	0.41	–	–	–	–	–	–	–	–
Deposits Payables	31-Mar-23	8.39	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-22	8.40	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advance / Deposit to Vendor	31-Mar-23	–	–	378.05	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-22	–	–	254.86	–	–	–	–	–	–	–	–	–	–	–	–

Note:
1. Fellow subsidiaries mentioned with which the Company has transactions during the current year or previous year.
2. As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

Note No. 37 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31st March, 2023		31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost:				
- investments in debt instruments	**8,139.93**	**8,139.93**	4,706.63	4,706.63
- Trade Receivables	**571.64**	**571.64**	1,023.40	1,023.40
- Cash and Cash Equivalents	**154.42**	**154.42**	138.93	138.93
- Other Bank Balances	**16.16**	**16.16**	5,426.67	5,426.67
- Security Deposits	**74.76**	**74.76**	118.69	118.69
- Other Financial Assets	**0.79**	**0.79**	36.58	36.58
Total financial assets	**8,957.70**	**8,957.70**	11,450.90	11,450.90
Financial liabilities				
Financial liabilities held at amortised cost:				
- Long term Borrowings-NCDs	**11,541.41**	**11,541.41**	15,480.03	15,480.03
- Short term Borrowings-From Banks	**–**	**–**	50.07	50.07
- Trade Payables	**1,348.04**	**1,348.04**	1,272.53	1,272.53
- Other Financial Liabilities	**3,187.09**	**3,187.09**	4,079.86	4,079.86
Total	**16,076.54**	**16,076.54**	20,882.49	20,882.49

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Fair value hierarchy as at 31st March, 2023	Level 1	Level 2	Level 3	Rs. in Lakhs Total
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	–	**571.64**	–	**571.64**
- Cash and Cash Equivalents	–	**154.42**	–	**154.42**
- Other Bank Balances	–	**16.16**	–	**16.16**
- Loans	–	**74.76**	–	**74.76**
- Other Financial Assets	–	**0.79**	–	**0.79**
Total	–	**817.77**	–	**817.77**
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	–	**11,541.41**	–	**11,541.41**
- Trade Payables	–	**1,348.04**	–	**1,348.04**
- Other Financial Liabilities	–	**3,187.09**	–	**3,187.09**
Total	–	**16,076.54**	–	**16,076.54**

Fair value hierarchy as at 31st March, 2022	Level 1	Level 2	Level 3	Rs. in Lakhs Total
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	–	1,023.40	–	1,023.40
- Cash and Cash Equivalents	–	138.93	–	138.93
- Other Bank Balances	–	5,426.67	–	5,426.67
- Loans	–	118.69	–	118.69
- Other Financial Assets	–	36.58	–	36.58
Total	–	6,744.27	–	6,744.27
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	–	15,480.03	–	15,480.03
- Short term Borrowings-From Banks		50.07	–	50.07
- Trade Payables	–	1,272.53	–	1,272.53
- Other Financial Liabilities	–	4,079.86	–	4,079.86
Total	–	20,882.49	–	20,882.49

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 38 Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023 and 31 March 2022 is as follows:

	31st March, 2023	31st March, 2022
Debt (A)*	**11,541.41**	15,530.10
Equity (B)	**42,648.98**	42,889.83
Debt Equity Ratio (A/B)	**0.27**	0.36

* Debt includes Borrowings (Note No. 16 Borrowings).

Categories of financial assets and financial liabilities

As at 31st March, 2023

Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Loans	74.76			74.76
Current Assets				
Trade Receivables	571.64			571.64
Cash and Cash Equivalents	154.42			154.42
Other Bank Balances	16.16			16.16
Other Financial Assets				
- Non Derivative Financial Assets	0.79			0.79
Non-current Liabilities				
Borrowings	11,541.41			11,541.41
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4.73			4.73
Current Liabilities				
Borrowings	–			–
Trade Payables	1,348.04			1,348.04
Other Financial Liabilities				
- Non Derivative Financial Liabilities	3,182.36			3,182.36

As at 31st March, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	118.69			118.69
Current Assets				
Trade Receivables	1,023.40			1,023.40
Cash and Cash Equivalents	138.93			138.93
Other Bank Balances	5,426.67			5,426.67
Loans				
- Non Derivative Financial Assets	36.58			36.58
Non-current Liabilities				
Borrowings	15,480.03			15,480.03
Other Financial Liabilities				
- Non Derivative Financial Liabilities	2.67			2.67
Current Liabilities				
Borrowings	50.07			50.07
Trade Payables	1,272.53			1,272.53
Other Financial Liabilities				
– Non Derivative Financial Liabilities	4,077.19			4,077.19

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counter party defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company enters into an agreement with each customer. The agreement has a termination clause by which the Company can terminate the agreement and secure the receivable. The trade receivables are also reviewed by the management regularly and necessary actions are taken in order to collect any amount outstanding from customers. Being a Developer, a unit needs certain NOC and permission in respect of commencement and operation of the business and as per the agreement signed with customer, the developer gives the required NOC and permission after clearing the outstanding dues along with interest.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Customer credibility is researched before leasing the land to ensure only credit worthiness of the clients.

The credit risk on liquid funds is limited because the counterparties are banks and debt mutual funds with high credit-ratings assigned.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 years
Non-derivative financial liabilities				
31-Mar-23				
Non-interest bearing	1,577.89	–	–	*1,098.75
Trade payable	1,348.04	–	–	–
Loans repayable on demand from Bank	–	–	–	–
Fixed interest rate instruments				
Redeemable Non Convertible Debentures (Including interest accrued)	1,604.47	11,541.41	–	–
Total	**4,530.40**	**11,541.41**	**–**	**1,098.75**
31-Mar-22				
Non-interest bearing	2,696.10	–	–	*938.93
Trade payable	1,272.53	–	–	–
Loans repayable on demand from Bank	50.07	–	–	–
Fixed interest rate instruments				
Redeemable Non Convertible Debentures (Including interest accrued)	1,381.09	15,480.03	–	–
Total	**5,399.79**	**15,480.03**	**–**	**938.93**

* Security deposit payable on August 17, 2015

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023

All amounts are in Lakhs unless otherwise stated

Note No. 39 Expenditure on Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the company for the year ended 31st March, 2023 (as certified by the Company) : Rs.170.40 Lakhs (Previous year Rs. 85.02 lakhs).

Note No. 40 Events after the reporting period

No material events have occurred after the Balance Sheet date and up to the date of approval of financial statements.

Note No. 41 Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to conform to current year's grouping / classification..

In terms of our report attached

For B.K. Khare & Co.

Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia

Partner
Membership No.: 045668
Place: Pune
Date: April 18, 2023

For and on behalf of Board of the Directors

Arvind Subramanian
Director
(DIN No.: 02551935)

Maheswar Sahu
Director
(DIN No.: 00034051)

Anuj Bindal
Chief Executive Officer

Bijal Parmar
Company Secretary
(ACS: 32339)

Place: Jaipur
Date: April 18, 2023

INDEPENDENT AUDITORS' REPORT

To the members of Mahindra Bloomdale Developers Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Bloomdale Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to the financial statements, which indicates that the Company has incurred a net loss of Rs. 14.87 crores for the year ended 31 March 2023 and the accumulated losses as on 31 March 2023 amounting to Rs. 33.30 crores, which has fully eroded the net worth as on date. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

UDIN:23040852BGURAB6876

Place: Mumbai
Date: April 14, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Bloomdale Developers Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Anirudhha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAB6876

Place: Mumbai
Date: April 14, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has renewed the sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC bank on the basis of security of stocks and book debts – pari pasu charge on current assets during the year. The stock and book debts statements filed by the Company with HDFC Bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or any loans or advances in loans, secured or unsecured, to firms or any other parties. However, during the year, the Company has granted loans to fellow subsidiaries of holding Company viz Mahindra World City Developers Limited and Mahindra Industrial Park Chennai Limited of Rs. 5 Crores and Rs.18 Crores respectively:

Particulars	Loans given during the year (In Rs Crores)
Total amount of loan given during the year to fellow Subsidiaries	23
Balance outstanding as at the Balance Sheet date	Nil (fully Repaid)

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted. However, The Company has not made any investments or provided any guarantee/ security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, dues in respect of direct tax and Indirect taxes as at 31 March 2023, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
State GST	Transitional credit claimed under Tran-1 is disallowed	42,00,648	FY 2010-11	Joint Commissioner (Appeals)
Central GST	ITC Credit Claimed	46,92,295	FY 2017-18	Response to SCN submitted. Personal Hearing attended. Adjudication Order is awaited.
Income Tax Act, 1961	Marginal Relief on Surcharge not given, MAT Credit not allowed and short credit of TDS	43,19,940	FY 2014-15	Case is not open on Income Tax Portal. Need to file to Income Tax for Rectification.
GST	Credit claimed on retention is sought to be denied.	17,08,633	FY 2019-20	Response to SCN is submitted on 13/1/23

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender until the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us and based on our examination, the Company is not required to have an internal audit system as per the provisions of the Act.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1105.33 lakhs during the current financial year and Rs. 868.78 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAB6876

Place: Mumbai
Date: April 14, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. In Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4(a)	**117.73**	9.55
(b) Capital Work-in-Progress	4(b)	**–**	55.57
(c) Financial Assets			
Security Deposits	5	**246.98**	244.86
(d) Non-Current Tax Assets (Net)		**168.09**	100.91
Total Non-Current Assets (A)		**532.80**	410.89
CURRENT ASSETS			
(a) Inventories	6	**25,014.51**	22,216.95
(b) Financial Assets			
(i) Trade Receivables	7	**1,817.06**	442.30
(ii) Cash and Cash Equivalents	8	**105.74**	454.30
(iii) Bank Balances other than (ii) above	8	**285.60**	94.96
(iv) Other Financial Assets	9	**3.35**	1.04
(c) Other Current Assets	10	**766.34**	505.41
Total Current Assets (B)		**27,992.60**	23,714.96
TOTAL ASSETS (A+B)		**28,525.40**	24,125.85
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	**5.00**	5.00
(b) Other Equity		**(3,326.39)**	(1,837.62)
Total Equity (A)		**(3,321.39)**	(1,832.62)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
Borrowings	12	**7,111.53**	8,161.53
(b) Provisions	13	**20.25**	17.52
Total Non-Current Liabilities (B)		**7,131.78**	8,179.05
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	**1,948.62**	2,346.41
(ii) Trade Payables	15		
– Total outstanding dues of Micro Enterprises and Small Enterprises		**–**	–
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		**1,754.25**	2,367.13
(iii) Other Financial Liabilities	16	**1,074.61**	687.18
(b) Provisions	13	**98.50**	96.36
(c) Other Current Liabilities	17	**19,839.03**	12,282.34
Total Current Liabilities (C)		**24,715.01**	17,779.42
TOTAL EQUITY & LIABILITIES (A+B+C)		**28,525.40**	24,125.85
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 14th April 2023

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 14th April 2023

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 14th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars		Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	**INCOME**			
	(a) Revenue from operations	18	5,250.48	1,582.95
	(b) Other Income	19	138.93	35.26
	Total Income (a + b)		5,389.41	1,618.21
II	**EXPENSES**			
	(a) Operating Expenses	20	5,321.95	2,038.83
	(b) Employee benefit expense	21	49.60	66.34
	(c) Finance Cost	22	231.12	16.88
	(d) Depreciation and amortisation expense	4 (a)	220.92	3.89
	(e) Other expenses	23	1,053.64	364.94
	Total Expenses (a+b+c+d+e)		6,877.23	2,490.88
III	**Loss before exceptional items and tax (I-II)**		(1,487.82)	(872.67)
	Profit/(loss) before tax		(1,487.82)	(872.67)
IV	**Tax Expense**			
	(a) Current tax		–	–
	(b) Deferred tax		–	–
	Total tax expense (a+b)		–	–
V	**Profit/(loss) after tax (III-IV)**		(1,487.82)	(872.67)
	Discontinued Operations		–	–
	(1) Profit/(loss) from discontinued operations			
	(2) Tax Expense of discontinued operations			
	Profit/(loss) after tax from discontinued operations		–	–
VI	**Loss after tax for the period (IV-V)**		(1,487.82)	(872.67)
VII	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss			
	(a) Changes in revaluation surplus		–	–
	(b) Remeasurements of the defined benefit liabilities / (asset)(Net of taxes)		0.95	(1.99)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	Total Comprehensive Loss for the period (V+VI)		(1,488.77)	(870.68)
VIII	**Earnings per equity share**			
	Basic and diluted	24	(2,975.64)	(1,745.33)
Summary of significant accounting policies		2		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 14th April 2023

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 14th April 2023

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 14th April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash flows from operating activities		
Loss before tax for the year	**(1,487.82)**	(872.67)
Adjustments for:		
Finance costs recognised in profit or loss	**231.12**	16.88
Depreciation and amortisation of non-current assets	**220.92**	3.89
Interest Income	**(69.55)**	–
Gain on redemption of mutual fund	**(13.20)**	–
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**(1,639.82)**	312.53
(Increase) in inventories	**(2,204.69)**	(7,149.00)
(Increase) in other assets	**–**	(34.56)
Increase in trade and other payables	**6,949.76**	5,191.06
Cash (used in)/generated from operations	**1,986.72**	**(2,531.87)**
Income taxes net of refund/(paid)	**(67.18)**	25.93
Net cash (used in)/generated by operating activities (A)	**1,919.54**	**(2,505.94)**
Cash flows from investing activities		
Payments to acquire financial assets	**(2,999.91)**	–
Proceeds on sale of financial assets	**3,013.11**	–
Interest received	**67.24**	–
Amounts advanced to related parties	**(2,300.00)**	–
Repayments by related parties	**2,300.00**	–
Payments for property, plant and equipment	**(273.56)**	(3.48)
Payments for investment property - Capital Work in Progress	**–**	(55.57)
Changes in earmarked balances and margin accounts with banks	**(69.00)**	–
Proceeds from maturity of bank deposits	**(121.64)**	(50.39)
Net cash used in by investing activities (B)	**(383.76)**	**(109.44)**
Cash flows from financing activities		
Proceeds from borrowings	**800.00**	4,200.00
Repayment of borrowings	**(2,247.79)**	(947.24)
Interest paid	**(436.55)**	(322.40)
Net cash (used in)/generated in financing activities (C)	**(1,884.34)**	**2,930.36**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(348.56)**	314.98
Cash and cash equivalents at the beginning of the year	**454.30**	139.31
Cash and cash equivalents at the end of the year	**105.74**	**454.30**
Summary of significant accounting policies (refer note 2)		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 14th April 2023

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 14th April 2023

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 14th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

Rs. In Lakhs

Particulars	Total
As at 1st April 2021	5.00
Changes in equity share capital during the year	–
As at 31st March 2022	**5.00**
Changes in equity share capital during the year	–
As at 31st March 2023	**5.00**

B. Other Equity

Rs. In Lakhs

Particulars	Retained Earnings	Other Comprehensive Income- Actuarial Gain / (Loss)	Total
As at 31st March 2021	**(969.57)**	2.63	(966.94)
Profit / (Loss) for the period	(872.67)		(872.67)
Other Comprehensive Income / (Loss)	–	1.99	1.99
As at 31st March 2022	**(1,842.24)**	**4.62**	**(1,837.62)**
Profit / (Loss) for the period	(1,487.82)	–	(1,487.82)
Other Comprehensive Income / (Loss)	–	(0.95)	(0.95)
As at 31st March 2023	**(3,330.06)**	**3.67**	**(3,326.39)**

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 14th April 2023

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 14th April 2023

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 14th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. General Information

Mahindra Bloomdale Developers Limited, a wholly own subsidiary of Mahindra Lifespace Developers Limited.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Company is development of residential complexes in MIHAN Nagpur.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.13 *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 *Classification of financial assets*

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 *Investments in equity instruments at FVTOCI*

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 *Financial assets at fair value through profit or loss (FVTPL)*

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 *Impairment of financial assets*

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 *Commitments to provide a loan at a below-market interest rate*

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

3.1 *Determining the timing of revenue recognition on the sale of completed and under development property*

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Note No. 4 (a) - PROPERTY, PLANT AND EQUIPMENT

Rs. In Lakhs

Description of Assets	Buildings - Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April 2022	255.23	19.00	41.13	43.32	358.68
Additions	125.68	40.00	153.84	9.60	329.12
Deletion	–	–	–	(14.41)	(14.41)
Balance as at 31st Mar 2023	**380.91**	**59.00**	**194.97**	**38.51**	**673.39**
II. Accumulated depreciation and impairment					
Balance as at 1st April 2022	255.23	18.83	36.34	38.74	349.14
Depreciation expense for the year	100.92	22.88	94.33	2.80	220.93
Accumulated depreciation on deletion of assets	–	–	–	(14.41)	(14.41)
Balance as at 31st Mar 2023	356.15	41.71	130.67	27.13	555.66
III. Net carrying amount (I-II)	**24.76**	**17.29**	**64.30**	**11.38**	**117.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Description of Assets	Buildings - Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April 2021	255.23	18.66	41.47	39.84	355.20
Additions	–	–	–	3.48	3.48
Other Adjustment	–	0.34	(0.34)	–	–
Balance as at 31st Mar 2022	**255.23**	**19.00**	**41.13**	**43.32**	**358.68**
II. Accumulated depreciation and impairment					
Balance as at 1st April 2021	255.23	18.20	34.57	37.25	345.24
Depreciation expense for the year	–	0.64	1.77	1.49	3.89
Balance as at 31st Mar 2022	255.23	18.83	36.34	38.74	349.14
III. Net carrying amount (I-II)	**–**	**0.17**	**4.79**	**4.59**	**9.55**

Impairment losses recognised in the year:

During the reporting period Company has not recognised any impairment loss on PPE.

Method of Depreciation:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower. Sales office & the sample flat/show unit (Leasehold Building) cost, its furniture and office equipments are amortised over a period of 5 years.

Note No. 4 (b) - CAPITAL WORK-IN-PROGRESS

Rs. In Lakhs

Description of Assets	Buildings As at March 31, 2023	Buildings As at March 31, 2022
Capital Work-in-Progress	**–**	55.57
I. Nestalgia Project Sales & Experience Center		
Less than 1 year	–	55.57
1-2 years		
2-3 years		
More than 3 years		
Total	**–**	55.57

Note No. 5 - Non-Current Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Loans & Advances		
Unsecured, considered good		
Security Deposits	**246.98**	244.86
Total	**246.98**	244.86

Note No. 6 - Inventories

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Material	**418.68**	279.22
Construction Work in progress*	**24,537.27**	21,890.90
Finished Goods	**58.56**	46.83
Total Inventories (at lower of cost and net realisable value)	**25,014.51**	22,216.95

* Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 7 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables		
(a) Unsecured-Undisputed considered good	1,799.07	442.30
(b) Unsecured-Disputed considered good	17.99	–
Total	**1,817.06**	442.30
Of the above, trade receivables from:		
- Related Parties*	–	–
- Others	1,817.06	442.30
Total	**1,817.06**	442.30

* No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7 a - Ageing for trade receivables from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**1,513.98**	–
0 moths - 6 months	**237.63**	409.10
6 months -1 year	**47.46**	4.97
More than 1 years	**–**	28.23
Disputed Trade Receivables-		
6 months -1 year	**3.24**	–
More than 3 years	**14.75**	–
Total	**1,817.06**	442.30

Note No. 8 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
Balances with banks	**105.74**	454.30
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**105.74**	454.30
Other Bank Balances		
Balances with Banks:		
(i) On Margin Accounts	**108.56**	39.56
(ii) Fixed Deposits with maturity greater than 3 months	**177.04**	55.40
Total Other Bank Balances	**285.60**	94.96

Note No. 9 - Other Current Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Financial assets at amortised cost		
Interest Accrued on Fixed Deposits	**3.35**	1.04
Total	**3.35**	1.04

Note No. 10 - Other Current Assets

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Advance to vendors	**295.61**	218.19
(ii) Balances with government authorities (other than income taxes)	**–**	84.60
(iii) Prepaid Expenses	**470.73**	202.62
Total	**766.34**	505.41

Note No. 11 - Equity Share Capital

Rs. In Lakhs

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount
Authorised:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Rs. In Lakhs

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
Equity Shares with Voting rights				
Year Ended 31st March 2023				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00
Year Ended 31st March 2022				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00

(ii) Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2023	
Mahindra Lifespaces Developers Limited, the Holding Company	50,000
As at 31st March 2022	
Mahindra Lifespaces Developers Limited, the Holding Company	50,000

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March 2023 Number of shares held	% holding	As at 31st March 2022 Number of shares held	% holding	% change during the period
Equity shares with voting rights					
Mahindra Lifespaces Developers Limited	**50,000**	**100.00%**	50,000	100.00%	0.00%

Note No. 12 - Non-Current Borrowings

Rs. In Lakhs

Particulars	Rate of Interest	As at 31st March 2023	As at 31st March 2022
Unsecured Borrowings - at amortised Cost			
Loans from related parties			
- Mahindra Lifespaces Developers Limited	8.25%	5,494.53	6,544.53
- Mahindra Infrastructure Developers Limited	8.10%	1,617.00	1,617.00
Total		7,111.53	8,161.53

Note No. 13 - Provisions

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
(a) Provision for employee benefits	**5.50**	**20.25**	3.36	17.52
(b) Other Provisions				
-Defect Liability provision	**93.00**	**–**	93.00	–
	98.50	**20.25**	96.36	17.52

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date of handover of residential units.

Note No. 14 - Current Borrowings

Rs. In Lakhs

Particulars	Rate of Interest	As at 31st March 2023	As at 31st March 2022
A. Secured Borrowings			
– From Banks- Overdraft*	**9.35%**	**193.62**	591.41
Total Secured Borrowings		**193.62**	591.41
B. Unsecured Borrowings			
From Related Parties			
– Mahindra Industrial Park Private Limited	8.30%	1,755.00	1,755.00
Total Unsecured Borrowings		**1,755.00**	1,755.00
Total		**1,948.62**	2,346.41

* The overdraft facility from bank Rs. 193.62 Lakhs (Previous Year Rs. 591.41 Lakhs) is secured by First pari passu charge on current asset (Stocks and book debts)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 15 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Trade payable - Micro and small enterprises*	–	–
Trade payable - Other than micro and small enterprises	**1,754.25**	2,367.13
Total	**1,754.25**	2,367.13

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

*This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company dues outstanding in respect to Micro, Small and Medium Enterprises as of Balance Sheet Date are shown as above.

Micro Small and Medium Enterprises Development Act, 2006
The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31st March 2023 are as under:

Disclosures required under Section-22 of the Micro Small and Medium Enterprises Development Act, 2006

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year .		
- Principal amount due to micro and small enterprises	–	–
- Interest due on above	–	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 15 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of micro enterprises and small enterprises	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises	–	–
Unbilled	–	–
Not Due	**721.40**	864.60
0 months - 1 year	**583.38**	533.03
1-2 Years	**92.53**	84.54
2-3 years	**25.00**	22.85
More than 1 years	**331.94**	862.11
	1,754.25	2,367.13

Note No. 16 - Other Financial Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Current	**Current**	Current
Interest accrued on borrowings	**1,074.61**	687.18
Total	**1,074.61**	687.18

Note No. 17 - Other Current Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Advances received from customers	**19,789.15**	12,193.21
(b) Statutory dues		
- Tax Deducted at sources	**40.44**	88.00
- Family Pension & Provident Fund Payable	**0.75**	1.08
- Professional Tax Payable	**0.03**	0.04
- GST Payable	**8.66**	–
Total	**19,839.03**	12,282.33

Note No. 18 - Revenue from Operations

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Income from Projects	**5,250.48**	1,582.95
Total	**5,250.48**	1,582.95

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. Contract Balances

Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of 1,346.10 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs 12,193.41 lakhs and during previous year company recognised revenue of Rs. 1,318.17 Lakhs from opening contract liability (after Ind AS 115 adoption) of Rs. 7,814.31 Lakhs.

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Rs. 17,109.96 lakhs (Previous Year Rs. 20,394.03 Lakhs). Out of this, the Company expects to recognize revenue of around 100% within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2. Reconciliation of revenue recognized with the contracted price is as follows:

Rs. Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Contracted price	**5,473.21**	1,628.12
Input Tax Credit	**222.73**	45.17
Revenue recognised as per Statement of Profit & Loss	**5,250.48**	1,582.95

3. Contract Costs

Rs. Lakhs

Particulars	Year ended 31st March 20223	Year ended 31st March 2022
Costs to obtain contracts	**470.73**	**202.62**

For the year ended 31st March 2023, amortisation amounting to Rs 393.46 lakhs (Previous Year Rs. 172.19 Lakhs) was recognised as Subvention Interest, Compensation to Customers and Brokerage cost in note no. 23 - Other Expenses. There were no impairment loss in relation to the costs capitalised.

Note No. 19 - Other Income

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(a) Interest Income		
- On Bank Deposits	**9.46**	4.34
- On Inter Corporate Deposits	**60.09**	–
- On Customer delay payment	**29.74**	30.92
(b) Miscellaneous Income	**39.64**	–
Total	**138.93**	35.26

Note No. 20 - Operating Expenses

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Cost of materials consumed	**5,287.17**	2,018.23
Brokerage	**34.78**	20.60
Total	**5,321.95**	**2,038.83**

Note No. 21 - Employee Benefits Expense

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages, including bonus	**149.02**	174.57
Contribution to provident and other funds	**6.06**	8.49
Staff welfare expenses	**7.11**	5.09
Less : Allocated to projects	**(112.59)**	(121.81)
Total	**49.60**	**66.34**

Note No. 22 - Finance Cost

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on Loan from related parties	**808.22**	534.78
Interest on Overdraft	**15.77**	16.88
Less: Allocated to Projects	**(592.87)**	(534.78)
Total	**231.12**	16.88

Note No. 23 - Other Expenses

Rs. In Lakhs

	Year ended 31st March 2023	Year ended 31st March 2022
Advertisement and Marketing Expenses	**585.90**	91.24
Legal and Professional Fee	**47.14**	23.92
<u>Repairs and Maintenance</u>		
Others	**32.65**	27.18
Compensation to customers	**287.83**	151.59
<u>Remuneration to auditors:</u>		
For Statutory Audit Fees	**6.49**	5.50
For Tax Audit Fees	**0.97**	0.83
For Other Services	**6.08**	1.65
Corporate Social Responsibility Expenditure	**–**	10.81
Miscellaneous Expenses	**86.58**	52.22
Total	**1,053.64**	364.94

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 24 - Earnings per Share

Basic and Diluted Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Rs. In Lakhs

	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit/(loss) for the year attributable to owners of the Company	**(1,487.82)**	(872.67)
Weighted average number of equity shares (nos.)	**50,000**	50,000
Earnings per share - Basic and Diluted	**(2,975.64)**	(1,745.33)

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening No. of Equity Shares	**50,000**	50,000
Additions	**–**	–
Closing No. of Equity Shares	**50,000**	50,000
Weighted average number of equity shares used in the calculation of Basic and diluted EPS	**50,000**	**50,000**

Note No. 25 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital.

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt (A)	**9,060.15**	10,507.92
Equity (B)	**(3,321.39)**	(1,832.62)
Debt Ratio (A / B)	**(2.73)**	(5.73)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

Rs. In Lakhs
As at 31st March, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	**246.98**	**–**	**–**	**246.98**
Current Assets				
Trade Receivables	**1,817.06**	**–**	**–**	**1,817.06**
Other Bank Balances	**285.60**	**–**	**–**	**285.60**
Other Financial Assets				
- Non Derivative Financial Assets	**3.35**	**–**	**–**	**3.35**

Rs. In Lakhs
As at 31st March, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	**7,111.53**	**–**	**–**	**7,111.53**
Current Liabilities				
Borrowings	**1,948.62**	**–**	**–**	**1,948.62**
Trade Payables	**1,754.25**	**–**	**–**	**1,754.25**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**1,074.61**	**–**	**–**	**1,074.61**

Rs. In Lakhs
As at 31st March, 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans & Advances	244.86	–	–	244.86
Current Assets				
Trade Receivables	442.30	–	–	442.30
Other Bank Balances	94.96	–	–	94.96
Other Financial Assets				
- Non Derivative Financial Assets	1.04	–	–	1.04
Non-current Liabilities				
Borrowings	8,161.53	–	–	8,161.53
Current Liabilities				
Borrowings	2,346.41	–	–	2,346.41
Trade Payables	2,367.13	–	–	–
Other Financial Liabilities				
- Non Derivative Financial Liabilities	687.18	–	–	687.18

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

Credit Risk

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Companys trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Liquidity Risk

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

"The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. In Lakhs

Particulars	**Less than 1 Year**	**1 Year to 3 Years**	**3 Years to 5 Years**
31st March, 2023			
Non-current Liabilities			
Borrowings	–	7,111.53	–
Current Liabilities			
Borrowings	1,948.62	–	–
Trade Payables	1,754.25	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	1,074.61	–	–
Total	**4,777.48**	**7,111.53**	**–**
31st March, 2022			
Non-current Liabilities			
Non-current Liabilities			
Borrowings	–	8,161.53	–
Current Liabilities			
Borrowings	2,346.41	–	–
Trade Payables	2,367.13	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	687.18	–	–
Total	**5,400.72**	**8,161.53**	**–**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. In Lakhs

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Secured Cash Credit facility		
- Expiring within one year	**806.38**	408.59
Total	**806.38**	408.59

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In Lakhs

Particulars	**Less than 1 Year**	**1 Year to 3 Years**	**3 Years to 5 Years**
31st March 2023			
Non-current Assets			
Loans & Advances	–	246.98	–
Current Assets			
Trade Receivables	1,817.06	–	–
Other Bank Balances	285.60	–	–
Other Financial Assets			
- Non Derivative Financial Assets	3.35	–	–
Total	**2,106.01**	**246.98**	**–**
31st March 2022			
Non-current Assets			
Loans & Advances	–	244.86	–
Current Assets			
Trade Receivables	442.30	–	–
Other Bank Balances	94.96	–	–
Other Financial Assets			
- Non Derivative Financial Assets	1.04	–	–
Total	**538.30**	**244.86**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Note No. 26 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. In Lakhs

	As at 31-Mar-23		As at 31-Mar-22	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
<u>*Financial assets carried at Amortised Cost*</u>				
- Loans & Advances (Non-Current)	**246.98**	**246.98**	244.86	244.86
- Trade Receivables	**1,817.06**	**1,817.06**	442.30	442.30
- Cash and Cash Equivalents	**105.74**	**105.74**	454.30	454.30
- Other Bank Balances	**285.60**	**285.60**	94.96	94.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars	As at 31-Mar-23 Carrying amount	As at 31-Mar-23 Fair value	As at 31-Mar-22 Carrying amount	As at 31-Mar-22 Fair value
- Other Financial Assets	**3.35**	**3.35**	1.04	1.04
Total	**2,458.73**	**2,458.73**	1,237.46	1,237.46
Financial liabilities				
Financial liabilities held at amortised cost				
- Non-Current Borrowings	**7,111.53**	**7,111.53**	8,161.53	8,161.53
- Borrowings	**1,948.62**	**1,948.62**	2,346.41	2,346.41
- Trade Payables	**1,754.25**	**1,754.25**	2,367.13	2,367.13
- Other Financial Liabilities	**1,074.61**	**1,074.61**	687.18	687.18
Total	**11,889.01**	**11,889.01**	13,562.24	13,562.24

Fair value hierarchy as at 31st March 2023

Rs. In Lakhs

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Trade Receivables	–	1,817.06	–
- Cash and Cash Equivalents	–	105.74	–
- Other Bank Balances	–	285.60	–
- Other Financial Assets	–	3.35	–
Total	**–**	**2,211.75**	**–**
Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	7,111.53	–
- Borrowings	–	1,948.62	–
- Trade Payables	–	1,754.25	–
- Other Financial Liabilities	–	1,074.61	–
Total	**–**	**11,889.01**	**–**

Rs. In Lakhs

Fair value hierarchy as at 31st March, 2022

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Trade Receivables	–	442.30	–
- Cash and Cash Equivalents	–	454.30	–
- Other Bank Balances	–	94.96	–
- Other Financial Assets	–	1.04	–
Total	**–**	**992.61**	**–**
Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	8,161.53	–
- Borrowings	–	2,346.41	–
- Trade Payables	–	2,367.13	–
- Other Financial Liabilities	–	687.18	–
Total	**–**	**13,562.24**	**–**

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 6.23 lakhs (previous year Rs. 9.28 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Principal Actuarial Assumptions

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Discount rate	**7.31%**	6.80%
Retirement age	**60 years**	60 years
Average Mortality	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Salary escalation	**10.00%**	8.00%

Reconciliation of Benefit Obligation

Rs. In Lakhs

Change in defined benefit obligations (DBO)	As at 31st March 2023	As at 31st March 2022
Present value of DBO at beginning of the year	**12.86**	13.53
Current service cost	**1.40**	2.33
Transfer In/ (Out)	**(2.85)**	–
Interest cost	**0.85**	0.81
Actuarial (gains) / losses	**0.95**	(1.99)
Past Service Cost	**–**	–
Benefits paid	**(2.67)**	(1.82)
Present value of DBO at the end of the year	**10.54**	12.86

Expenses recognised in the statement of profit and loss

Rs. In Lakhs

Components of employee benefit expenses	Year ended 31st March 2023	Year ended 31st March 2022
Current service cost	**1.40**	2.33
Past Service Cost	**–**	–
Interest cost	**0.85**	0.81
Total expense recognised in the statement of profit and loss	**2.25**	3.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	Year ended 31st March 2023	Year ended 31st March 2022
		Rs. In Lakhs
Components of other comprehensive income		
Actuarial (Gain)/Loss on obligation	**0.95**	(1.99)
Components of defined benefit costs recognised in other comprehensive income	**0.95**	(1.99)

Net Asset/(Liability) recognised in the Balance Sheet	**Year ended 31st March 2023**	Year ended 31st March 2022
		Rs. In Lakhs
Present value of defined benefit obligation as at 31st March	**10.54**	12.86
Fair value of plan assets as at 31st March	**-**	-
Surplus/(Deficit)	**(10.54)**	(12.86)
Current portion of the above	**(2.05)**	(2.00)
Non current portion of the above	**(8.49)**	(10.86)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. In Lakhs

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation** PO as on Valuation date on account of increase in assumption	PO as on Valuation date on account of decrease in assumption
Discount rate	2023	1.00%	10.16	10.96
	2022	1.00%	7.57	8.51
Salary growth rate	2023	1.00%	10.94	10.17
	2022	1.00%	8.41	7.64

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Note No. 28- Related Party Disclosures

(a) Related Parties where control exists

(i) Ultimate Holding Company

Mahindra & Mahindra Limited

(ii) Holding Company

Mahindra Lifespace Developers Limited (wholly owned subsidiary w.e.f. 29th May 2018)

(b) Other Parties with whom transaction have taken place during the year

(i) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited

Mahindra Infrastructure Developers Limited

Mahindra Residential Developers Limited (merged with Mahindra World City Developers Limited w.e.f. 30th December, 2022)

(ii) Joint Ventures

Mahindra World City Developers Limited

Mahindra Industrial Park Private Limited

Mahindra Industrial Park Chennai Limited

Details of related party transactions and balances outstanding as at 31st March 2023:

Rs in Lakhs

Nature of transactions	**Mahindra & Mahindra Limited**		**Mahindra Lifespace Developers Limited**		**Mahindra Integrated Business Solutions Private Limited**		**Mahindra Industrial Park Private Ltd**		**Mahindra Infrastructure Developers Limited**		**Mahindra Industrial Park Chennai Limited**		**Mahindra Residential Developers Ltd**		**Mahindra World City Developer Limited**	
	31-Mar-23	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**
Transactions for the year ended																
(Income)/ Expenses																
Purchase of services	0.01	–	–	–	19.57	7.52	–	–	–	–	–	–	–	–	–	–
Purchase of Land	–	3,944.25	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposit taken	–	–	800.00	4,200.00	–	–			–	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs in Lakhs

Nature of transactions	Mahindra & Mahindra Limited		Mahindra Lifespace Developers Limited		Mahindra Integrated Business Solutions Private Limited		Mahindra Industrial Park Private Ltd		Mahindra Infrastructure Developers Limited		Mahindra Industrial Park Chennai Limited		Mahindra Residential Developers Ltd		Mahindra World City Developer Limited	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Interest on ICD Expense	–	–	536.43	250.82	–	–	140.38	136.01	130.98	131.06	–	–	–	–	–	–
Inter corporate deposit repaid to Related Party	–	–	1,850.00	1,200.00	–	–	–	–	–	64.00	–	–	–	–	–	–
Inter corporate deposit Given	–	–	–	–	–	–	–	–	–	–	1,800.00	–	500.00	–	–	–
Inter corporate deposit repaid by Related Party	–	–	–	–	–	–	–	–	–	–	1,800.00	–	–	–	500.00	–
Interest on ICD Income	–	–	–	–	–	–	–	–	–		44.86	–	4.32	–	10.91	–
Reimbursement made to parties	16.19	8.00	116.16	22.22	–	–	–	–	–	–	–	–	–	–	–	–
<u>Outstandings as on Balance Sheet date</u>																
Liabilty/(Asset)																
Payable Towards ICD Interest	–	–	692.21	383.78	–	–	73.52	112.41	308.87	190.99	–	–	–	–	–	–
Payable Towards Purchase of services	5.99	–	54.10	12.78	5.87	0.07	–	–	–	–	–	–	–	–	–	–
Payable Towards ICD	–	–	5,494.53	6,544.53	–	–	1,755.00	1,755.00	1,617.00	1,617.00	–	–	–	–	–	–

Note: Related parties have been identified by the Management.

Note No. 29 - Contingent Liabilities

Rs in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Income Tax Matter under appeal		
Rectification order from the IT office pending towards Refunds claimed by the company	43.20	43.20
(ii) Indirect Tax Matters under appeal		
VAT and Service Tax claims disputed by the Company relating to issues of applicability. Company is pursuing the matter with the appropriate Appellate Authorities	**106.02**	88.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 30 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 31 - Financial Ratios

	Particulars	Numerator	Denominator	For the year ended March 31, 2023	Amount (In Lakhs)		Reasons for Variance
					For the year ended March 31, 2022	% Variance	
a)	Current Ratio	Current Assets	Current Liabilities	1.13	1.33	-15.09%	Variance is within limit
b)	Debt Equity Ratio	Net Debt	Equity	(2.73)	(5.73)	-52.43%	Decrease in Debt due to repayment of ICD
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.10)	(0.08)	36.04%	Increased due to ICD int. related to Bloomdale Project charged to P&L for H2 and increase in loss due increase in Advertisement Exp. related to launch of Nestalgia Project
d)	Return of Equity	PAT	Networth	0.45	0.48	-5.93%	Variance is within limit
e)	Inventory Turnover ratio	COGS	Average Inventory	0.23	0.11	103.10%	Increased due to reduction in gross margin as compared to last year
f)	Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	4.65	2.65	75.68%	Increased due to addition of Nestalgia project customer balances in FY23
g)	Trade Payable turnover ratio	COGS	Trade payable (Average)	2.58	1.04	148.62%	Increased due to reduction in gross margin as compared to last year
h)	Net capital turnover ratio,	Average Networth	Turnover	(0.49)	(0.88)	-44.40%	Higher loss in current year due to increase in operating cost
i)	Net profit ratio	PAT	Revenue	(0.28)	(0.55)	-48.60%	Higher loss in current year due to increase in operating cost
j)	Return on Capital employed	PAT	Borrowing	(0.26)	(0.10)	157.73%	Increased due to ICD int. related to Bloomdale Project charged to P&L for H2 and increase in loss due increase in Advertisement Exp. related to launch of Nestalgia Project

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year.

Note No. 32 - Disclosure Of Struck Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note No. 33 - Discrepancies between books of accounts & quarterly statements submitted to banks

The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions as required by bank time to time.

Note No. 34 - Unhedged Foreign Currency Exposure

The Company has no foreign currency exposure during the current year and previous year.

Note No. 35 - Additional regulatory information

a) Details of benami property held

The company do not have any benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

c) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

e) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

f) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Note No. 36 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“”MCA””) notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to few IndAS namely

IndAS 101 - First time adoption of Ind AS

IndAS 102 - Share Based Payment

IndAS 103 - Business Combination

IndAS 107 - Financial Instruments: Disclosures

IndAS 109 - Financial Instruments

IndAS 115 - Revenue from Contracts with Customers

IndAS 1 - Presentation of Financial Statements

IndAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IndAS 12 - Income Taxes

IndAS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The company will assess and ensure appropriate compliances wherever applicable.

Note No. 37 - Leases

The company does not have any leasing arrangement during the year ended March 31, 2023.

Note No. 38 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 39 - Previous Year Figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year’s grouping/classification.

As per our report attached hereto

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 14th April 2023

For and on behalf of the Board of Directors
of Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 14th April 2023

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 14th April 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Industrial Park Chennai Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Industrial Park Chennai Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its Profit, total comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, we conclude that we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company and so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid/provided during the year by the Company to its directors.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company did not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         (b) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 23207704BGWLPU2239)

Place: Chennai
Date: 21 April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Industrial Park Chennai Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 23207704BGWLPU2239)

Place: Chennai
Date: 21 April 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work in Progress.

(a) (B) As the Company does not hold any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.

(b) The Property, Plant and Equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancy was noticed on such verification.

(c) According to the information and explanation given to us, immovable properties of land, whose title deeds have been mortgaged as security for loans are held in the name of the Company as per the Memorandum of Deposit of Title deeds executed by the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us, in respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or joint venture or associate during the year and hence reporting on clause (ix)(f) of the Order relating to loans raised during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit report issued to the Company covering the period January 2022 to December 2022 and the internal audit report was issued in April 2023.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b), (c) of the Order is not applicable.

(d) The Group has more than one Core Investment Company as part of the group. There are four Core Investment Companies forming part of the group.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 92,892,068 in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) This is relating to Consolidated Financial Statements. Accordingly, reporting under this clause (xxi) is not applicable to the company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 23207704BGWLPU2239)

Place: Chennai
Date: 21 April 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Lakhs)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4a	**2,518.19**	2,560.16
(b) Capital Work in Progress	4b	**–**	41.71
(c) Financial Assets			
(i) Other Financial Assets	5	**24.57**	4.82
(d) Deferred Tax Asset	6	**25.35**	355.46
		2,568.11	2,962.15
Current assets			
(a) Inventories	7	**18,718.60**	28,158.99
(b) Financial assets			
(i) Trade Receivables	8	**10,192.14**	46.77
(ii) Cash and Cash Equivalents	9	**104.02**	1,927.11
(iii) Other Financial Assets	5	**0.41**	3.98
(c) Other current assets	10	**560.63**	139.95
		29,575.80	30,276.80
Total Assets		**32,143.91**	33,238.95
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	**17,000.00**	17,000.00
(b) Other Equity			
(i) Securities Premium	12	**900.00**	900.00
(ii) Retained Earnings	12	**(529.04)**	(1,222.23)
Total Equity		**17,370.96**	16,677.77
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**6,538.08**	14,505.74
(ii) Other Financial Liabilities	14A	**0.02**	0.01
(b) Other Liabilities	14B	**49.11**	35.89
(c) Provisions	15	**16.35**	6.36
		6,603.56	14,548.00
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payable			
Total outstanding dues of micro enterprises and small enterprises	16	**57.52**	25.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	**1,351.49**	45.13
(ii) Other Financial Liabilities	14A	**4,299.86**	1,924.77
(b) Provisions	15	**4.07**	1.53
(c) Other Current Liabilities	17	**2,456.45**	16.49
		8,169.39	2,013.19
Total Equity and Liabilities		**32,143.91**	33,238.95
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 21st April, 2023

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Arvind Subramanian
Director
(DIN:02551935)

Parveen Prakash Mahtani
Director
(DIN:05189797)

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 18th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income			
Revenue from Operations	18A	**20,552.54**	66.94
Other Income	18B	**9.70**	11.93
Total income		**20,562.24**	78.86
Expenses			
Project Development Expenses		**6,715.42**	220.18
Decrease/(Increase) in inventories of work-in-progress and Construction materials	19	**9,440.38**	(1,007.05)
Operation & Maintenance	20	**152.51**	147.37
Employee Benefits Expenses	21	**466.05**	336.25
Depreciation Expenses	4	**104.32**	37.67
Finance Cost	22	**1,499.73**	1,141.65
Other expenses	23	**1,160.52**	176.70
Total Expense		**19,538.93**	1,052.77
Profit / (Loss) before tax		**1,023.31**	(973.91)
Tax expenses			
Current tax		**–**	–
Deferred tax		**330.11**	(244.91)
Total tax expenses		**330.11**	(244.91)
(Loss)/Profit for the year (A)		**693.20**	(729.00)
Other Comprehensive Income		**–**	–
Other Comprehensive Income for the year (B)		**–**	–
Total Comprehensive Income for the year (A+B)		**693.20**	(729.00)
Earnings per equity share	24		
Basic & Diluted			
Earnings per equity share (face value of Rs. 10/- each)		**0.41**	(0.43)
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 21st April, 2023

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Arvind Subramanian
Director
(DIN:02551935)

Parveen Prakash Mahtani
Director
(DIN:05189797)

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 18th April, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Cash flow from operating activities		
Profit/(Loss) for the year	**1,023.31**	(973.91)
Non-cash adjustment to reconcile profit before tax to net cash flows:		–
Depreciation	**104.32**	37.67
Interest Expense	**1,499.73**	1,141.65
Advances not recoverable and writtenoff	**–**	7.32
Operating Profit before working capital changes	**2,627.36**	212.73
Working Capital changes and other adjustments:		
Increase/(Decrease) in Trade payables	**1,338.61**	(298.55)
Increase/(Decrease) in Other Current Liabilities	**2,439.97**	(619.01)
Increase in Other Financial Liabilities- Current	**2,348.30**	20.38
Increase/(Decrease) in Other Financial Liabilities- Non Current	**(0.01)**	(32.09)
Increase/(Decrease) in Provisions	**12.53**	(4.89)
(Increase)/Decrease in Trade receivables	**(10,145.37)**	3,247.51
Decrease/(Increase) in Inventories	**9,440.39**	(1,007.05)
Increase in Other Financial assets	**(16.18)**	(4.23)
Decrease in Other Liabilities	**13.23**	35.89
Increase in Other Current Assets	**(168.83)**	(107.79)
Cash generated from operations	**7,890.00**	1,442.90
Direct taxes paid (net of refunds)	**(251.85)**	37.35
Net cash from/(used in) Operating activities (A)	**7,638.15**	1,480.25
Cash flows from Investing activities		
Payments for acquistion of property, plant and equipment	**(19.17)**	(270.24)
Net cash used in Investing activities (B)	**(19.17)**	(270.24)
Cash flows from Financing activities		
Proceeds from Inter Corporate Deposit	**1,800.00**	–
Repayment of Inter Corporate Deposit	**(1,800.00)**	–
Proceeds from Borrowings	**635.00**	2,531.60
Repayment of Borrowings	**(8,864.72)**	(833.45)
Interest Paid	**(1,212.35)**	(1,152.53)
Net cash from/(used in) Financing activities (C)	**(9,442.07)**	545.62
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(1,823.09)**	1,755.63
Cash and cash equivalents at the beginning of the period	**1,927.11**	171.48
Cash and cash equivalents at the end of the period	**104.02**	1,927.11
Components of cash and cash equivalents		
Cash on hand	**–**	–
With banks		
– on current account	**4.02**	27.11
– Deposit with original maturity of less than three months	**100.00**	1,900.00
Total cash and cash equivalents	**104.02**	1,927.11

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’ under Section 133 of Companies Act 2013

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 21st April, 2023

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Arvind Subramanian
Director
(DIN:02551935)

Parveen Prakash Mahtani
Director
(DIN:05189797)

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 18th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

Particulars	No. of Shares	Amount in Lakhs
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2021	17,00,00,000	17,000.00
Issued during the year	–	–
At 31 March, 2022	**17,00,00,000**	**17,000.00**
Issued during the year	–	–
As at 31 March, 2023	**17,00,00,000**	**17,000.00**

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained earnings	Total
As at 1 April, 2021	900.00	(493.24)	406.76
(Loss) for the year	–	(729.00)	(729.00)
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March, 2022	**900.00**	**(1,222.23)**	**(322.23)**
Profit for the year	–	693.20	693.20
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March, 2023	**900.00**	**(529.04)**	**370.96**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 21st April, 2023

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Arvind Subramanian
Director
(DIN:02551935)

Parveen Prakash Mahtani
Director
(DIN:05189797)

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 18th April, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. General Information

Mahindra Industrial Park Chennai Limited ("the Company") was incorporated on December 22, 2014. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company is developing a 307-acre Industrial Park in North Chennai on NH 15.

The Company is a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation SC of Japan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from Sub- Lease of Land

The agreement to long term sub-lease of land, including development and provision of infrastructure facilities/services, where substantial risk & rewards are conveyed to the sub-lessee, is considered as sale of land. The Land lease premium is recognised as income upon creation of leasehold rights in favour of the sub-lessee or upon an agreement to create leasehold rights with handing over the possession.

2.3.3 Income from sale of land

Revenue from sale is recognized upon transfer of title to the acquirer.

2.3.4 Income from Operation & Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the financial year.

2.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Goods and Services Tax (GST)

GST credit on materials purchased/services availed for construction / Input services are taken into account at the time of purchase. GST input credit is accounted for in the books in the period in which the underlying service / goods received is accounted and when there is no uncertainty in availing/ utilising the credits. GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on lease of land. The unutilised GST credit is carried forward in the books.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.9 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the Statement of profit and loss.

2.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.14.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.14.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.14.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.15.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.15.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in the retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4 a. Property, Plant and Equipment

Current Year 2022-23:

(Rs. In Lakhs)

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2022	862.86	476.47	1,238.26	29.48	5.58	8.21	2,620.85
Additions	–	–	55.44	0.78	–	6.13	62.35
Disposals	–	–	–	–	–	–	–
Balance as at 31 March, 2023	**862.86**	**476.47**	**1,293.70**	**30.26**	**5.58**	**14.34**	**2,683.20**
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2022	–	7.52	35.90	5.57	5.58	6.12	60.69
Depreciation expense for the year	–	15.09	82.42	4.72	–	2.09	104.32
Eliminated on disposal of assets	–		–	–	–	–	–
Balance as at 31 March, 2023	**–**	**22.61**	**118.32**	**10.28**	**5.58**	**8.21**	**165.01**
III. Net carrying amount (I-II)							
Balance as at 31 March, 2023	**862.86**	**453.85**	**1,175.38**	**19.97**	**–**	**6.13**	**2,518.19**

Previous Year 2021-22:

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2021	862.86	–	6.59	5.84	5.58	6.87	887.73
Additions	–	476.47	1,231.67	23.64	–	1.34	1,733.11
Disposals	–	–	–	–	–	–	–
Balance as at 31 March, 2023	**862.86**	**476.47**	**1,238.26**	**29.48**	**5.58**	**8.21**	**2,620.85**
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2021	–	–	6.59	5.34	5.58	5.50	23.02
Depreciation expense for the year	–	7.52	29.31	0.22	–	0.62	37.67
Eliminated on disposal of assets	–	–	–	–	–	–	–
Balance as at 31 March, 2023	**–**	**7.52**	**35.90**	**5.57**	**5.58**	**6.12**	**60.69**
III. Net carrying amount (I-II)							
Balance as at 31 March, 2023	**862.86**	**468.94**	**1,202.36**	**23.91**	**–**	**2.08**	**2,560.16**

Refer notes on accounts for Company's policy on recognition and measurement of Property Plant , Equipment and Depreciation Methods used.

* These lands are held in the name of the Company and given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A (iii)

4 b. Capital work in progress

Movement of Capital work in progress

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**41.71**	1,676.21
Additions	**12.37**	98.61
Subtotal	**54.08**	1,774.82
Capitalised during the year	**(54.08)**	(1,733.11)
Closing Balance	**–**	**41.71**

4.2 Capital Work-in-Progress

(Rs. In Lakhs)

Description of Assets	Origins-WTP, STP & Other Assets	
	As at March 31, 2023	As at March 31, 2022
Capital Work-in-Progress	**–**	41.71
Origins-WTP, STP & Other Assets		
Less than 1 year*	**–**	41.71
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Total	**–**	41.71
Total	**–**	41.71

* Capital work in progress as at 31 March 2022 represents cost of borewells and connected works

There are no items under capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. Other Financial assets

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Security Deposits	**24.57**	4.82
Current		
Interest accrued on Fixed Deposit	**0.41**	3.98
Total Other Financial assets	**24.98**	8.80

6. Income Tax

(a) Income Tax recognised in profit or loss

(Rs. In Lakhs)

Particulars	March 31, 2023	March 31, 2022
Deferred Tax:	**330.11**	(244.91)
Total income tax expense on income from operations	**330.11**	(244.91)

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. In Lakhs)

Particulars	March 31, 2023	March 31, 2022
Profit before tax	**1,023.31**	(973.91)
Applicable Income tax rate	**25.17%**	25.17%
Expected Income tax expense	**257.55**	(245.11)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect in deferred tax asset due to changes in tax rates in current year	**–**	–
Effect of other permanent differences	**0.26**	0.20
Others (Including c/f losses)	**72.30**	0.00
Reported income tax expense	**330.11**	(244.91)

(c) Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
	For the Year ended 31 March, 2023			
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	**–**	**–**	**–**	**–**
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	**1.99**	**3.15**	**–**	**5.14**
Carry Forward of Losses	**370.31**	**(294.34)**	**–**	**75.97**
Property, Plant and Equipment	**(16.83)**	**(38.93)**	**–**	**(55.76)**
Total Deferred Tax Asset/ (Liability)	**355.47**	**(330.12)**	**–**	**25.35**
Net Deferred Tax Asset/ (Liability)	**355.47**	**(330.12)**	**–**	**25.35**

(Rs. In Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
	For the Year ended 31 March, 2022			
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	**–**	**–**	**–**	**–**
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	**3.22**	**(1.23)**	**–**	**1.99**
Carry Forward of Losses	**103.23**	**267.08**	**–**	**370.31**
Property, Plant and Equipment	**4.10**	**(20.93)**	**–**	**(16.83)**
Total Deferred Tax Asset	**110.55**	**244.91**	**–**	**355.47**

As per IND AS -12 , Taxes on Income, Deferred tax assets shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Management expects with reasonable probability to generate adequate taxable profits to set off the carry forward losses in the near future.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

7. Inventories

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Work in progress		
(representing cost of land and development expenditure including borrowing costs)	**18,678.56**	28,113.85
Materials in stock	**40.04**	45.14
Total Inventories	**18,718.60**	28,158.99

7.1 Inventories are stated at the lower of cost and net realisable value.

7.2 These lands included under work in progress are given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A(iv).

7.3 The Cost of projects charged to Statement of Profit and Loss in respect of lands given on lease during the year is Rs. 17,103.34 Lakhs (Previous Year: NIL).

8. Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables:		
Unsecured Considered Good	10,192.14	46.77
Less:Allowance for expected credit losses	–	–
Total Trade Receivables	**10,192.14**	46.77

8a Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Undisputed Trade Receivables - Considered good - unsecured		
Not Due		
0 months - 6 months	10,180.28	29.96
6 months -1 year	11.86	16.81
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Trade Receivables - Credit impaired		
Not Due	–	–
0 months - 6 months	–	–
6 months -1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	**10,192.14**	46.77

9. Cash and bank balances

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents		
Cash on hand	–	–
Balances with banks:		
- On current account	**4.02**	27.11
- Deposits with original maturity of less than three months	**100.00**	1,900.00
Total Cash and cash equivalents	**104.02**	1,927.11

10. Other current assets

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances to suppliers		
Unsecured considered good	**262.61**	–
	262.61	–
Others		
Prepaid expenses	**14.41**	19.91
Balances with statutory / government authorities	**–**	90.18
Income tax balances	**281.71**	29.86
Other Receivables	**1.90**	–
	298.02	139.95
Total Other current Assets	**560.63**	139.95

11. Share capital

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**17,000.00**	17,000.00
	17,000.00	17,000.00
Issued, subscribed and fully paid-up shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**17,000.00**	17,000.00
Total issued, subscribed and fully paid-up share capital	**17,000.00**	17,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Rs. In Lakhs)

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares			
Year Ended March 31, 2022			
No. of Shares	17,00,00,000	–	17,00,00,000
Amount	17,000	–	17,000
Year Ended March 31, 2023			
No. of Shares	**17,00,00,000**	**–**	**17,00,00,000**
Amount	**17,000**	**–**	**17,000**

(ii) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2023 Number of shares held	% holding	As at 31st March, 2022 Number of shares held	% holding	% change during the period
Equity shares with voting rights					
Sumitomo Corporation	**6,80,00,000**	**40.00%**	6,80,00,000	40.00%	0.00%
Mahindra World City Developers Limited	**10,20,00,000**	**60.00%**	10,20,00,000	60.00%	0.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(a) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having a par value of INR 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends if any proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2023 No.	As at 31 March, 2023 % holding in the class	As at 31 March, 2022 No.	As at 31 March, 2022 % holding in the class
Equity shares with voting rights				
Mahindra World City Developers Limited................	**10,20,00,000**	**60%**	10,20,00,000	60%
Sumitomo Corporation, Japan	**6,80,00,000**	**40%**	6,80,00,000	40%
(The above Enterprises have joint control over the Company)				

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained earnings	Total
As at 1 April, 2021.........................	900.00	(493.24)	406.76
(Loss) for the year..........................	–	(729.00)	(729.00)
Other Comprehensive Income	–	–	–
As at 31 March, 2022....................	900.00	(1,222.24)	(322.24)
Profit for the year	–	693.20	693.20
Other Comprehensive Income	–	–	–
As at 31 March, 2023....................	**900.00**	**(529.04)**	**370.96**

Description of the nature and purpose of Other Equity:

Security premium: Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilisation in accordance with the Provisions of the Companies Act, 2013.

Retained earnings: The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

13A. Non current borrowings

Details of Long term Borrowings of the Company:

(Rs. In Lakhs)

Description of the instrument	Currency of Loan	Effective Interest Rate used for Discounting Cashflows	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Amortised cost as at 31 March, 2023	Amortised cost as at 31 March, 2022
A. Secured Borrowings:							
a) Term Loans							
From HDFC Limited..	INR	10.85	8% - 12%	Quarterly Instalment	16	**6,538.08**	14,648.34
Total Secured Borrowings						**6,538.08**	14,648.34
Less:							
Current maturities of the above - Refer Note 14A & Note 13A(ii)						–	142.60
Non current borrowing						**6,538.08**	14,505.74

Term Loan from HDFC Limited

(i) Term Loan carries an interest Linked to CF-PLR with a negative spread of 275 bps, Current rate of interest is 11.55% payable annually at the end of every September. The company has prepaid the term loan for 65.84 Crs and the next installment is due on 31st December, 2025.

(ii) In December 2021 the company availed a term loan under Emergency Credit Line Gurantee Scheme (ECLGS) from HDFC Limited of INR. 22.81 Crores at a prescribed percentage of the loan outstanding from HDFC as refered in (i) above. The loan is repayable at 48 monthly installments of INR 4,753,334 each from 13th month of the draw down, i.e. from January 2023. The loan carries an Interst rate of HDFC's CFPLR - 275 basis points and payable on a monthly basis and Currently the ECLGS Loan has been fully repaid during the current financial year.

(iii) In November 2019, HDFC Ltd has mandated opening of an Escrow account in which all lease proceeds shall be deposited, of which 30% shall be adjusted against the principal outstanding and accordingly 30% of lease premium since received has been used in repayment of principal.

(iv) The Term loan is secured by equitable Mortgage by deposit of title deeds of 229.115 acres of land at Origins, Gummidipoondi taluk. The charge on land gets released by the banker as when the company enters into a lease agreeement. The loan availed under ECLGS is secured by way of first charge created on assets acquried or created out of the scheme and second charge on the security offered for the existing term loan from HDFC. Out of the Lands Mortgaged of 229.115 acres, 48.23 acres of land has been discharged and NOC has been obtained for 125.71 acres.

(v) There are no defaults in case of payment of interest or principal repayments in respect of the above borrowings.

(vi) There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

(vii) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(viii) Term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

14 A. Other Financial liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
Security advances from lessees	**0.02**	0.01
	0.02	0.01
Current		
Current maturities of long term borrowing - Refer Note 13	**–**	142.60
Capital Creditors*	**75.60**	74.14
Interest accrued but not due- Refer Note 13(i)	**714.52**	546.59
Accrued expenses	**3,509.74**	1,161.44
	4,299.86	1,924.77
Total Other Financial Liabilities	**4,299.88**	1,924.78

* Capital creditors include payables to vendors registered under MSMED Act INR 18.97 Lakhs/- (Previous year INR 23.45 Lakhs) and majorly represents the retention money payable to the vendors.

14 B. Other Liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unearned Income*	**42.83**	30.89
Other Deposits	**6.04**	5.00
Advances received from customers	**0.25**	–
Total Other Financial Liabilities	**49.11**	35.89

* Represents IND AS adjustment for secutity advances received from lessees.

15. Provisions

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
Provision for Gratuity	**10.04**	3.73
Provision for Compensated Absences	**6.31**	2.63
Total Non Current Provisions	**16.35**	6.36
Current		
Provision for Gratuity	**2.16**	0.84
Provision for Compensated Absences	**1.91**	0.69
Total Current Provisions	**4.07**	1.53

16. Trade Payables

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade payable - Micro and small enterprises (Refer Note 30)	**57.52**	25.27
Trade payable - Other than micro and small enterprises	**1,351.49**	45.13
	1,409.01	70.41

16 b Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Undisputed dues of micro enterprises and small enterprises		
Unbilled		
Not Due	57.52	25.27
0- 30 Days	–	0.01
31 Days - 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due	1,351.49	45.11
0- 30 Days		–
30 Days - 1 year		–
1-2 Years		0.02
2-3 years		–
More than 3 years		–
Total	**1,409.01**	70.41

17. Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payable	2,456.45	16.49
Total Other Current Liabilities	**2,456.45**	16.49

18A. Revenue from Operations

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Land Lease Premium*	20,452.64	–
Operations & Maintenance income	99.90	66.94
Total Revenue from Operations	**20,552.54**	66.94

* Land Lease premium includes sub-lease of 6.905 acres of lands to customers, which had been obtained on lease from Mahindra World City Developers Limited (MWCDL) for 99 years.

18B. Other Income

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on income tax refund	1.02	5.02
Professional Fees	–	6.91
Track Rental	0.49	–
Misc. Income	8.19	–
Total Other Income	**9.70**	11.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

19. Decrease/(Increase) in inventories of work-in-progress and materials in stock

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Stock		
Work-in-progress*	**28,113.85**	27,095.15
Materials in stock	**45.14**	56.78
Total Opening Stock	**28,158.99**	27,151.93
Closing Stock		
Work-in-progress*	**18,678.57**	28,113.85
Materials in stock	**40.04**	45.14
Total Closing Stock	**18,718.61**	28,158.99
Total Decrease/(Increase) in inventories of work-in-progress and materials in stock	**9,440.38**	(1,007.05)

* Work-in-progress includes cost of land, development expenditure and borrowing costs inventorised.

20. Operation and Maintenance Expenses

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Repairs & Maintenance	**12.39**	34.70
Security	**48.99**	45.68
Electrical & Mechanical Maintenance	**16.99**	9.78
Housekeeping	**22.77**	16.87
Power & Fuel	**26.01**	11.10
Landscaping maintenance	**12.63**	9.53
Other Expenses	**12.74**	19.71
Total Operation and Maintenance Expenses	**152.51**	147.37

21. Employee Benefits Expense

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries & Wages	**449.76**	326.81
Contribution to provident and other funds	**9.40**	4.58
Staff welfare expenses	**6.90**	4.85
Total Employee Benefits Expense	**466.05**	336.25

22. Finance Costs

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on Term Loan	**1,454.87**	1,141.65
Interest on ICD	**44.86**	–
Total*	**1,499.73**	1,141.65
* Of the above, interest cost added to Work in progress inventory	**947.54**	786.87
Interest earned out of temporary parking of borrowed funds and netted off against this expense:	**33.19**	18.24

Analysis of Interest Expenses by Category

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Expenses		
On Financial Liability at Amortised Cost	**1,499.73**	1,141.65

23. Other expenses

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent*	**10.70**	8.64
Legal and professional fees	**40.71**	64.43
Payment to auditor (Refer details below)	**10.15**	10.15
Commission	**920.36**	–
Foreign Exchange Loss	**–**	1.81
Advertisement, Marketing & Business Development	**119.55**	45.98
Travelling & Conveyance	**20.83**	15.35
Directors Sitting fees	**0.80**	1.00
Printing & Stationery	**1.85**	1.10
Rates & Taxes incl. ROC filing fees	**0.83**	0.89
Repairs & Maintenance	**16.37**	5.55
Communication and network expenses	**16.53**	13.27
Donations	**1.05**	0.80
Bank Charges	**0.04**	0.04
Miscellaneous Expenses	**0.75**	0.38
Advances not recoverable and written off	**–**	7.32
Total Other expenses	**1,160.52**	176.70

* towards operating lease of premises occupied by the company, cancellable at the option of both the parties to the lease.

(Rs. In Lakhs)

Payment to auditor (excluding taxes)	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Audit Fees	**8.00**	8.00
Limited Review	**2.00**	2.00
Out of Pocket Expenses	**0.15**	0.15
	10.15	10.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

24. Earnings per share (EPS)

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2023 Per Share	For the year ended 31 March, 2022 Per Share
Basic/Diluted Earnings per share		
From continuing operations (INR) per share	**0.41**	(0.43)
Total basic/diluted earnings per share	**0.41**	(0.43)

Basic/Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic / diluted earnings per share are as follows:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year attributable to owners of the Company	**693.20**	(729.00)
Weighted average number of equity shares	**17,00,00,000.00**	17,00,00,000.00
Earnings per share from continuing operations - Basic/ Diluted	**0.41**	(0.43)

25. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 9,39,818 (Previous Year : INR 4,58,152) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 21 Employee benefits expense. The details of actuarial valuation are given below:

(Rs. In Lakhs)

		Gratuity (Un-Funded) 2022-23	Gratuity (Un-Funded) 2021-22
i.	**Net Asset/ (Liability) recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**12.21**	4.57
	Fair Value of Plan assets	**–**	–
	Liability (Asset) recognised in the balance sheet	**12.21**	4.57
ii.	**Expense recognized in the Statement of Profit & Loss**		
	Past service cost	**–**	–
	Current Service cost	**0.55**	1.79
	Interest cost	**0.28**	0.41
	Expected return on plan assets	**–**	–
	Actuarial (gains)/Losses	**0.39**	(3.93)
	Total expenses	**1.22**	(1.73)
iii.	**Amounts recognized in other comprehensive income**	**–**	–

(Rs. In Lakhs)

		Gratuity (Un-Funded) 2022-23	Gratuity (Un-Funded) 2021-22
iv.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**4.57**	6.30
	Past service cost	**–**	–
	Current Service cost	**0.55**	1.79
	Interest Cost	**0.28**	0.41
	Liability transferred in	**7.46**	–
	Actuarial (Gains) /Losses	**0.39**	(3.93)
	Benefits Paid	**(1.05)**	–
	Present value of the obligation as at the end of the year	**12.21**	4.57
v.	**Principal actuarial assumptions**		
	Discount Rate	**7.31%**	6.20%
	Salary Growth Rate	**10.00%**	10.00%
	Attrition rate	**21.21%**	20.00%

vi Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount Rate **	**2023**	**1.00%**	**11.77**	**12.68**
	2022	0.50%	4.46	4.69
Salary Growth Rate	**2023**	**1.00%**	**12.66**	**11.78**
	2022	0.50%	4.70	4.46

Maturity profile of defined benefit obligation:

	2022-23	2021-22
Year 1	**2.16**	0.74
Year 2	**1.87**	0.65
Year 3	**1.61**	0.57
Year 4	**1.43**	0.59
Year 5	**1.54**	0.53
Next 5 Years	**6.08**	1.82

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Discount rate**	**7.31%**	6.20%
Salary Growth rate	**10.00%**	10.00%
Attrition rate	**21.21%**	20.00%

** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

26. Related party disclosures

Names of related parties and related party relationship

Enterprises having joint control over the Company:	Mahindra World City Developers Limited Sumitomo Corporation, Japan	
Ultimate Holding Company	Mahindra & Mahindra Limited	
Holding Company	Mahindra Lifespace Developers Limited	
Fellow Subsidiary	Mahindra Integrated Business Solutions Private Limited	
Fellow Subsidiary	Mahindra Logistics Limited	
Fellow Subsidiary	Mahindra Consulting Engineers Limited (Upto 16th March, 2023)	
Fellow Subsidiary	Mahindra Bloomdale Developers Limited	
Key managerial persons:	Chief Financial Officer	During FY22, Mr. Chaitanya Cherukuri, Chief Financial Officer of the Company resigned from the Company with effect from 9th October, 2021 and he was on the rolls of Mahindra Industrial Park Chennai Limited.
		Ms. Bharathy K had been appointed as CFO w.e.f 10th January, 2022 and resigned from the Company w.e.f. 28th October, 2022 and she was on the rolls of Mahindra World City Developers Limited.
		Mr. Bhaskar Pulipati has been appointed as CFO w.e.f 18th April, 2023 and he is on the rolls of the Mahindra World City Developers Limited.
	Company Secretary	During FY23, Mr. Aman Desai, Company Secretary resigned from the Company with effect from 28th November, 2022 and he was on the rolls of Mahindra Industrial Park Chennai Limited.
		Mr. Antaryami Sahoo has been appointed as Company Secretary w.e.f 18th April, 2023 and he is on the rolls of the Mahindra World City Developers Limited.
	Chief Executive officer	During FY22, Mr. Vaibhav Mittal, Chief Executive Officer of the Company resigned from the Company with effect from 31st January, 2022 and he was on the rolls of Mahindra Industrial Park Chennai Limited.
		Mr. Karkala Rajaram Pai has been appointed as Chief Executive Officer w.e.f 20th April, 2022 and he is on the rolls of the Mahindra Lifespace Developers Limited.

Related party transactions **(Previous year figures in brackets)**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In Lakhs)

Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	Mahindra Consulting Engineers Limited (Refer Note-A)	Mahindra Bloomdale Developers Limited (Refer Note-B)	Mahindra Lifespace Developers Limited	Mahindra Logistics Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra & Mahindra Limited	KMP
Purchase of Land	**31-Mar-23**	**673.40**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
Purchase of Leasehold land	**31-Mar-23**	**1,960.45**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
Project Management expense charged	**31-Mar-23**	**920.40**	**–**	**201.22**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	(183.80)	–	–	–	–	–	–
Professional services received by the Company	**31-Mar-23**	**33.73**	**–**	**49.05**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	(52.50)	–	(14.28)	–	–	–	–	–	–
Commission	**31-Mar-23**	**184.79**	**735.57**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
Professional services charged by the Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	(8.15)	–	–	–	–	–	–	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Lakhs)

Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	Mahindra Consulting Engineers Limited (Refer Note-A)	Mahindra Bloomdale Developers Limited (Refer Note-B)	Mahindra Lifespace Developers Limited	Mahindra Logistics Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra & Mahindra Limited	KMP
Others Services received	**31-Mar-23**	**–**	**–**	**–**	**–**	**14.33**	**3.15**	**3.45**	**27.93**	**–**
	31-Mar-22	–	–	–	–	(12.74)	(6.35)	(9.70)	(17.86)	–
Interest Paid	**31-Mar-23**	**–**	**–**	**–**	**44.86**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
ICD Loan Taken	**31-Mar-23**	**–**	**–**	**–**	**1,800.00**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
ICD loan Repaid	**31-Mar-23**	**–**	**–**	**–**	**1,800.00**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	–
Remuneration to Key managerial persons										
- Business Head (Chief Executive Officer)	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	(76.17)
- Company Secretary	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**8.03**
	31-Mar-22	–	–	–	–	–	–	–	–	(8.41)
- Chief Financial Officer	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–	–	–	–	(15.24)
- Director Sitting fees	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1.00**
	31-Mar-22	–	–	–	–	–	–	–	–	(1.20)

The following table provides the balances with related parties as on the relevant date:

Nature of Balances with Related Parties	Balance as on	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	Mahindra Consulting Engineers Limited (Refer Note-A)	Mahindra Bloomdale Developers Limited (Refer Note-B)	Mahindra Lifespace Developers Limited	Mahindra Logistics Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra & Mahindra Limited	KMP
Payable	**31-Mar-23**	**562.09**	**662.01**	**–**	**–**	**13.25**	**–**	**0.52**	**8.64**	**–**
	31-Mar-22	(5.20)	–	(13.07)	–	(2.92)	(0.57)	(0.13)	(3.66)	–

(A) Mahindra & Mahindra entered into a Share Purchase Agreement with Artelia Holding SAS (Artelia) for sale of its entire stake in Mahindra Consulting Engineers, a subsidiary of the Company (MCEL) i.e. 60.88% of the Paid-Up Equity Share Capital of MCEL comprising of 11,51,000 Equity Shares of Rs. 10 each to Artelia, at a price of Rs. 89.66 per share for an aggregate consideration of Rs. 10,31,98,660. The relationship ceases between MIPCL and MCEL on 16th March, 2023.

(B) During the year an Intercorporate deposit (ICD) has been obtained from Mahindra Bloomdale Developers Limited for an amount of 18 Crores. The ICD was disbursed on 30th September, 2022 with an interest rate carrying 8.00% p.a. and repayable after 3 months from the date of disbursement. As on 29th December, 2022 the Balance ICD payable of 13 Crores was rolled over for another 6 months and rate of interest was revised to 8.95% p.a. The ICD repaid along the interest on 7th February, 2023. The ICD was utilised by MIPCL for working capital purpose including purchase of land (Inventory).

27. Fair Values

The following tables show the carrying amount and fair values of financial assets and financial liabilities by categories:

(Rs. In Lakhs)

Particulars	Carrying Value 31-Mar-23	Carrying Value 31-Mar-22	Fair value as at 31-Mar-23	Fair value as at 31-Mar-22
Financial assets				
Cash and Cash Equivalents	**104.02**	1,927.11	**104.02**	1,927.11
Other Financial Assets	**24.98**	8.80	**24.98**	8.80
Trade Receivables	**10,192.14**	46.77	**10,192.14**	46.77
Total financial assets	**10,321.13**	1,982.69	**10,321.13**	1,982.69
Financial liabilities				
Borrowings	**6,538.08**	14,505.74	**6,538.08**	14,505.74
Short Term Loans	**–**	–	**–**	–
Trade Payables	**1,409.01**	70.41	**1,409.01**	70.41
Other Financial Liabilities	**4,299.88**	1,924.78	**4,299.88**	1,924.78
Total financial liabilities	**12,246.97**	16,500.93	**12,246.97**	16,500.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow analysis.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

28. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

Estimates

Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under development is assessed with reference to the market prices at the reporting date less estimated costs to complete the development and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the development are estimated by management.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

29. Ratios

(Rs. In lakhs)

	Particulars	Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	3.62	15.04	(75.93%)	Decrease in current ratio is mainly on account of Increase in current liabilities during the CY i.e. statutory dues payables at the end of FY 2022-23 is more than FY 2021-22 by INR 24 Crs. and COC Provisions created during the year for 30.96 Crs.
b)	Debt Equity Ratio	Debt	Equity	0.42	0.91	(54.17%)	Decrease in Debt equity ratio is mainly on account of repayment of borrowings during the year
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Serviced	0.13	(0.17)	(180.79%)	Improvement in DSCR is mainly on account of Increase in Operating Revenue as compared to previous year and repayment of borrowings during the year
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	4.07%	(4.28%)	(195.19%)	Increase in Operating Revenue as compared to previous year
e)	Inventory Turnover ratio	Cost of Sales	Average Inventory	0.73	–	–	Increase in Operating Revenue leading to increase in cost of sales as compared to previous year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	4.01	0.04	9,918.14%	Increase in Operating Revenue as compared to previous year

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lakhs)

	Particulars	Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Variance	Reason for material variance
g)	Trade Payable turnover ratio	Purchases	Average Trade payable	11.48	4.01	186.51%	Increase in Project Expenses as compared to previous year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital	104.15%	42220.03%	(99.75%)	Increase in Operating Revenue as compared to previous year
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	3.37%	(1,088.97%)	(100.31%)	Increase in Operating Revenue as compared to previous year
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	10.55%	0.54%	1,870.76%	Increase in Operating Revenue as compared to previous year and repayment of borrowings during the year.
k)	Return on investment						Not applicable as the Company does not have any investments

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Dues remaining unpaid		
Principal	57.52	25.27
Interest	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

31. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

The company is not subject to any externally imposed capital requirements.

Debt-to-equity ratio as of 31 March, 2023 and 31 March, 2022 is as follows:

(Rs. In Lakhs)

	31-Mar-2022	31-Mar-2021
Debt (A)	**7,252.60**	15,194.93
Equity (B)	**17,370.96**	16,677.77
Debt Equity Ratio (A/B)	**0.42**	0.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Categories of financial assets and financial liabilities

(Rs. In Lakhs)

	As at 31st March, 2023			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non- Current Assets				
Other financial assets	**24.57**	**–**	**–**	**24.57**
Current Assets				
Trade Receivables	**10,192.14**	**–**	**–**	**10,192.14**
Cash and Cash equivalents	**104.02**	**–**	**–**	**104.02**
Other financial assets	**0.41**	**–**	**–**	**0.41**
	10,321.14	**–**	**–**	**10,321.14**
Non-current Liabilities				
Borrowings......................	**6,538.08**	**–**	**–**	**6,538.08**
Other financial liabilities .	**0.02**	**–**	**–**	**0.02**
Current Liabilities				
Trade Payables	**1,409.01**	**–**	**–**	**1,409.01**
Other financial liabilities .	**4,299.86**	**–**	**–**	**4,299.86**
	12,246.97	**–**	**–**	**12,246.97**

(Rs. In Lakhs)

	As at 31st March, 2022			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Other financial assets	4.82	–	–	4.82
Current Assets	–	–	–	–
Trade Receivables	46.77	–	–	46.77
Cash and Cash equivalents	1,927.11	–	–	1,927.11
Other financial assets	3.98	–	–	3.98
	1,982.69	–	–	1,982.69
Non-current Liabilities				
Borrowings	14,505.74	–	–	14,505.74
Other financial liabilities	0.01	–	–	0.01
Current Liabilities	–	–	–	–
Trade Payables	70.41	–	–	70.41
Other financial liabilities	1,924.77	–	–	1,924.77
	16,500.93	–	–	16,500.93

32. Financial Risk Management Framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are directly derived out of equity.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The Company has not created any Investments of surplus funds in any other instruments as of date and hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. In Lakhs)

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
31-Mar-23				
Trade and other payables..................	**1,409.01**	**–**	**–**	**–**
Variable interest rate instruments.......	**–**	**951.00**	**5,625.00**	**–**
Total	**1,409.01**	**951.00**	**5,625.00**	**–**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31-Mar-22				
Trade and other payables	**70.41**	**–**	**–**	**–**
Variable interest rate instruments.......	**142.60**	**7,324.17**	**7,181.57**	**–**
Total	**213.01**	**7,324.17**	**7,181.57**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company undertakes transactions denominated in foreign currencies only for Marketing commission payments to the Joint Venturer Sumitomo Corporation, Japan.

The company has not hedged its foreign currency risk by way of Forward Covers and other derivative instruments.

The Company has an unhedged foreign exchange exposure as at 31 March 2023 is as follows:

(Figures In lakhs)

Particulars	Currency	Amount in Foreign Currency	Amount in INR.
Trade Payable	USD	8.95	662.01

Currency Risk Sensitivity

The following sensitivity analysis shows the effects on profit before tax of 1% increase/decrease in exchange rates versus closing exchange rates at 31st March 2023:

(Rs. In lakhs)

Particulars	Increase / decrease in basis points	Effect on financial statements (Increase)/Decrease
31-Mar-23		
INR	+100	(7.35)
INR	-100	7.35

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

As at 31st March, 2023 and 31st March, 2022 100% of borrowings are at Variable interest rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. In Lakhs)

	Increase/ decrease in basis points	Effect on financial statements* (Increase)/ Decrease
31-Mar-23		
INR	**+50**	(33)
INR	**-50**	33
31-Mar-22		
INR	+50	(73)
INR	-50	73

* Since the finance cost of the company is being capitalised to qualifying assets, the impact as above will be on the carrying value of inventory in addition to profits for the year.

33. Capital & other Commitments

There are no contracts remaining to be executed towards construction of capital assets as at March 31, 2023 (As at March 31, 2022- NIL).

34. Segment information

Based on the internal reporting provided to the Chief Operating Decision Maker (CODM), business of acquiring, development and maintenance of industrial parks is the only reportable segment of the Company. Accordingly, the amounts appearing in these financial statements relate to this operating segment. Further the company does not have any separate geographic segment other than India.

35. Additional Regulatory Information

1) **Details of benami property held**

   No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2) **Relationship with struck off companies**

   The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

3) **Wilful defaulter**

   The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

4) **Utilisation of borrowed funds and securities premium**

   The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

5) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

6) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

7) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

8) Whistle Blower-

During the year ended March 31, 2023 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

9) Discrepancies between books of accounts & quarterly statements submitted to banks-

The Company has availed term loan from HDFC towards project development activities which is secured by way of equitable mortgage by deposit of title deeds and accordingly no quarterly statements are to be submitted by the Company to HDFC. Also, the company has not availed any working capital facility during the year.

36. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“”MCA””) notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to few IndAS namely

IndAS 101 - First time adoption of Ind AS

IndAS 102 - Share Based Payment

IndAS 103 - Business Combination

IndAS 107 - Financial Instruments: Disclosures

IndAS 109 - Financial Instruments

IndAS 115 - Revenue from Contracts with Customers

IndAS 1 - Presentation of Financial Statements

IndAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IndAS 12 - Income Taxes

IndAS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The company shall assess and ensure appropriate compliances wherever applicable.

37. Other Notes

i. The Company does not have any pending litigations which will impact its financial position as at March 31, 2023

ii. The Company did not have material foreseeable losses in respect of long-term contracts and the Company did not have any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has not made any donations to Political parties during the year

v. As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions relating to Corporate Social Responsibility (CSR) are currently not applicable to the Company.

38. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

39. Regrouping and Reclassification

Previous period / year figures have been regrouped / reclassified where found necessary, to conform to current period / year classification.

40. Approval of financial statements

The financial statements were approved for issue by the Board of directors in their meeting held on April 18, 2023.

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 21st April, 2023

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Arvind Subramanian
Director
(DIN:02551935)

Parveen Prakash Mahtani
Director
(DIN:05189797)

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Antaryami Sahoo
Company Secretary
(ACS: 30241)

Place: Chennai
Date: 18th April, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA HOMES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Homes Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report (herein referred to as "other information"), but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      (b) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding,

whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJFZ4312

Place: Mumbai
Date: April 19, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Homes Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJFZ4312

Place: Mumbai
Date: April 19, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Homes Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the Company does not hold any intangible assets, reporting under clause 3(i)(a) of the Order is not applicable.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than administrative block and project facilities, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. For stock of raw materials held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of certain current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising unaudited financial results and unhedged foreign currency exposures filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2022, September 30, 2022 and December 31, 2022 and no material discrepancies have been observed. The Company is yet to submit the statement for the quarter ended March 31, 2023 with the banks.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of Statutory Dues referred to in sub clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	153.76	FY 2015-16 to FY 2017-18	Joint Commissioner
Finance Act, 1994	Service Tax	74.58	FY 2014-15 to FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	51.20	FY 2014-15 to FY 2017-18	Additional Commissioner
Finance Act, 1994	Service Tax	1,885.00	FY 2013-14 to FY 2017-18	Principal Commissioner

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) Loans amounting to Rs. 4,877.36 Lakhs outstanding as at March 31, 2023 are repayable on demand. According to the information and explanations given to us, such loans have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans (including loans repayable on demand) or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company (during the year) covering the period upto December 2022, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are four CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJFZ4312

Place: Mumbai
Date: April 19, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	**28.14**	21.25
(b) Financial Assets	10		
Other Financial Assets		**310.72**	294.46
(c) Deferred Tax Asset (Net)	4	**2,753.15**	–
(d) Other Non-current assets	5	**715.68**	579.89
Total Non-current Assets		**3,807.69**	895.60
2 Current assets			
(a) Inventories	6	**28,322.95**	26,337.33
(b) Financial assets			
(i) Investments	7	**304.03**	–
(ii) Trade Receivables	8	**3,462.71**	371.07
(iii) Cash and Cash Equivalents	9	**676.09**	287.71
(iv) Bank Balances other than (iii) above	9	**3,312.54**	18,207.09
(v) Other Financial Assets	10	**45.56**	158.11
(c) Other current assets	5	**4,413.35**	4,002.41
Total Current Assets		**40,537.23**	49,363.72
TOTAL ASSETS (1+2)		**44,344.92**	50,259.32
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	11	**87.95**	91.35
(b) Other Equity	12	**21,804.59**	33,206.08
Total Equity		**21,892.54**	33,297.43
Liabilities			
2 Non-current liabilities			
(a) Provisions	16	**24.11**	33.14
Total Non-Current Liabilities		**24.11**	33.14
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**4,877.36**	1,050.50
(ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises and	14	**74.35**	772.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	**1,626.27**	1,756.47
(iii) Other financial liabilities	15	**1,105.47**	11,466.56
(b) Other Current Liabilities	17	**14,374.15**	988.97
(c) Provisions	16	**370.67**	893.81
Total Current Liabilities		**22,428.27**	16,928.75
TOTAL EQUITY & LIABILITIES (1+2+3)		**44,344.92**	50,259.32
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 42 are an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 19, 2023

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 19, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakh)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	(a) Revenue from operations	18	**880.85**	24,239.02
	(b) Other income	19	**729.46**	881.60
	Total income (a+b)		**1,610.31**	25,120.62
II	**Expenses**			
	(a) Construction Expenses incurred	20	**2,487.17**	3,271.84
	(b) Changes in inventories of raw materials, work-in-progress and finished goods	21	**(1,985.62)**	18,410.74
	(c) Employee Benefits Expense	24	**206.31**	194.93
	(d) Finance Costs	23	**279.20**	178.19
	(e) Depreciation Expense	3	**10.33**	6.68
	(f) Other expenses	22	**589.81**	2,582.41
	Total Expenses (a+b+c+d+e+f)		**1,587.20**	24,644.79
III	**Profit Before Tax (I-II)**		**23.11**	475.83
IV	**Tax expense / (credit)**			
	(a) Adjustment of Tax Expense relating to earlier period	4	**0.24**	26.77
	(b) Deferred tax credit	4	**(2,753.15)**	–
	Total tax expense / (credit) (a+b)		**(2,752.91)**	26.77
V	**Profit After Tax (III-IV)**		**2,776.02**	449.06
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans (net of taxes)		**4.57**	7.74
	Total Other Comprehensive Income for the year		**4.57**	7.74
	Total Comprehensive Income for the year (V+VI)		**2,780.59**	456.80
VII	**Earnings per equity share (Face value: Rs 10/share)**			
	Basic			
	(a) Class B Equity Shares (In Rs.)	25	**3,392.67**	378.00
	(b) Class C Equity Shares (In Rs.)	25	**3,392.67**	378.00
	Diluted			
	(a) Class B Equity Shares (In Rs.)	25	**3,392.63**	377.99
	(b) Class C Equity Shares (In Rs.)	25	**3,392.63**	377.99
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 42 are an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 19, 2023

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 19, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakh)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit Before Tax	**23.11**	475.83
	Adjustments for:		
	Depreciation Expense	**10.33**	6.68
	Loss on disposal of Property Plant & Equipment (net)	**0.24**	–
	Finance Costs	**279.20**	178.19
	Interest Income	**(361.36)**	(248.67)
	Profit on sale of current investments	**(158.52)**	–
	Net (gain) arising on Investment measured at Fair Value through Profit and Loss	**(4.04)**	–
	Operating Profit before working capital changes	**(211.04)**	412.03
	Changes in working capital:		
	(Decrease) in Trade payables	**(828.29)**	(2,050.43)
	(Decrease)/Increase in other current liabilities	**12,909.11**	(9,655.35)
	(Decrease)/Increase in Provisions	**(527.54)**	715.72
	(Increase) / Decrease in trade and other receivables	**(3,518.86)**	27,574.93
	(Increase) / Decrease in inventories	**(1,985.62)**	18,454.37
	Cash generated from operations	**5,837.76**	35,451.27
	Income taxes paid (net)	**(136.03)**	94.18
	Net cash generated from operating activities (A)	**5,701.73**	35,545.45
B	**Cash flows from Investing activities**		
	Payment to acquire property, plant and equipment	**(17.50)**	(18.73)
	Interest received	**473.91**	94.40
	Changes in earmarked balances amd margin accounts with banks	**463.54**	(593.90)
	Bank deposits (net)	**14,431.01**	(16,286.53)
	Payment towards investment in mutual funds	**(141.47)**	–
	Net cash (used in) /generated from Investing activities (B)	**15,209.49**	(16,804.76)
C	**Cash flows from Financing activities**		
	(Repayment) / Proceeds from Short Term Borrowings (Net)	**3,826.86**	(6,931.28)
	Buy Back of Equity Shares	**–**	(11,010.76)
	Payment towards capital reduction of equity shares	**(14,185.48)**	–
	Interest Paid	**(10,164.22)**	(5,221.82)
	Net cash flow used in Financing activities (C)	**(20,522.84)**	(23,163.86)
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	**388.38**	(4,423.17)
	Cash and cash equivalents at the beginning of the year	**287.71**	4,710.88
	Cash and cash equivalents at the end of the year	**676.09**	287.71

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 42 are an integral part of these financial statements.

Notes

1 The above cash flow statement has been prepared under the ‘Indirect method’ as set out in “Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows”.

2 Also refer Note no. 9 - Cash and Bank Balances

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 19, 2023

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 19, 2023

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	**91.35**	95.13
Less: Changes in Equity Share Capital (Refer note 11)	**(3.40)**	(3.78)
Balance at the end of the year	**87.95**	91.35

B. Other Equity

(Rs. in Lakh)

Particulars	Equity component of compound financial instruments*	Reserves & Surplus: Securities Premium	Reserves & Surplus: Retained earnings	Reserves & Surplus: Capital Redemption Reserve	Total
As at March 31 2021	0.00	64,216.15	(20,459.89)	–	43,756.26
Profit for the year	–	–	449.06	–	449.06
Other Comprehensive Income net of taxes	–	–	7.74	–	7.74
Utilised for Buyback of Equity Shares (Refer Note 31)	–	(11,006.98)	–	–	(11,006.98)
Utilised for Capital reduction (Refer Note 32)	–	–	–	–	–
Transfer to Capital Redemption Reserve		(3.78)	–	3.78	–
As at March 31 2022	**0.00**	**53,205.39**	**(20,003.09)**	3.78	**33,206.08**
Profit for the year	–	–	2,776.02	–	2,776.02
Other Comprehensive Income net of taxes	–	–	4.57	–	4.57
Utilised for Buyback of Equity Shares (Refer Note 31)	–	–	–	–	–
Utilised for Capital reduction (Refer Note 32)	–	(14,182.08)	–	–	(14,182.08)
Transfer to Capital Redemption Reserve	–	–	–	–	–
As at March 31 2023	**0.00**	**39,023.31**	**(17,222.50)**	**3.78**	**21,804.59**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 42 are an integral part of these financial statements.

* **Equity component of compound financial instruments:** This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL (Refer Note no. 11). The equity component is Rs 20/- (Previous year Rs 20/-)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 19, 2023

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 19, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Mahindra Homes Private Limited is a private company domiciled in India and was incorporated on June 2, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The Company is currently engaged in the development of residential projects in Gurugram and Bengaluru.

2. Significant accounting policies

2.1 Statement of compliance and basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the act.

These aforesaid financial statements were approved by Company's Board of Directors and authorised for issue in the meeting held on April 19, 2023.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Measurement of Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

- The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.
- The Company invoices the customers for construction contracts based on achieving performance-related milestones.
- For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

  Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

2.4.2 Dividend and Interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign exchange transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

<u>Company as a lessee</u>

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant, and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution paid/payable during the year to Superannuation Fund and Provident fund is recognised in profit or loss.

2.8.2 Defined benefit plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long-term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.9 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

Current tax payable is determined as the amount of tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant, and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets is provided on pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below

	Useful lives estimated by the management (years)
Computers	3 to 6
Furniture	5
Building - Office/Commercial constructed at site	5

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis. Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.13 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'.

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.16 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events when no reliable estimate is possible.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.17.1 Classification and subsequent movement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

– Amortised cost; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All Financial assets are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial Assets at amortised cost are subsequently measured at amortised cost using effective interest method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The amortised cost is reduced by impairment loss. Interest income and impairment loss are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2.17.2 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the party does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.17.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised

2.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.18.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of directly attributable transaction costs.

2.18.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

2A. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements.

A. Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

B. Useful lives of Depreciable/amortisable assets

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

C. Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

D. **Determining the timing of revenue recognition on the sale of completed and under development property**

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

E. **Determination of performance obligations**

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. **Property, Plant and Equipment**

(Rs. in Lakh)

Description of Assets		Building	Office Equipments	Furniture and Fixtures	Computers	Total
I.	**Gross Carrying Amount**					
	Balance as at April 1, 2022	452.19	115.40	240.37	73.30	881.26
	Additions during the year	–	–	–	17.50	17.50
	Deductions/adjustments during the year	0.01	18.38	0.17	20.55	39.11
	Balance as at March 31, 2023	**452.18**	**97.02**	**240.20**	**70.25**	**859.65**
II.	**Accumulated depreciation**					
	Balance as at April 1, 2022	452.18	110.84	238.60	58.39	860.01
	Depreciation expense for the year	–	0.55	0.46	9.32	10.33
	Deductions/adjustments during the year	–	14.81	0.17	23.85	38.83
	Balance as at March 31, 2023	**452.18**	**96.58**	**238.89**	**43.86**	**831.51**
III.	**Net carrying amount (I-II)**					
	Balance as at March 31, 2023	**–**	**0.44**	**1.31**	**26.39**	**28.14**
	Balance as at March 31, 2022	**0.01**	**4.56**	**1.77**	**14.91**	**21.25**

(Rs. in Lakh)

Description of Assets		Building	Office equipments	Furniture and Fixtures	Computers	Total
I.	**Gross Carrying Amount**					
	Balance as at April 1, 2021	452.19	115.13	238.69	56.52	862.53
	Additions during the year	–	0.27	1.68	16.78	18.73
	Deductions during the year	–	–	–	–	–
	Balance as at March 31, 2022	**452.19**	**115.40**	**240.37**	**73.30**	**881.26**
II.	**Accumulated depreciation**					
	Balance as at April 1, 2021	452.18	109.14	238.18	53.83	853.33
	Depreciation expense for the year	–	1.70	0.42	4.56	6.68
	Deductions/adjustments during the year	–	–	–	–	–
	Balance as at March 31, 2022	**452.18**	**110.84**	**238.60**	**58.39**	**860.01**
III.	**Net carrying amount (I-II)**					
	Balance as at March 31, 2022	**0.01**	**4.56**	**1.77**	**14.91**	**21.25**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. **Tax Expense**

(a) **Tax Expense recognised in Statement of Profit & Loss**

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax:		
Adjustment in respect of current income tax of previous year	**0.24**	26.77
Deferred Tax:		
Brought forward of unused tax losses	**(2,753.15)**	–
Total income tax expense	**(2,752.91)**	26.77

b) **Deferred Tax Assets**

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Asset recognised		
Provision for Defect Liability Expenses and Employee Benefits	**99.37**	–
Property, Plant and Equipment	**100.21**	–
Brought Forward Unused Tax losses	**2,553.57**	–
Total	**2,753.15**	–
Deferred tax Asset not recognised		
Brought Forward Unused Tax losses	**2,708.85**	5,343.14
Provision for Defect Liability Expenses and Employee Benefits	**–**	233.31
Property, Plant and Equipment	**–**	112.97
Total	**2,708.85**	5,689.42

i) During the year ended March 31, 2023, the Company has recognised deferred tax assets of Rs 2,753.15 lakhs for deductible temporary differences (including brought forward unused tax losses) to the extent of probable future taxable profits that will be available against which such deductible temporary differences can be utilised. During the year ended March 31, 2022 the Company had not recognised deferred tax assets on above components as the Company did not expect sufficient taxable profits in near future to utilise the deferred tax assets.

(c) **Movement in Deferred Tax (assets) / liabilities in relation to:**

(Rs. in Lakh)

Particulars	Opening Balance as at April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2023
Provision for Defect Liability Expenses and Employee Benefits	–	99.37	–	99.37
Property, Plant and Equipment	–	100.21	–	100.21
Brought Forward Unused Tax losses	–	2,553.57	–	2,553.57
Total	**–**	**2,753.15**	**–**	**2,753.15**

(d) **Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:**

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**23.11**	475.83
Income tax expense calculated at the statutory income tax rate of 25.17% (25.17% for the previous year)	**5.82**	119.77
Adjustments recognised in the current year in relation to the current tax of prior years	**0.24**	26.77
Non recognition on deferred tax asset on losses	**(5.82)**	(119.77)
Recognition of Deferred tax asset on Carry Forward Unused Tax losses	**(2,753.15)**	–
Income tax expense recognised in profit and loss	**(2,752.91)**	26.77

5. **Other assets**

(Rs. in Lakh)

Particulars	As at March 31, 2023 Non-current	As at March 31, 2023 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Current
Advances other than capital advances				
Balances with government authorities (other than income taxes)	**–**	**42.02**	–	28.68
Prepaid Expenses	**–**	**1,437.77**	–	32.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	As at March 31, 2023 Non-current	As at March 31, 2023 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Current
Income Tax Assets (Net)	**715.68**	**–**	579.89	–
Collaboration Advance	**–**	**1,907.91**	–	2,988.45
Other Advances #	**–**	**1,025.65**	–	952.36
Total	**715.68**	**4,413.35**	579.89	4,002.41

Other Advances comprises of Project Advances given to vendors.

6. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	**410.53**	423.46
Construction work-in-progress*	**27,580.30**	25,137.75
Finished Goods	**332.12**	776.12
Total	**28,322.95**	26,337.33

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

The Company has availed overdraft / cash credit facilities which are secured by hypothecation of inventories.

7. Investments

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Designated at Fair Value Through Profit and Loss		
Quoted Investments		
Investment in Mutual Funds	**304.03**	–
Total	**304.03**	–
Other disclosures		
Aggregate carrying value of quoted investments	**304.03**	–
Market value of quoted investments	**304.03**	–

8. Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
(a) Considered good- unsecured	**3,462.71**	371.07
(b) Credit Impaired	**25.00**	25.00
Less: Allowance for credit Losses	**(25.00)**	(25.00)
Total	**3,462.71**	371.07

8a. Movement in the allowance for credit losses

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	**25.00**	25.00
Addition during the year	**–**	–
Total	**25.00**	25.00

Refer Note 28 for disclosures related to credit risk, impairment risk of trade receivables under expected credit loss model and related financial instrument disclosures.

8b. Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed Trade Receivable - Considered good - unsecured	**3,462.71**	371.07
Not Due	**3,331.14**	197.80
0 months - 6 months	**62.92**	0.03
6 months -1 year	**63.86**	152.73
1-2 Years	**3.43**	–
2-3 years	**1.36**	20.51
More than 3 years	**–**	–
Undisputed Trade Receivable - Credit impaired	**25.00**	25.00
Not Due	**–**	–
0 months - 6 months	**–**	–
6 months -1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**25.00**	25.00
Disputed Trade Receivables- which have significant increase in credit risk	**–**	–
Disputed Trade Receivables- credit impaired	**–**	–
Total	**3,487.71**	396.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Cash and bank balances

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks:		
– On current accounts	**87.09**	146.16
– Fixed deposits with original maturity of less than three months	**589.00**	141.55
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**676.09**	287.71
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
– Earmarked Balances	**882.59**	1,386.28
– Towards margin money	**547.02**	506.87
– Fixed deposits with original maturity greater than 3 months	**1,882.93**	16,313.94
Total Other Bank balances	**3,312.54**	18,207.09

10. Other Financial assets

(Rs. in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Other Financial assets at amortised cost				
Unsecured, considered good unless stated otherwise				
Interest accrued	**–**	**45.56**	–	158.11
Security Deposit	**310.72**	**–**	294.46	–
Total	**310.72**	**45.56**	294.46	158.11

11. Equity Share capital

(Rs. in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Ordinary Equity Shares of Rs.10 each	**1,00,000**	**10.00**	1,00,000	10.00
Class A Equity Shares of Rs.10 each	**15,50,000**	**155.00**	15,50,000	155.00
Class B Equity Shares of Rs.10 each	**1,16,500**	**11.65**	1,16,500	11.65
Class C Equity Shares of Rs.10 each	**1,16,500**	**11.65**	1,16,500	11.65
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**250**	**0.03**	250	0.03
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each	**250**	**0.02**	250	0.02
Series B 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**1,16,500**	**11.65**	1,16,500	11.65
	20,00,000	**200.00**	20,00,000	200.00
Issued, subscribed and fully paid-up shares				
Class A Equity Shares of Rs. 10 each	**8,22,507**	**82.25**	8,22,507	82.25
Class B Equity Shares of Rs. 10 each	**28,523**	**2.85**	45,523	4.55
Class C Equity Shares of Rs. 10 each	**28,523**	**2.85**	45,523	4.55
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each*	**1**	**0.00**	1	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each*	**1**	**0.00**	1	0.00
Total	**8,79,555**	**87.95**	9,13,555	91.35

* Represents Rs. 20/- (As at March 31, 2022 Rs. 20/-)

(i) Reconciliation of the number of shares and outstanding amount

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Shares extinguished on capital reduction	Closing Balance
(a) Equity Shares without Voting rights					
Class B equity shares					
Year Ended 31 March 2023					
No. of Shares	**45,523**	**–**	**–**	**17,000**	**28,523**
Amount	**4.55**	**–**	**–**	**1.70**	**2.85**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Shares extinguished on capital reduction	Closing Balance
Year Ended 31 March 2022					
No. of Shares	64,423	–	18,900	–	45,523
Amount	6.44	–	1.89	–	4.55
Class C equity shares					
Year Ended 31 March 2023					
No. of Shares	**45,523**	**–**	**–**	**17,000**	**28,523**
Amount	**4.55**	**–**	**–**	**1.70**	**2.85**
Year Ended 31 March 2022					
No. of Shares	64,423	–	18,900	–	45,523
Amount	6.44	–	1.89	–	4.55
(b) Equity Shares with Voting rights					
Class A equity shares					
Year Ended 31 March 2023					
No. of Shares	**8,22,507**	**–**	**–**	**–**	**8,22,507**
Amount	**82.25**	**–**	**–**	**–**	**82.25**
Year Ended 31 March 2022					
No. of Shares	8,22,507	–	–	–	8,22,507
Amount	82.25	–	–	–	82.25
(c) Preference Shares					
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)					
Year Ended 31 March 2023					
No. of Shares	**1**	**–**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**–**	**0.00**
Year Ended 31 March 2022					
No. of Shares	1	–	–	–	1
Amount*	0.00	–	–	–	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS)					
Year Ended 31 March 2023					
No. of Shares	**1**	**–**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**–**	**0.00**
Year Ended 31 March 2022					
No. of Shares	1	–	–	–	1
Amount*	0.00	–	–	–	0.00

This Note covers the equity component of the issued convertible preference shares

* Represents Rs. 20/- (As at March 31, 2022 Rs. 20/-)

(a) Terms/ rights attached to equity shares

The Company has three classes of equity shares. The details are as follows :-

Each holder of Class A Equity Share is entitled to one vote per share, shall not carry any dividend and shall not carry any economic rights. The Series A Equity Shares shall rank subordinate to the Compulsorily Convertible Preference Shares, the Series A OCRPS, the Series B OCRPS, the Series B Equity Shares and the Series C Equity Shares with respect to distribution rights and rights on liquidation, dissolution and winding up of the affairs of the Company.

Each holder of Class B Equity Share shall be non voting and entitled to dividend. The economic rights on Series B Equity Shares shall be for the entire Series B as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series B shareholder has achieved a 17% Internal Rate of Return (IRR) on the Investment Subscription Amount. On achieving 17% IRR by the Series B shareholder, the Series B Equity Shares to carry 35% share of the total economic rights of the Shareholders of the Company.

Each holder of Class C Equity Share shall be non voting and entitled to dividend. The economic rights on Series C Equity Shares shall be for the entire Series C as a whole, with economic rights equal to 50% of the total

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

economic rights of the Shareholders of the Company, until the Series C shareholder has achieved a 17% IRR on the Investment Subscription Amount. On achieving 17% IRR by Series C shareholder, the Series C Equity Shares to carry 65% share of the total economic rights of the Shareholders of the Company.

(b) Terms of conversion/ redemption of Optionally Convertible Redeemable Preference Shares (OCRPS)

The Series A OCRPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum ("Fixed Dividends"). The Series A OCRPS shall be non-cumulative and not carry any voting rights. One Series A OCRPS shall convert to one Series A Equity Share at the conversion Ratio at the option of the holder of the Series A OCRPS. The Series A OCRPS shall be optionally redeemable at par. In the event of liquidation of the Company, Series A OCRPS shall be deemed to have been converted into Series A Equity Shares.

(c) Terms of conversion/ redemption of Compulsorily Convertible Preference Shares (CCPS)

CCPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum (Fixed Dividend). The CCPS shall be non-cumulative and shall not carry any voting rights. One CCPS Share shall convert to one Series B Equity Share. The CCPS shall be deemed to have automatically and mandatorily converted to Series B Equity Shares at the Conversion Ratio at the expiry of 12 years from the date of allotment. CCPS can be voluntarily converted to Series B Equity Shares at the option of the holder. In the event of liquidation of the Company, the CCPS shall be deemed to have been converted into Series B Equity Shares.

(d) Aggregate number of equity shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Aggregate Number of Shares	
	As at March 31, 2023	As at March 31, 2022
Series B and Series C Equity Shares		
Fully paid up pursuant to contract(s) without payment being received in cash		
Fully Paid Series C Equity Shares by way of conversion of Optionally Convertible Debentures (OCD)	**64,034**	64,034
Fully Paid Series B Equity Shares by way of conversion of Compulsory Convertible Debentures (CCD)	**64,034**	64,034
Shares extinguished on buy back		
Fully Paid Series C Equity Shares	**18,900**	18,900
Fully Paid Series B Equity Shares	**18,900**	18,900

(ii) Details of shares held by the holding company, the ultimate holding company and its subsidiaries

Particulars	Class A Equity shares with voting rights	Class C Equity shares without voting rights	Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)
As at March 31, 2023			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	**616,879**	**28,523**	**1**
As at March 31, 2022			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	616,879	45,523	1

(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares without voting rights:-				
Class C equity Shares	28,523	100%	45,523	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class B equity Shares	28,523	100%	45,523	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Equity shares with voting rights				
Class A equity Shares	6,16,879	75%	6,16,879	75%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class A equity Shares	2,05,628	25%	2,05,628	25%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Name of the shareholder	**As at March 31, 2023**		As at March 31, 2022	
	No.	**% holding in the class**	No.	% holding in the class
Preference Shares				
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	1	100%	1	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
0.01% Compulsorily Convertible Preference Shares (CCPS)- Series B	1	100%	1	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				

(iv) Shares reserved for issue under options

For details of shares reserved for issue on conversion of OCRPS and CCPS, please refer note 11 (b) and 11 (c) respectively regarding terms of conversion/ redemption of preference shares.

(v) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	**As at March 31, 2023**		As at March 31, 2022		Change during the period	% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding		
Mahindra Lifespace Developers Limited						
Equity shares with voting rights						
Class A equity Share	616,879	75.00%	616,879	75.0%	–	0.00%
Equity shares without voting rights						
Class C equity Shares	28,523	100.00%	45,523	100.0%	–	0.00%
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	1	100.00%	1	100.00%	–	0.00%

12. Other Equity

(Rs. in Lakh)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Securities premium	**39,023.31**	53,205.39
Retained earnings	**(17,222.50)**	(20,003.09)
Capital Redemption Reserve	**3.78**	3.78
Equity component of compound financial instruments	**0.00**	0.00
Other Equity Total	**21,804.59**	33,206.08

Description of the nature and purpose of Other Equity:

Securities Premium: The Securities Premium Reserve is created on issue of shares at a premium. During the year ended March 31, 2023, Securities Premium account is utilised for capital reduction, refer note 32.

Retained earnings: This reserve represents cumulative profits/losses of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Capital Redemption Reserve: Capital Redemption Reserve is created by transferring funds from securities premium account being face value of shares bought back during the year ended March 31, 2022 in accordance with the provisions of Companies Act, 2013.

Equity component of compound financial instruments: This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL. The equity component is Rs. 20/- (March 31, 2022 - Rs. 20/-).

13. Borrowings

(Rs. in Lakh)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current Borrowings		
A. Loans repayable on demand (Secured) (Carried at Amortised Cost)		
From banks	**4,877.36**	1,050.50
Total current borrowings	**4,877.36**	1,050.50
Total borrowings	**4,877.36**	1,050.50

1. Loans repayable on demand from banks (Secured)

a. Axis Bank Ltd

Cash Credit Facility from Axis Bank Ltd carries interest rate in the range of 7.70% to 9.10% p.a (March 31, 2022- 7.00% to 8.50% p.a). The facility is secured by first ranking pari passu charge by way of hypothecation (pari passu only with the security interest created / to be created to secure the working capital facilities availed by the Company) over the land admeasuring 6.8 acres and building of borrower of its Luminare Project, First charge on development rights under the Collaboration agreement, receivables (present & future) of its Luminare and Windchimes Project, Rights/Claims/Demands/Approvals/Permits relating to Luminare Project. All insurance contracts in relation to Luminare Project

b. HDFC Bank Ltd

Overdraft facility from HDFC Bank carries interest rate of 8.10% to 8.85% p.a (March 31, 2022- 7.00% to 8.50% p.a). The facility is secured by first pari passu charge (pari passu along with other lenders for current facility) on receivables to the extent of Borrower's share (75% of receivables) pertaining to Gurgaon project and receivable of Bengaluru project, present and future.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Trade Payables

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable - micro and small enterprises*	**74.35**	772.44
Trade payable - Other than micro and small enterprises	**1,626.27**	1,756.47
Total	**1,700.62**	2,528.91

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

* This information has been determined to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

14a. Additional Disclosure in relation to Micro, Small and Medium enterprises

(Rs. in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**74.35**	772.44
b)	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
Total		**74.35**	772.44

14b. Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**1.82**	–
Not Due	**72.53**	772.44
0 months - 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**770.27**	785.82
Not Due	**600.88**	792.15
0 months -1 year	**138.51**	104.77
1-2 Years	**65.51**	8.78
2-3 years	**17.32**	51.77
More than 3 years	**33.78**	13.18
Disputed Dues- Micro, Small and Medium enterprises	**–**	–
Disputed Dues- Others	**–**	–
Total	**1,700.62**	2,528.91

15. Other Financial liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Carried at Amortised Cost		
Interest accrued	**–**	9,885.02
Advance towards Society Maintenance	**1,105.47**	1,581.54
Total	**1,105.47**	11,466.56

16. Provisions

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for Employee Benefits		
Gratuity	**14.25**	22.49
Leave Encashment	**9.86**	10.65
Total	**24.11**	33.14
Current		
Provision for Employee Benefits		
Gratuity	**2.88**	3.30
Leave Encashment	**2.95**	2.28
Other Current Provisions		
Provision for Defect Liabilities	**364.84**	888.23
Total	**370.67**	893.81

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2021	218.97
Additional provisions recognised	669.26
Amounts utilised / reversed during the year	–
Balance at March 31, 2022	888.23
Additional provisions recognised	–
Amounts utilised / reversed during the year	523.39
Balance at March 31, 2023	**364.84**

17. Other Current liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances received from customers	**14,140.68**	868.40
Statutory dues payable*	**233.47**	120.57
Total	**14,374.15**	988.97

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

18. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Contracts with Customers		
Revenue from Projects	**880.85**	24,239.02
Total	**880.85**	24,239.02

Revenue from operations for the year ended March 31, 2023 is net of Rs 7.98 Lakhs (March 31, 2022 -Rs 205.65 Lakhs) towards input tax credit benefits passed on to the customers as per the provisions of section 171 on Anti-Profiteering of CGST Act, 2017. The treatment is as per the prevailing Indian Accounting Standards.

Notes:

a) Contract Balances

i) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as “Advances received from Customers” in note 17- Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note 8- Trade Receivables.

ii) During the year, the Company recognised Revenue of Rs. 658.91 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs 868.40 lakhs (recognised in previous year- Rs. 8,661.57 lakhs out of Rs 11,360.28 lakhs).

iii) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing, sales cancellations and revenue recognition.

iv) Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

v) Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

vi) There are no contract assets outstanding at the end of the year.

vii) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2023, is Rs. 37,704.18 lakhs (March 31, 2022- Rs. 793.68 lakhs). Out of this, the Company does not expect, based on current projections, to recognize revenue within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

b) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted price	**888.83**	24,461.67
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**(7.98)**	(222.65)
Revenue recognised as per Statement of Profit & Loss	**880.85**	24,239.02

c) Contract Costs

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract costs included in Prepaid expenses in Note 5- Other Assets	**1,437.77**	24.94

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 5 - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2023, amortisation amounting to Rs. 50.23 lakhs (Previous Year - Rs. 1,920.33 lakhs) was recognised as brokerage cost in note 22- Other expenses. There was no impairment loss in relation to the costs capitalised.

19. Other Income

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on Bank Deposits	**361.36**	228.00
Gain on sale of current investments	**158.52**	–
Interest on Income Tax Refund	**–**	20.67
Net Gain arising on Investments measured at Fair Value through Profit and Loss	**4.04**	–
Miscellaneous Income	**205.54**	632.93
Total Other Income	**729.46**	881.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20. Construction Expenses Incurred

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses incurred during the year		
Civil, Electricals, Contracting, etc.	**2,064.64**	1,945.16
Rates and taxes	**–**	105.48
Legal & Professional Fees	**159.13**	226.54
Interest costs allocated	**–**	43.63
Manpower Cost	**243.13**	100.14
Other Project Administration Cost	**20.27**	181.63
Construction Expenses incurred during the year (a)	**2,487.17**	2,602.58
Provision for Defect Liability (b)	**–**	669.26
Total Construction Expenses incurred (a+b)	**2,487.17**	3,271.84

21. Changes in inventories of raw materials, work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Work-in-progress	**25,137.75**	41,756.21
Raw Material	**423.46**	531.84
Finished Goods	**776.12**	2,460.02
Total Opening Stock	**26,337.33**	44,748.07
Closing Stock		
Work-in-progress	**27,580.30**	25,137.75
Raw Material	**410.53**	423.46
Finished Goods	**332.12**	776.12
Total Closing Stock	**28,322.95**	26,337.33
Changes in inventories of raw materials, work-in-progress and finished goods	**(1,985.62)**	18,410.74

22. Other expenses

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement, Marketing & Business Development	**200.13**	230.73
Commission & Brokerage	**50.23**	1,920.33
Legal and other professional costs	**135.28**	112.85
Payment to auditors #	**43.11**	29.49
Repairs & Maintenance	**54.07**	192.37
Loss on disposal of Property Plant & Equipment	**0.24**	–
Rates & Taxes	**41.89**	64.32
Travelling & Conveyance	**4.33**	3.15
Printing & Stationery	**1.26**	3.97
Power & Fuel	**0.85**	4.07
Miscellaneous Expenses	**58.42**	21.13
Total	**589.81**	2,582.41

#Payment to auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) To Statutory Auditors		
For Audit	**23.85**	15.73
For Tax Audit	**7.27**	7.27
For Other Services	**10.47**	5.39
Reimbursement of expenses	**0.31**	–
(b) To Cost Auditors for cost audit	**1.21**	1.10
	43.11	29.49

23. Finance Costs

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest Costs		
Interest expense for financial liabilities at amortised cost	**277.77**	210.55
b) Other Borrowing Cost	**1.43**	0.95
Less: Allocated to Projects	**–**	(43.63)
c) Interest cost due to discount to customers	**–**	10.32
Total	**279.20**	178.19

24. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages including Bonus	**413.93**	280.86
Contributions to provident and other funds	**23.33**	4.38
Staff welfare expenses	**12.18**	9.83
Less: Allocated to Projects	**(243.13)**	(100.14)
Total	**206.31**	194.93

25. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company (after adjusting for dividend on preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax for the year (in Rs. Lakh)	**2,776.02**	449.06
Weighted average number of Class A equity shares in calculating EPS*	**8,22,507**	8,22,507
Weighted average number of Class B equity shares in calculating EPS	**40,912**	59,400
Weighted average number of Class C equity shares in calculating EPS	**40,912**	59,400
Conversion of Compulsory Convertible Preference Shares	**1**	1
Conversion of Optionally Convertible Redeemable Preference Shares	**1**	1
Face Value of Class B Equity Shares	**10**	10
Face Value of Class C Equity Shares	**10**	10
Earnings per Class B Equity share - Basic (in Rs.)	**3,392.67**	378.00
Earnings per Class C Equity share - Basic (in Rs.)	**3,392.67**	378.00
Earnings per Class B Equity share - Diluted (in Rs.)	**3,392.63**	377.99
Earnings per Class C Equity share - Diluted (in Rs.)	**3,392.63**	377.99

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for the year, used in the calculation of basic earning per share (in Rs Lakh)	**2,776.02**	449.06
Profit for the year used in the calculation of diluted earnings per share (in Rs. Lakh)	**2,776.02**	449.06
Weighted average number of equity shares used in calculating basic EPS	**81,824**	1,18,800
Effect of dilution:		
Convertible Preference Share (in nos.)	**2**	2
Weighted average number of equity shares in the calculation of diluted EPS	**81,826**	1,18,802

* As Class A Equity Shares does not carry any dividend and economic rights, therefore the same has not been considered in calculation of Basic & Diluted EPS.

26. Leases

The company does not have any leasing arrangement during the year ended March 31, 2023.

27. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Limited
	Actis Mahi Holdings (Singapore) Private Limited (Formerly known as SCM Real Estate (Singapore) Pvt. Limited)

Other Related parties with whom transactions have taken place

Holding company of enterprise having joint control over the Company	Mahindra & Mahindra Limited
Subsidiary of Holding company of enterprise having joint control over the Company	Mahindra Integrated Business Solutions Private Limited
	Meru Mobility Tech Private Limited
	Mahindra Defence Systems Limited

Related party transactions

The following table provides the basic value of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in Lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Meru Mobility Tech Private Limited	Mahindra Integrated Business Solutions Private Limited
Providing Services	**31–Mar–23**	**–**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	45.39	–	–	–	–	–
Re–imbursement from Parties	**31–Mar–23**	**4.00**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	–	–	–	–	–	–
Receiving of Services	**31–Mar–23**	**96.87**	**–**	**10.44**	**–**	**0.27**	**5.91**
	31–Mar–22	140.55	–	1.27	–	–	9.55
Re–imbursement to Parties	**31–Mar–23**	**1.14**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	–	–	–	–	–	–
Payment towards Capital Reduction	**31–Mar–23**	**7,092.74**	**7,092.74**	**–**	**–**	**–**	**–**
	31–Mar–22	–	–	–	–	–	–
Payment for Buy Back of Class B and Class C Equity Shares	**31–Mar–23**	**–**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	5,505.38	5,505.38	–	–	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table provides the balances with related parties as on the relevant date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as on	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Meru Mobility Tech Private Limited	Mahindra Integrated Business Solutions Private Limited
Payables	**31–Mar–23**	**133.92**	**–**	**9.58**	**–**	**–**	**3.56**
	31–Mar–22	44.95	–	0.42	0.02	–	2.67
Receivables	**31–Mar–23**	**4.00**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	–	–	–	–	–	–
Interest Accrued on Optionally Convertible Debentures/ Compulsorily Convertible Debentures but not due	**31–Mar–23**	**–**	**–**	**–**	**–**	**–**	**–**
	31–Mar–22	5,316.74	4,568.28	–	–	–	–

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

28. Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

(Rs. in Lakh)

	As at March 31, 2023	As at March 31, 2022
Debt	**4,877.36**	1,050.50
Cash and bank balances excluding margin monies and earmarked balances	**(2,559.02)**	(16,601.65)
Net Debt (A)	**2,318.34**	(15,551.15)
Equity (B)	**21,892.54**	33,297.43
Net Debt Equity Ratio (A / B)	**0.11**	(0.47)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

(Rs. in Lakh)

Particulars	Amortised Costs As at March 31, 2023	As at March 31, 2022
Financial assets		
Non-Current Assets		
Other Financial Assets-Non Derivative Financial Assets	**310.72**	294.46
Current Assets		
Investments	**304.03**	–
Trade Receivables	**3,462.71**	371.07
Cash and Cash Equivalents	**676.09**	287.71
Other Bank Balances	**3,312.54**	18,207.09
Other Financial Assets-Non Derivative Financial Assets	**45.56**	158.11
Total financial assets	**8,111.65**	19,318.44

(Rs. in Lakh)

Particulars	Amortised Costs As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Current liabilities		
Borrowings	**4,877.36**	1,050.50
Trade Payables	**1,700.62**	2,528.91
Other financial liabilities-Non Derivative Financial Liabilities	**1,105.47**	11,466.56
Total financial liabilities	**7,683.45**	15,045.97

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities..

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	Less than 1 Year	1-3 Years	3-5 Years
Non-derivative financial liabilities			
As at March 31, 2023			
Borrowings	**4,877.36**	–	–
Trade Payables	**1,700.62**	–	–
Other financial liabilities	**1,105.47**	–	–
Total	**7,683.45**	**–**	**–**
As at March 31, 2022			
Borrowings	1,050.50	–	–
Trade Payables	2,528.91	–	–
Other financial liabilities	11,466.56	–	–
Total	15,045.97	–	–

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions in foreign currencies only for purchase of components which are required to be imported to carry out construction activities or for travelling and sales promotion activities; consequently, exposing to exchange rate fluctuations, but the same is not material in nature as compared to the size of the operations of the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's financial statements are affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakh)

Particulars	Increase/ decrease in basis points	Effect on financial statements*
As at March 31, 2023		
INR	**+100**	**(48.77)**
INR	**-100**	**48.77**
As at March 31, 2022		
INR	+100	(10.51)
INR	-100	10.51

* The effect as mentioned above will have impact on Profit/(Loss) Before Tax

29 Fair Value Measurement

Fair Valuation Techniques and Inputs used

(Rs. in Lakh)

Financial assets measured at Fair value	Fair value as at		Fair value hierarchy	Valuation Technique(s)	Applicable for Level 2 and Level 3 hierarchy Key input(s)
	March 31, 2023	March 31, 2022			
Financial assets					
Investment in Mutual Funds	304.03	–	Level 1	Net Asset Value	Not applicable as Level 1 hierarchy
Total	304.03	–			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 16.81 lakhs (31st March, 2022- 4.38 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2023.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate(s)	**7.31%**	5.85%
Expected rate(s) of salary increase	**10.00%**	10.00%
Attrition Rate	**21.21% p.a. for all service groups.**	0 to 42: 20%
Mortality	**IALM 2012-14 (Urban)**	IALM (2012-14) ULT
Retirement age of the employees is assumed to be 60 years.		

Defined benefit plans – as per actuarial valuation on March 31, 2023

Rs. in Lakhs

Particulars	Un-funded Gratuity Plan For the year ended March 31, 2023	For the year ended March 31, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**5.00**	7.37
Past service cost and (gains)/losses	**0.02**	–
Net interest expense	**1.51**	0.74
Components of defined benefit costs recognised in profit or loss	**6.53**	8.11
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**(0.27)**	–
Actuarial (gains)/loss arising from changes in financial assumptions	**(1.01)**	–
Actuarial (gains)/loss arising from experience adjustments	**(3.29)**	(7.74)
Components of defined benefit costs recognised in other comprehensive income	**(4.57)**	(7.74)
Total	**1.96**	0.37
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**17.13**	25.79
2. Fair value of plan assets	**–**	–
3. Surplus/(Deficit)	**(17.13)**	(25.79)
4. Current portion of the above	**(2.88)**	(3.30)
5. Non current portion of the above	**(14.25)**	(22.49)
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation at the beginning of the year	**25.79**	–
2. Transfer in liability	**–**	25.42
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**5.00**	7.37
– Past Service Cost	**0.02**	–
– Interest Cost	**1.51**	0.74
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(0.27)**	–
ii. Financial Assumptions	**(1.01)**	–
iii. Experience Adjustments	**(3.29)**	(7.74)
5. Benefit payments	**(10.62)**	–
6. Present value of defined benefit obligation at the end of the year	**17.13**	25.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption (%)	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1.00%**	**16.51**	**17.81**
	2022	1.00%	24.51	27.21
Salary growth rate	**2023**	**1.00%**	**17.78**	**16.52**
	2022	1.00%	26.98	24.66

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Maturity profile of defined benefit obligation:

	31st March, 2023	31st March, 2022
Within 1 year	**2.88**	3.30
1 - 2 year	**2.74**	3.56
2 - 3 year	**2.43**	3.50
3 - 4 year	**2.22**	3.32
4 - 5 year	**2.06**	3.04
Above 5 years	**11.53**	10.92

The weighted average age considered for considered for defined benefit obligation as at March 31, 2023 is 36.69 years (March 31, 2022 - 37.11 years)

31. Buy Back of Shares

'The proposal of buyback of Equity Shares recommended by the Board of Directors in its meeting held on November 25, 2021 was approved by the shareholders at their Extraordinary General meeting held on December 9, 2021. The buyback of equity shares was completed on December 24, 2021 and the Company bought back and extinguished a total of 37,800 equity shares from the shareholders at buyback price of ₹ 29,129/- per equity share comprising 3.97% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹11,010.76 Lakhs. The Company funded the buyback from its free reserves including Securities Premium as per Section 68 of the Companies Act, 2013. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹ 3.78 Lakhs equal to the nominal value of the shares bought back as an appropriation from Securities Premium.

32. Capital Reduction

The Board of Directors and Shareholders of the Company at its meeting held on May 13, 2022 and May 19, 2022 respectively had approved reduction of the issued, subscribed and paid up equity share capital of the Company from Rs. 91,35,530/- to Rs. 87,95,530 by cancelling 17,000 equity shares of Series B held by Actis Mahi Holdings (Singapore) Private Limited and 17,000 equity shares of Series C held by the Mahindra Lifespace Developers Limited ("Capital Reduction"). Consequent thereto, as per the petition filed by the Company in this respect on May 20, 2022 with Hon'ble National Company Law Tribunal (NCLT), order was pronounced by NCLT on November 30, 2022 approving the said Capital Reduction and subsequently after receipt of Certified Copy of the said Order on December 21, 2022, it was filed with Registrar of Companies on December 22, 2022. Thereafter, on December 28, 2022 each of the equity shareholder of Series B and Series C were paid a sum of Rs. 7,092.74 lakhs (including premium) to the extent of reduction of equity shares held by them.

33. Capital & other Commitments

At March 31, 2023, the company has commitments of Rs. 4,700 lakhs (Previous year Rs. 4,700 lakhs) relating to further security deposit payable towards Joint Development Agreement.

34. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

No single customer contributed 10% or more to the company's sales for year ended March 31, 2023 and year ended March 31, 2022

35. Contingent Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged against as debts-		
i) Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable.	**401.34**	477.00
ii) Income Tax matters under dispute		
Demand raised by Assessing Officer in respect of certain expenses disallowed. The company is pursuing the matter with Income Tax Apellate Tribunal		
- AY 2014-15	**–**	37.57
- AY 2016-17	**–**	761.44
- AY 2017-18	**945.44**	1,545.20
iii) Indirect Tax matters under dispute		
Demand raised by Service Tax Authorities claiming construction service provided by the Company under Colloaboration agreement. The Company is pursuing the matter with the appropriate appellate authorities	**1,885.00**	1,885.00
Input Service Tax claims disallowed by the Service Tax Department for FY 2013-14 to FY 2016-17. The Company is pursuing the matter with the appropriate appellate authorities	**279.54**	279.54

Note:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

36. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to certain Ind AS namely

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

IndAS 101 - First time adoption of Ind AS
IndAS 102 - Share Based Payment
IndAS 103 - Business Combination
IndAS 107 - Financial Instruments: Disclosures
IndAS 109 - Financial Instruments
IndAS 115 - Revenue from Contracts with Customers
IndAS 1 - Presentation of Financial Statements
IndAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
IndAS 12 - Income Taxes
IndAS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The company shall assess and ensure appropriate compliances wherever applicable.

37. Financial Ratios

							(Rs. in Lakh)
Sr No	**Particulars**	**Numerator**	**Denominator**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**% Variance**	**Reasons for Variance**
a)	Current Ratio	Current Assets	Current Liabilities	1.81	2.92	-38.02%	Increase in advance received from customers
b)	Debt Equity Ratio	Borrowings	Equity	0.22	0.03	606.16%	Increase in utilisation of working capital facility and utilisation of securities premium towards capital reduction
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (1)	Debt Service (2)	0.02	0.11	-80.25%	Increase in utilisation of working capital facility and repayment of accrued interest
d)	Return on Equity	Profit/(Loss) After Tax	Average Equity	10.06%	1.16%	764.15%	Increase in PAT and reduction of average net worth during current year due to capital reduction
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.03	0.68	-95.27%	Decrease in revenue recognised during current year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	0.46	14.92	-96.92%	Decrease in revenue recognised during current year
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	0.24	6.10	-96.11%	Decrease in cost of sales due to decrease in revenue recognised during current year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (3)	0.03	0.64	-94.58%	Decrease in revenue recognised during current year
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	315.15%	1.85%	16911.17%	Deferred tax assets recognised and decrease in revenue recognised during current year
j)	Return on Capital employed	Earning before interest & taxes (4)	Capital employed (5)	1.13%	1.90%	-40.69%	Reduction in capital employed due to utilisation of securities premium towards capital reduction
k)	Return on investment	Income generated from Investment (6)	Average investments (Gross)	6.06%	–	100.00%	Investment in mutual funds in current year

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, abovementioned ratios may not be strictly comparable.

Formula used for calculation of Ratios and Financial Indicators are as below :

1) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

2) Debt Service = Borrowing + Interest Payment + Lease Liability Payment

3) Working Capital = Current Asset - Current Liabilities

4) Earning before interest & taxes = Profit/(loss) before Tax (incl Exceptional Item) + Finance Cost

5) Capital Employed = Equity + Borrowing - Intangible Assets

6) Income generated from Investment = Profit on sale of investment + Net Gain/(loss) arising on Financial Assets measured at Fair Value through Profit and Loss

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. Expenditure on Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the company for the year ended 31st March, 2023 (as certified by the Company) : Rs. NIL (Previous Year Rs. NIL)

39. Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

e) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

f) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

40. Discrepancies between books of accounts & quarterly statements submitted to banks

The company is required to submit quarterly unaudited financial results and unhedged foreign currency exposures. Further as part of additional covenants, the Company is required to submit various other requirements on annual basis (end use certificates, Debt-equity certificate, LEI etc.). The Company has duly complied with all the requirements of providing data/certificates in relation to various covenants with the banks and the information provided is in agreement with the books of accounts during the year ended March 31, 2023.

41. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

42. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's classification.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 19, 2023

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 19, 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Happinest Developers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Happinest Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report (herein referred to as "other information"),but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided any managerial remuneration during the year hence compliance with provisions of section 197, read with Schedule V of the Act are not applicable to the company.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJGP6360

Place: Mumbai
Date: April 21, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Happinest Developers Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJGP6360

Place: Mumbai
Date: April 21, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Happinest Developers Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than sales and project office and sales gallery, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(i) (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from bank or financial institution on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank or financial institution are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2022, September 30, 2022 and December 31, 2022 and no material discrepancies have been observed. The Company is yet to submit the statement for the quarter ended March 31, 2023 with the bank.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(vii) (b) There are no dues of Income-tax and Goods and Services tax which have not been deposited as on March 31, 2023 on account of disputes.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.

In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv) (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto (December 2022) for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are four CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs. 1,420.30 lakhs in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 23100459BGXJGP6360

Place: Mumbai
Date: April 21, 2023

BALANCE SHEET AS AT 31st MARCH, 2023

(Rs. in Lakh)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
I	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	**69.65**	159.17
	(b) Intangible Assets	4	**1.90**	12.72
	(c) Financial Assets			
	Other Financial Assets	5	**2.42**	4.44
	(d) Deferred Tax Assets (Net)	6	**1,012.15**	1,113.21
	Total Non-Current Assets		**1,086.12**	1,289.54
II	**Current Assets**			
	(a) Inventories	7	**36,882.47**	31,550.38
	(b) Financial Assets			
	(i) Trade Receivables	8	**1,519.40**	2,289.84
	(ii) Cash and Cash Equivalents	9	**57.54**	4,096.24
	(iii) Bank Balances other than (ii) above	9	**2.00**	190.20
	(iv) Other Financial Assets	10	**29.62**	65.40
	(c) Other Current Assets	11	**1,752.60**	1,450.77
	Total Current Assets		**40,243.63**	39,642.83
	Total Assets (I+II)		**41,329.75**	40,932.37
	EQUITY AND LIABILITIES			
I	**Equity**			
	(a) Equity Share Capital	12	**10.00**	10.00
	(b) Other Equity	13	**(3,244.28)**	(3,823.68)
	Total Equity		**(3,234.28)**	(3,813.68)
	Liabilities			
II	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	Borrowings	14	**1,372.07**	3,578.80
	(b) Provisions	15	**68.70**	27.32
	Total Non-Current Liabilities		**1,440.77**	3,606.12
III	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**1,676.29**	4,996.19
	(ii) Trade Payables:	17		
	Total outstanding dues of micro enterprises and small enterprises and		**134.75**	107.41
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**2,125.22**	1,992.72
	(b) Provisions	15	**58.92**	50.31
	(c) Other Current Liabilities	18	**39,128.08**	33,993.30
	Total Current Liabilities		**43,123.26**	41,139.93
	Total Equity and Liabilities (I+II+III)		**41,329.75**	40,932.37
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2023

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 18th April, 2023

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 18th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Income			
I	Revenue from Operations	19	**595.55**	6,808.97
II	Other Income	20	**2,289.12**	269.87
III	**Total Income (I+II)**		**2,884.67**	7,078.84
	Expenses			
	Construction Expenses Incurred	21A	**6,529.10**	10,463.03
	Changes in Inventories of Raw Material, Work-in-Progress and Finished Goods	21B	**(5,332.09)**	(4,897.43)
	Operating Expense	21C	**11.92**	129.25
	Employee Benefits Expense	22	**328.44**	86.70
	Finance Costs	23	**1.11**	62.24
	Depreciation and Amortisation Expense	3 & 4	**103.81**	222.37
	Other Expenses	24	**559.76**	1,108.61
IV	**Total Expenses**		**2,202.05**	7,174.77
V	**Profit/(Loss) Before Tax (III- IV)**		**682.62**	(95.93)
	Tax Expense			
	Current Tax	25	**–**	–
	Deferred Tax	25	**101.69**	43.00
VI	**Total Tax Expense**		**101.69**	43.00
VII	**Profit/(Loss) After Tax (V- VI)**		**580.93**	(138.93)
	Other Comprehensive Income/(Loss)			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	29	**(2.16)**	7.03
	Income tax relating to Items that will not be reclassified to profit or loss	25	**0.63**	(2.05)
VIII	**Total Other Comprehensive Income/(Loss) for the year**		**(1.53)**	4.98
IX	**Total Comprehensive Income/(Loss) for the year**		**579.40**	(133.95)
X	**Earnings per Equity Share [Face value of Rs 10 each]**	26		
	Basic (in Rs.)		**580.93**	(138.93)
	Diluted (in Rs.)		**580.93**	(138.93)
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2023

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 18th April, 2023

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 18th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lakh)

Particulars	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	**682.62**	(95.93)
Adjustments for:		
Depreciation and Amortisation Expense	**103.81**	222.37
Finance Costs	**4.92**	62.24
Loss on Sale of Property, Plant and Equipment	**0.39**	–
Interest Income	**(28.89)**	(215.93)
Provision for Inventory (NRV)	**793.18**	–
Net (Gain)/Loss arising on Financial Liabilities designated at Fair Value through Profit or Loss (FVTPL)	**(2,206.73)**	467.08
Operating (Loss)/Profit Before Working Capital changes	**(650.70)**	439.83
Changes in:		
Increase in Trade and Other payables	**5,342.45**	8,222.24
Decrease in Trade and Other receivables	**460.41**	2,527.61
Increase in Inventories	**(5,929.48)**	(4,355.50)
Cash (used in)/generated from Operations	**(777.32)**	6,834.18
Income Taxes net of refund/(paid)	**0.05**	(9.16)
Net cash (used in)/generated from Operating Activities (A)	**(777.27)**	6,825.02
Cash flows from Investing Activities		
Payment to acquire Property, Plant and Equipment	**(11.98)**	(7.83)
Proceeds from disposal of Property, Plant and Equipment	**8.12**	–
Changes in earmarked balances and margin accounts with banks	**189.80**	(1.87)
Interest received	**73.04**	213.51
Bank Deposit (net)	**0.20**	1,649.80
Net cash generated from Investing Activities (B)	**259.18**	1,853.61
Cash flows from Financing Activities		
Proceeds from Borrowings	**1,676.29**	–
Repayment of Borrowings	**(5,000.00)**	(8,435.25)
Interest Paid	**(196.90)**	(1,087.57)
Net cash flow used in Financing Activities (C)	**(3,520.61)**	(9,522.82)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023 (CONT.)

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Net decrease in Cash and Cash Equivalents (A + B + C)	**(4,038.70)**	(844.19)
Cash and cash equivalents at the beginning of the year	**4,096.24**	4,940.43
Cash and Cash Equivalents at the end of the year	**57.54**	4,096.24

Summary of Significant Accounting Policies (Refer note 2)

Notes:

1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
2. Also refer note 9- Cash and cash equivalents

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2023

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 18th April, 2023

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 18th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	**10.00**	10.00
Add: Issue of equity shares	**–**	–
Balance at the end of the year	**10.00**	10.00

B. Other Equity

(Rs. in Lakh)

Particulars	Retained Earnings	Total
As at 31st March, 2021	**(3,689.73)**	(3,689.73)
Loss for the year	**(138.93)**	(138.93)
Other Comprehensive Income net of taxes*	**4.98**	4.98
Total Comprehensive Loss for the year	**(133.95)**	(133.95)
As at 31st March, 2022	**(3,823.68)**	**(3,823.68)**
Profit for the year	**580.93**	580.93
Other Comprehensive Loss net of taxes*	**(1.53)**	(1.53)
Total Comprehensive Profit for the year	**579.40**	579.40
As at 31st March, 2023	**(3,244.28)**	**(3,244.28)**

* Remeasurement gains/(loss), net of taxes on defined benefit plans during the year is recognised as part of retained earnings

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2023

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 18th April, 2023

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 18th April, 2023

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

1. General Information

Mahindra Happinest Developers Limited ("The Company") (Formerly known as Mahindra Happinest Developers Private Limited) was incorporated on 6th September, 2017 under the provisions of the Companies Act,2013. It was converted to a public limited company on 26th September, 2017.

The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The company is currently engaged in development of residential projects in Palghar and Kalyan near Mumbai.

2. Significant Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 18th April, 2023. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from contracts with customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.2 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle

– Held primarily for the purpose of trading

– Expected to be realised within twelve months after the reporting period, or

– Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

All other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle

– It is held primarily for the purpose of trading

– It is due to be settled within twelve months after the reporting period, or

– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax asset and liabilities are classified as non-current asset and liabilities.

Borrowings and investment are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.6.1 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Employee Benefits

2.7.1 Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund and Superannuation Fund is recognised in profit or loss.

2.7.2 Defined Benefit Plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

2.7.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.7.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.11.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Vehicles used by employees are depreciated over the period of 4 years considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.13 Intangible Assets

2.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

2.13.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.13.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Software 3 years

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.16 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed.

2.17 Provisions and contingent liabilities

2.17.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.17.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.18 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.18.1 Classification and subsequent measurement

2.18.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

– Amortised cost; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.18.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.1.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.18.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.18.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

2A. Use estimates and judgement

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the over time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time, when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1st April, 2022	76.46	186.71	72.08	227.06	22.74	585.05
Additions during the year	1.07	–	10.91	–	–	11.98
Deductions during the year	(1.28)	(1.08)	–	–	(22.74)	(25.10)
Balance as at 31st March, 2023	**76.25**	**185.63**	**82.99**	**227.06**	**–**	**571.93**
II. Accumulated depreciation						
Balance as at 1st April, 2022	43.64	111.67	46.37	210.07	14.13	425.88
Depreciation expense for the year	16.91	45.03	14.20	16.38	0.47	92.99
Deductions during the year	(1.16)	(0.83)	–	–	(14.60)	(16.59)
Balance as at 31st March, 2023	**59.39**	**155.87**	**60.57**	**226.45**	**–**	**502.28**
III. Net carrying amount (I-II)	**16.86**	**29.76**	**22.42**	**0.61**	**–**	**69.65**

(Rs. in Lakh)

Description of Assets	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1st April, 2021	73.77	186.30	67.35	227.06	22.74	577.22
Additions during the year	2.69	0.41	4.73	–	–	7.83
Deductions during the year	–	–	–	–	–	–
Balance as at 31st March, 2022	**76.46**	**186.71**	**72.08**	**227.06**	**22.74**	**585.05**
II. Accumulated depreciation						
Balance as at 1st April, 2021	30.55	66.12	30.42	78.80	8.44	214.33
Depreciation expense for the year	13.09	45.55	15.95	131.27	5.69	211.55
Deductions during the year	–	–	–	–	–	–
Balance as at 31st March, 2022	**43.64**	**111.67**	**46.37**	**210.07**	**14.13**	**425.88**
III. Net carrying amount (I-II)	**32.82**	**75.04**	**25.71**	**16.99**	**8.61**	**159.17**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

4. Intangible Assets

(Rs. in Lakh)

Description of Assets	Software As at 31st March, 2023	Software As at 31st March, 2022
I. Gross Carrying Amount		
Balance as at 1st April	**32.45**	32.45
Additions during the year	**–**	–
Deductions during the year	**–**	–
Balance as at 31st March	**32.45**	32.45
II. Accumulated depreciation		
Balance as at 1st April	**19.73**	8.91
Amortisation expense for the year	**10.82**	10.82
Deductions during the year	**–**	–
Balance as at 31st March	**30.55**	19.73
III. Net carrying amount (I-II)	**1.90**	12.72

5. Other Non-Current Financial assets

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial Assets at amortised cost		
Bank deposit towards margin money	**2.42**	4.22
Accrued interest	**–**	0.22
Total	**2.42**	4.44

6. Deferred Tax Assets (Net)

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Assets	**1,012.15**	1,113.21
Total	**1,012.15**	1,113.21

Deferred Tax assets/(liabilities) in relation to:

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2023
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	63.71	37.76	–	**101.47**
Provision for Employee Benefits	6.54	14.03	0.63	**21.20**
Disallowance u/s 43(B) of the Income tax Act, 1961	25.34	11.10	–	**36.44**
Carried forward Business Loss	1,017.62	(164.58)	–	**853.04**
Other Temporary differences	–	–	–	**–**
Total	**1,113.21**	**(101.69)**	**0.63**	**1,012.15**

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2022
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	18.00	45.71	–	**63.71**
Provision for Employee Benefits	7.09	1.50	(2.05)	**6.54**
Disallowance u/s 43(B) of the Income tax Act, 1961	25.35	(0.01)	–	**25.34**
Carried forward Business Loss	1,043.23	(25.61)	–	**1,017.62**
Other Temporary differences	64.59	(64.59)	–	**–**
Total	**1,158.26**	**(43.00)**	**(2.05)**	**1,113.21**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

7. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars (Refer note (b) and (c))	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	**667.08**	284.48
Construction work-in-progress (Refer note (a) below)	**34,736.72**	29,385.20
Finished Goods	**1,478.67**	1,880.70
Total	**36,882.47**	31,550.38

a) Construction Work in Progress represents materials at site and cost of actual work incurred on the projects.

b) Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion.

The Company is executing affordable residential projects at Palghar and Kalyan. The Happinest Palghar-2 forming part of Palghar project saw a successful launch in 2020 in a buoyant market. The market has thereafter seen muted demand. During the year the company has considered revision in the project cost estimates and velocity of sale of units. Consequently, while valuing its balance inventory as per its accounting policies, the Company has taken an impact of Rs 793.18 lakh.

c) The Company has availed overdraft facility, which is secured by hypothecation of inventories of Kalyan Project (except land).

8. Trade Receivables

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured Considered Good	**1,519.40**	2,289.84
Total	**1,519.40**	**2,289.84**

Refer Note 31 for disclosures related to credit risk, impairment risk of trade receivables under expected credit loss model and related financial instrument disclosures.

Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed Trade Receivable - Considered good - unsecured	**1,519.40**	2,289.84
Not Due	**665.10**	925.17
0 months - 6 months	**653.26**	1,239.68
6 months -1 year	**125.03**	58.52
1-2 Years	**54.45**	58.03
2-3 years	**15.08**	8.44
More than 3 years	**6.48**	–
Undisputed Trade Receivable - Credit impaired	**–**	–
Disputed Trade Receivables- which have significant increase in credit risk	**–**	–
Trade Receivable - Credit impaired	**–**	–
Total	**1,519.40**	2,289.84

9. Cash and Bank Balances

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
Balances with banks:		
(i) On current accounts	**57.54**	1,459.51
(ii) Fixed Deposits with Original maturity of less than 3 months	**–**	2,636.73
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**57.54**	4,096.24

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
(i) Towards margin money	**2.00**	190.00
(ii) Fixed Deposits with original maturity greater than 3 months	**–**	0.20
Total Other Bank balances	**2.00**	190.20

10. Other Financial Assets - Current

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets at amortised cost		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposit	**0.77**	44.70
Security Deposits	**28.85**	20.70
Total	**29.62**	65.40

11. Other Current Assets

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances other than capital advances:		
Balances with government authorities (Other than income taxes)	**102.01**	58.13
Income Tax Assets	**26.18**	26.23
Prepaid Expenses	**1,366.00**	1,235.44
Other Advances#	**258.41**	130.97
Total	**1,752.60**	1,450.77

#Other Advances mainly include project advances given to vendors.

12. Equity Share capital

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
	10.00	10.00
Issued, Subscribed and Fully Paid:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
Total	**10.00**	10.00

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	**Rs. in Lakh**	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	**100,000**	**10.00**	100,000	10.00
Add: Issued during the year	**–**	**–**	–	–
Balance at the end of the year	**100,000**	**10.00**	100,000	10.00

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries (as per Companies Act 2013)

Particulars	Equity Shares with Voting rights
As at 31st March, 2023	
Mahindra Lifespace Developers Limited	**51,000**
As at 31st March, 2022	
Mahindra Lifespace Developers Limited	**51,000**

Other than above shares, no shares are held by any subsidiaries or associates of the Holding Company.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2023		As at 31st March, 2022	
Name of the shareholder	**No.**	**% holding**	No.	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%
HDFC Capital Affordable Real Estate Fund I	**49,000**	**49%**	49,000	49%

(iv) Details of shareholdings by the Promoter's of the Company

	As at 31st March, 2023		As at 31st March, 2022			
Name of the shareholder	**No.**	**% holding**	No.	% holding	Change during the period	% change during the period
Equity shares with voting rights						
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%	–	0.00%

13. Other Equity

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Retained earnings	**(3,244.28)**	(3,823.68)
Total	**(3,244.28)**	(3,823.68)

Description of the nature and purpose of other equity

Retained Earnings: This reserve represents cumulative losses of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

14. Borrowings

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Non Current Unsecured Borrowings- at Fair value:		
Preference Shares		
12,33,500 Series 1 (Previous year 12,33,500) and 25,65,044 Series 2 (Previous year 25,65,044) Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10/- each| (Refer Notes below)	**1,372.07**	3,578.80
Total Unsecured Borrowings	**1,372.07**	3,578.80
Total Non Current Borrowings	**1,372.07**	3,578.80

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

1. **Terms and conditions of Series 1 and Series 2 Optionally Convertible redeemable Preference Shares (OCRPS)**

   Series 1 and Series 2 Preference Shares are unsecured, unlisted, redeemable, optionally convertible preference shares. The issue price of each Series 1 & Series 2 Preference Shares is Rs.100 (face value Rs.10). The Series 1 and Series 2 Preference Shares shall not be entitled to any voting rights, other than as prescribed under Applicable Law and the articles of association of the Company. Each Series 1 and Series 2 Preference Share constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

   Series 1 and Series 2 Preference Shares shall be eligible to receive Redemption Premium which shall be paid along with Redemption of Series 1 and Series 2 Preference Shares ((not latter than 9 years from the date of allotment). Redemption Premium shall mean a premium not exceeding 15% per annum compounded annually from the date of subscription of the Series 1 and Series 2 Preference Shares that is being redeemed. The payment of Redemption Premium shall be subject to the Distributable Cash as determined by the Distribution Committee. The Redemption Premium shall be accrued, due and payable only on Redemption Date and proportionate to the Series 1 and Series 2 Preference Shares so being redeemed.

   At the option of holder of the Series 1 and Series 2 Preference Shares, if the then outstanding Series 1 and Series 2 Preference Shares cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Preference Shares, the Series 1 and Series 2 Preference Shares shall be converted into equity shares of the Company, in accordance with such formula as may be determined by the Company and the holder of the Series 1and Series 2 Preference Shares, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

   At the time of conversion, the holder of Preference Shares will be entitled to equity shares of the Company up to the principal amount (i.e. issue price) of the outstanding OCRPS.

2. **Gain on Fair Valuation of Optionally Convertible redeemable Preference Shares (OCRPS)**

   During the year ended 31st March, 2023 the fair value of OCRPS has reduced from Rs.3,578.80 Lakh as on 31st March, 2022 to Rs. 1,372.07 Lakh as on 31st March, 2023 resulting in the FVTPL gain of Rs.2,206.73 (Refer Note-20) Lakh based on the independent valuation carried out by the Company with the revised cashflow estimates as on reporting date.

15. Provisions

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Non Current		
Provision for employee benefits (Refer Note- 29)		
Gratuity	**32.46**	17.85
Leave Encashment	**36.24**	9.47
Total	**68.70**	27.32
Current		
Provision for employee benefits (Refer Note- 29)		
Gratuity	**2.77**	4.58
Leave Encashment	**10.72**	2.09
Other Provisions		
Provision for Defect Liabilities	**45.43**	43.64
Total	**58.92**	50.31

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2021	16.97
Additional provisions recognised	26.67
Amounts utilised during the year	–
Balance at March 31, 2022	43.64
Additional provisions recognised	1.80
Amounts utilised during the year	–
Balance at March 31, 2023	**45.43**

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date when control over the property has been transferred to the customer.

16. Borrowings

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Secured Borrowings at amortised cost (Current)		
Current maturities of long term debt	**–**	4,996.19
Overdraft facility from banks repayable on demand	**1,676.29**	–
Total	**1,676.29**	4,996.19

Loans repayable on demand

Overdraft facility from HDFC Bank carries interest rate of 7.75% to 9.35% p.a for the year ended 31st March, 2023 (7.75% p.a for the year ended 31st March, 2022). The facility is secured by hypothecation of inventories of Kalyan Project (except land)

17. Trade Payables

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises *	**134.75**	107.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,125.22**	1,992.72
Total	**2,259.97**	2,100.13

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

*This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**134.75**	107.41
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

Ageing for trade payble from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**32.53**	–
Not Due	**102.22**	107.41
0 months - 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**685.68**	366.22
Not Due	**1,128.42**	1,381.59
0 months - 1 year	**297.77**	208.12
1-2 Years	**7.38**	24.36
2-3 years	**5.02**	8.62
More than 3 years	**0.95**	3.81
Disputed Dues- Micro, Small and Medium enterprises	**–**	–
Disputed Dues- Others	**–**	–
Total	**2,259.97**	2,100.13

18. Other Current liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers	**39,077.45**	33,946.03
Statutory dues payable*	**50.63**	47.27
Total	**39,128.08**	**33,993.30**

*There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

19. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Contract with Customers		
Revenue from Projects	**595.55**	6,808.97
Total	**595.55**	**6,808.97**

Refer Note 27 for IND AS 115 disclosures

20. Other Income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income on Bank Deposits	**28.89**	94.86
Interest on Bank Subvention	**1.11**	52.07
Interest Income others*	**42.74**	121.07
Miscellaneous Income	**9.65**	1.87
Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)	**2,206.73**	–
Total	**2,289.12**	**269.87**

*Includes interest charged on late payment received from customers.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

21A. Construction Expenses incurred

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Expenses incurred during the year:		
Civil, Electricals, Contracting, etc.	**5,569.50**	9,443.88
Legal, Consultant & Professional Fees	**333.45**	125.74
Employee Benefits Expense Allocated	**280.64**	221.87
Interest Costs Allocated	**195.79**	541.93
Power and fuel cost	**1.14**	15.55
Other Project Administration Cost	**146.78**	87.39
Construction Expenses incurred during the year (A)	**6,527.30**	10,436.36
Provision for Defect Liability (B)	**1.80**	26.67
Total (A + B)	**6,529.10**	**10,463.03**

21B. Changes in inventories of raw material, work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock		
Raw Material	**284.48**	662.67
Work-in-progress	**29,385.20**	25,420.05
Finished Goods	**1,880.70**	570.23
Total Opening Stock (A)	**31,550.38**	26,652.95
Closing Stock		
Raw Material	**667.08**	284.48
Work-in-progress	**34,736.72**	29,385.20
Finished Goods	**1,478.67**	1,880.70
Total Closing Stock (B)	**36,882.47**	31,550.38
Total (A - B)	**(5,332.09)**	(4,897.43)

21C. Operating Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Commission & Brokerage	**11.92**	129.25
Total	**11.92**	129.25

22. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages including bonus	**574.90**	291.21
Contribution to provident and other funds	**26.79**	12.49
Staff welfare expenses	**7.39**	4.87
Less: Allocated to projects	**(280.64)**	(221.87)
Total	**328.44**	86.70

23. Finance Costs

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on Term Loan	**122.90**	528.29
Interest on Bank Overdraft	**72.89**	13.64
	195.79	541.93
Less: Allocated to projects	**(195.79)**	(541.93)
	–	–
Interest Others	**–**	10.17
Interest on Bank Subvention	**1.11**	52.07
Total	**1.11**	62.24

Analysis of Interest Expenses by Category

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Expenses		
On Financial Liabilities at Amortised Cost	**195.79**	541.93

24. Other expenses

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Advertisement, Marketing & Business Development	**246.80**	308.27
Legal and Other Professional costs	**174.37**	115.74
Power & Fuel	**0.23**	0.33
Repairs and Maintenance	**51.76**	51.55
Rates & Taxes	**1.45**	56.44
Travelling and Conveyance Expenses	**25.08**	18.58
Printing & Stationery	**2.45**	9.97
Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)	**–**	467.08
Payment to Auditors#	**26.29**	22.36
Miscellaneous Expenses	**30.94**	58.29
Loss of Sale of Fixed Asset	**0.39**	–
Total	**559.76**	1,108.61

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lakh)

# Payment to Auditors	For the year ended 31st March, 2023	For the year ended 31st March, 2022
For Audit	**12.80**	10.74
For Tax Audit	**4.31**	3.89
For Other Services	**9.18**	7.73
Total	**26.29**	22.36

25. Income Taxes

(a) Income tax expense recognised in statement of Profit & Loss

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
In respect of current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary differences	**101.69**	43.00
Total	**101.69**	43.00

(b) Income tax expense/(credit) recognised in Other Comprehensive income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit plans	**(0.63)**	2.05
Total	**(0.63)**	2.05

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit & Loss is as follows:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit/(Loss) before tax	**682.62**	(95.93)
Income tax expense calculated at 29.12%	**198.79**	(27.93)
Effect of tax incentives and concessions	**0.26**	0.26
Business Loss	**(164.58)**	25.61
Changes in recognised deductible temporary differences	**67.23**	45.06
Total	**101.69**	43.00

26. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the Profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the Profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit/(Loss) after tax (Rs. in Lakh)	**580.93**	(138.93)
Weighted average number of equity shares	**100,000**	100,000
Face Value of Equity Shares (in Rs.)	**10**	10
Earnings per Equity share - Basic (in Rs.)	**580.93**	(138.93)
Earnings per Equity share - Diluted (in Rs.)	**580.93**	(138.93)

27. Disclosures as per IND AS 115

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as “Advances received from Customers/Income received in Advance” in note no. 18- Other Current Liabilities amounting to Rs 39,077.45 lakhs (previous year Rs 33,946.03 lakhs). Amounts billed for development milestones achieved but not yet paid by the customer are included in the balance sheet under note no.8 - Trade Receivables amounting to Rs.1,519.40 lakhs (previous year Rs.2,289.84 lakhs)

(b) During the year, the Company recognised Revenue of Rs. 227.25 lakhs (previous year Rs. 5,275.51 lakhs) from opening contract liability of Rs. 33,946.03 lakhs (previous year Rs. 26,603.60 lakhs). Contract Liability of Rs 255.10 lakhs reversed due to cancellation of units sold during the year (previous year Rs 430.72 lakhs).

(c) There were no significant changes in the composition of the contract liabilities during the reporting period other than on account of periodic invoicing and one new project opened for sale.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and one new project opened for sale.

(e) There are no contract assets outstanding at the end of the year.

(f) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2023, is Rs. 45,115.97 lakhs (previous year Rs. 44,396.86 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 76% (previous year 35%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is not expected to be material.

(g) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contracted price	**596.66**	6,861.04
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**(1.11)**	(52.07)
Revenue recognised as per Statement of Profit & Loss	**595.55**	6,808.97

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

(2) Contract costs

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract costs included in Prepaid Expenses in Note no. 11- Other Current Assets	**1366.00**	1,235.02

The Company incurs commissions & incentives that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 11 - Other Current Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2023, amortisation amounting to Rs. 11.92 lakhs (Previous Year Rs. 129.25 lakhs) was recognised as brokerage cost. There was no impairment loss in relation to the costs capitalised.

28. Related parties disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Ltd.
	HDFC Capital Affordable Real Estate Fund I

Other Related parties with whom transactions have taken place during the year

Holding Company of Enterprise exercising joint control over the Company	Mahindra & Mahindra Ltd.
Subsidiary of Holding Company of Enterprise exercising joint control over the Company	Mahindra Integrated Business Solutions Pvt. Ltd.
Key Managerial Personnel	Mr. Arvind Subramanian
Relative of Key Managerial Personnel	Mrs. Poornima Subramanian

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

(Rs. in Lakh)

Nature of transactions with Related Parties	Year Ended	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mrs. Poornima Subramanian
Redemption of Series I Debenture (OCDs)	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	1,362.11	4,086.32	–	–	–
Sale of Goods	**31-Mar-23**	**–**	**–**	**–**	**–**	**2.98**
	31-Mar-22	–	–	–	–	11.79
Sale of Assets	**31-Mar-23**	**1.64**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–
Receiving of services	**31-Mar-23**	**43.16**	**–**	**58.14**	**37.10**	**–**
	31-Mar-22	–	–	28.52	50.34	–
Interest on Series I Debenture (OCDs)	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	120.85	362.55	–	–	–
Reimbursement made to parties	**31-Mar-23**	**3.06**	**–**	**–**	**–**	**–**
	31-Mar-22	38.11	–	–	–	–
Reimbursement received from parties	**31-Mar-23**	**144.50**	**–**	**–**	**–**	**–**
	31-Mar-22	18.67	–	–	–	–

The following table provides the balances with related parties as on balance sheet date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as at	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mrs. Poornima Subramanian
Long Term Borrowings - Series 1 & Series 2 preference Shares (OCRPs)	**31-Mar-23**	**949.66**	**2,848.88**	**–**	**–**	**–**
	31-Mar-22	949.66	2,848.88	–	–	–
Payables	**31-Mar-23**	**26.36**	**–**	**56.75**	**9.09**	**–**
	31-Mar-22	25.67	–	9.10	11.13	–
Receivables	**31-Mar-23**	**143.91**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

29. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 26.79 lakhs (31st March, 2022 Rs. 12.49 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2023.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk

A decrease in the bond interest rate will increase the plan liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31st March, 2023	31st March, 2022
Discount rate(s)	**7.31%**	5.85%
Expected rate(s) of salary increase	**10.00%**	10.00%
Attrition Rate	**21.21% p.a. for all service groups**	0 to 42: 20%
Mortality	**IALM (2012-14) ULT.**	IALM (2012-14) ULT.

Retirement age of the employees is assumed to be 60 years.

Defined benefit plans – as per actuarial valuation on 31st March, 2023

(Rs. in Lakh)

Particulars	Un-funded Gratuity Plan For the year ended 31st March, 2023	For the year ended 31st March, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**6.77**	3.83
Past service cost	**0.04**	–
Net interest expense	**2.16**	1.27
Components of defined benefit costs recognised in profit or loss	**8.97**	5.10
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**(1.08)**	(0.20)
Actuarial (gains)/loss arising from changes in financial assumptions	**(2.58)**	1.22
Actuarial (gains)/loss arising from experience adjustments	**5.82**	(8.05)
Components of defined benefit costs recognised in other comprehensive income	**2.16**	(7.03)
Total	**11.13**	(1.93)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2023		
1. Present value of defined benefit obligation at end of the year	**35.23**	22.43
2. Current portion of the above	**(2.77)**	(4.58)
3. Non current portion of the above	**(32.46)**	(17.85)
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation	**22.43**	24.36
2. Transfer In liability from Mahindra Lifespace Developers Ltd.	**22.93**	–
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**6.77**	3.83
- Past Service Cost	**0.04**	–
- Interest Cost	**2.16**	1.27
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain/(Loss) arising from:		
i. Demographic Assumptions	**(1.08)**	(0.20)
ii. Financial Assumptions	**(2.58)**	1.22
iii. Experience Adjustments	**5.82**	(8.05)
5. Benefit payments	**(21.26)**	–
6. Present value of defined benefit obligation at the end of the year	**35.23**	22.43

The actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023 by K. A. Pandit, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumptions	Year	Changes in assumption (%)	Impact on defined benefit obligation (Rs. in Lakh) Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1.00%**	**33.65**	**36.96**
	2022	1.00%	21.60	23.34
Salary growth rate	**2023**	**1.00%**	**36.90**	**33.68**
	2022	1.00%	22.76	22.12

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Maturity profile of defined benefit obligation:

(Rs. in Lakh)

	31st March, 2023	31st March, 2022
Within 1 year	**2.77**	4.58
1 - 2 year	**4.23**	3.87
2 - 3 year	**5.61**	3.38
3 - 4 year	**5.22**	2.88
4 - 5 year	**5.07**	2.45
Above 5 years	**29.93**	9.11

The weighted average age considered for defined benefit obligation as at 31st March 2023 is 37.49 years (Previous Year was 33.92 years)

30. Financial Instruments

Capital management

The Company's capital management objectives are-

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using net debt equity ratio which is determined as the proportion of net debt to total equity.

(Rs. in Lakh)

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Debt*	**1,676.29**	4,996.19
Cash and Bank Balances	**(59.54)**	(4,286.44)
Net Debt (A)	**1,616.75**	709.75
Total Equity (B)	**(3,234.28)**	(3,813.68)
Net Debt Equity Ratio (A/B)	**(0.50)**	(0.19)

* Since Optionally Convertible Debentures and Optionally Convertible Redeemable Preference shares issued by the company are subscribed by the share-holders, the Debt-equity ratio of the company is reviewed by the management based on the external debt only.

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2023

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Other Financial Assets - Non Derivative Financial Assets	**2.42**	**–**	**2.42**
Current Assets			
Trade Receivables	**1,519.40**	**–**	**1,519.40**
Cash and Bank Balances	**59.54**	**–**	**59.54**
Other Financial Assets - Non Derivative Financial Asset	**29.62**	**–**	**29.62**
Non-current Liabilities			
Borrowings	**–**	**1,372.07**	**1,372.07**
Current Liabilities			
Borrowings	**1,676.29**	**–**	**1,676.29**
Trade Payables	**2,259.97**	**–**	**2,259.97**

As at 31st March, 2022

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Other Financial Assets - Non Derivative Financial Assets	4.44	–	4.44
Current Assets			
Trade Receivables	2,289.84	–	2,289.84
Cash and Bank Balances	4,286.44	–	4,286.44
Other Financial Assets - Non Derivative Financial Asset	65.40	–	65.40
Non-current Liabilities			
Borrowings	–	3,578.80	3,578.80
Current Liabilities			
Trade Payables	4,996.19	–	4,996.19
Borrowings	2,100.13	–	2,100.13

31. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and cash equivalents and other financial assets

For Cash and bank balances only highly rated banks are accepted. The Company holds cash and cash equivalents with banks which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	**Less than 1 Year**	**1 Year to 3 Years**	**3 Year to 5 Years**
Non-derivative financial liabilities			
As at 31st March, 2023			
Trade and other payables	**2,259.96**	**–**	**–**
Current Secured Borrowings	**1,676.29**	**–**	**–**
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPs")	**–**	**1,372.07**	**–**
Total	**3,936.25**	**1,372.07**	**–**

(Rs. in Lakh)

Particulars	**Less than 1 Year**	**1 Year to 3 Years**	**3 Year to 5 Years**
Non-derivative financial liabilities			
As at 31st March, 2022			
Trade and other payables	1,225.18	874.95	–
Current Secured Borrowings	4,996.19	–	–
Series 1 Optionally Convertible Redeemable Preference Shares ("OCRPs")	–	3,578.80	–
Total	6,221.37	4,453.76	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions in foreign currencies only for purchase of components which are required to be imported to carry out construction activities or for travelling and sales promotion activities; consequently, exposing to exchange rate fluctuations, but the same is not material in nature as compared to the size of the operations of the Company.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	**Increase/ decrease in basis points**	**(Rs. in Lakh)**
As at 31st March, 2023	**INR**	**+100**	**(16.76)**
	INR	**-100**	**16.76**
As at 31st March, 2022	INR	+100	(49.96)
	INR	-100	49.96

Fair Valuation Techniques and Inputs used - Recurring Items

(Rs. in Lakh)

Financial liabilities measured at Fair value	**Fair value as at 31st March, 2023**	**Fair value hierarchy**	**Valuation Technique(s)**	**Key input(s) used**
Borrowings				
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	1,372.07	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**1,372.07**			

(Rs. in Lakh)

Financial liabilities measured at Fair value	**Fair value as at 31st March, 2022**	**Fair value hierarchy**	**Valuation Technique(s)**	**Key input(s) used**
Borrowings				
Convertible Redeemable Preference Shares ("OCRPS")	3,578.80	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**3,578.80**			

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

Significant unobservable inputs used in level 3 fair value measurements

(Rs. in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31st March, 2023	Fair value as at 31st March, 2022	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
Borrowings					
Series 1 and Series 2 Optionally Convertible Redeemable preference shares ("OCRPS")	1,372.07	3,578.80	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(Rs. in Lakh)

Particulars	Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	Series 1 and Series 2 Optionally Convertible Redeemable Debenture ("OCD")	Total
Year Ended 31st March 2023			
Opening Balance of Fair Value	**3,578.80**	**–**	**3,578.80**
Total losses/(gains) recognised in Profit or Loss	(2,206.73)	–	(2,206.73)
Closing Balance of Fair Value	**1,372.07**	**–**	**1,372.07**
Year Ended 31st March 2022			
Opening Balance of Fair Value	**3,373.39**	**5,670.21**	**9,043.60**
Total losses/(gains) recognised in Profit or Loss	205.41	261.67	467.08
Redemption of Optionally Convertible Redeemable Debentures during the year	–	(5,931.88)	(5,931.88)
Closing Balance of Fair Value	**3,578.80**	**–**	**3,578.80**

32. Financial Ratios

(Rs. in Lakh)

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liabilities	0.93	0.96	-3.15%	-
b)	Debt Equity Ratio	Debt (Borrowings)	Equity	(0.94)	(2.25)	-58.08%	Reduction in debt from last year due to repayment.
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (Refer note (i) below)	Debt Service (Refer note (ii) below)	(0.44)	0.02	-2339.56%	Reduction in ratio due to increase in employee cost and write down of inventory during the year as compared to previous year.
d)	Return on Equity	Profit/(Loss) After Tax	Average Equity	-16.49%	3.71%	-544.59%	Reduction in ratio due to reduction in revenue and Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.02	0.23	-92.56%	Reduction in ratio due to reduction in revenue recognition and increase in inventory during the current year as compared to previous year.
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receiavables	0.31	2.08	-84.95%	Reduction in ratio due to reduction in revenue recognition during the current year as compared to previous year.
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payables	0.55	3.32	-83.46%	Reduction in ratio due to reduction in cost of sales during the current year as compared to previous year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lakh)

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Reasons for Variance
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (Refer note (iii) below)	(0.27)	1.91	-114.23%	Reduction in revenue recognition during the current year and reduction in average working capital as compared last year.
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	97.55%	-2.04%	-4880.85%	Increase in ratio due to reduction in revenue and Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).
j)	Return on Capital employed	Earning before interest & taxes (Refer note (iv) below)	Capital employed (Refer note (v) below)	-121.66%	-2.88%	4116.95%	Reduction in capital employed due to repayment of debt and Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, above mentioned ratios may not be strictly comparable.

Formula used for calculation of Ratios and Financial Indicators are as below :

(i) Earnings available for debt service = Net Profit/(loss) before taxes + Non-cash operating expenses like depreciation and other amortizations (including FVTPL loss/(gain)) + Interest Expense

(ii) Debt Service = Borrowing + Interest Payment

(iii) Working Capital = Current Asset - Current Liabilities

(iv) Earning before interest & taxes = Profit/(Loss) before Tax + Finance Cost

(v) Capital Employed = Equity + Borrowing - Intangible Assets

33 Additional regulatory information

a) Details of benami property held

The company do not have any benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

c) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

d) Utilisation of borrowed funds and securities premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

34. Discrepancies between books of accounts & quarterly statements submitted to bank

The quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank are in agreement with the unaudited books of accounts for the quarter ended 30 June 2022, 30 September 2022 and 31 December 2022 and no material discrepancies have been observed. The company is yet to submit the statement for the quarter ended 31 March 2023 to the bank.

35 Contingent Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged against as debts-		
Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer Forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable.	**893.92**	1,011.38

In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

36 Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2023

37 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA has issued a notification on 31st March, 2023 covering clarifications/amendments to few IndAS namely

IndAS 101 - First time adoption of Ind AS

IndAS 102 - Share Based Payment

IndAS 103 - Business Combination

IndAS 107 - Financial Instruments: Disclosures

IndAS 109 - Financial Instruments

IndAS 115 - Revenue from Contracts with Customers

IndAS 1 - Presentation of Financial Statements

IndAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IndAS 12 - Income Taxes

IndAS 34 - Interim Financial Reporting.

These clarifications/amendments are applicable from 1st April, 2023. The company shall assess and ensure appropriate compliances wherever applicable.

38 Leases

The company does not have any leasing arrangement during the year ended March 31, 2023.

39 Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the the date of approval of the financial statements.

40 Previous year figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's classification.

As per our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2023

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 18th April, 2023

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 18th April, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Knowledge Park Mohali Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Mahindra Knowledge Park Mohali Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its **Loss** and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on

whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by Section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors for the year under audit. Hence, this clause is not applicable to the Company.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 20th April, 2023
UDIN: 23049818BGXOSA7166

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. **In respect of its Property, Plant and Equipment:**

As per information provided by the Company to us and examination of the books of accounts, the Company does not have Property, Plant and Equipment and Intangible assets, accordingly, the requirements under paragraph 3 (i) (a),(b), (c), (d) and (e) are not applicable to the Company.

ii. **In respect of its inventories:**

As per information and explanation provided by the Company to us and examination of the books of accounts, the Company does not have Inventories, accordingly, the requirements under paragraph 3 (i) (a),(b), (c), (d) and (e) are not applicable to the Company.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. **Loans given by Company:**

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. **Deposits:**

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. **Cost Records:**

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. **Statutory Dues:**

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. **Previously unrecorded income**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. **Repayment of Loans:**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution and Government. The Company has also not issued any debentures as at the balance sheet date.

x. **Utilization of IPO & further public offer:**

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. **Reporting of Fraud:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. **Nidhi Company:**

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. **Related Party Transaction:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. **Internal Audit system:**

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. **Non – cash Transactions:**

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. **Register under RBI Act 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period Rs.40,640/- and in the immediately preceding financial year (FY 2021-22) Rs.50,176/-.

xviii. Resignation of statutory auditors:

M/s. Yash Agarwal & Associates, the statutory auditors has been resigned. There is no issues, objections or concerns raised by the outgoing auditors, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s**. **MAKK & Co**.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Date: 20th April, 2023
UDIN: 23049818BGXOSA7166

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA KNOWLEDGE PARK MOHALI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Knowledge Park Mohali Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Date: 20th April, 2023
UDIN: 23049818BGXOSA7166

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
	Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalents	4	**0.03**	0.03
	Total current assets (II)		**0.03**	0.03
	TOTAL ASSETS		**0.03**	0.03
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	6	**0.00**	0.00
	(b) Other equity		**(125.02)**	(124.61)
	Total equity (III)		**(125.01)**	(124.61)
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	7	**5.00**	5.00
	Total Non-current liabilities (IV)		**5.00**	5.00
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	8	**120.04**	119.63
	Total current liabilities (V)		**120.04**	119.63
	Total equity and liabilities {(III)+(IV)+(V)}		**0.03**	0.03

Summary of Significant Accounting Policies
The accompanying notes 1 to 18 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 49818

Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 20th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	Revenue from operations		–	–
II	Other income		–	–
III	**Total income (I+II)**		–	–
IV	**Expenses**			
	(a) Other expenses	9	0.41	0.50
	Total Expenses (IV)		0.41	0.50
V	**Loss for the period**		(0.41)	(0.50)
VI	**Loss before tax (III-IV)**		(0.41)	(0.50)
VII	**Tax Expense**			
	(1) Current tax		–	–
	(2) Deferred tax		–	–
	Total tax expense		–	–
VIII	**Loss for the period (V-VI)**		(0.41)	(0.50)
IX	**Earnings per equity share**			
	Basic/Diluted	10	(3,126.15)	(3,859.65)

Summary of Significant Accounting Policies
The accompanying notes 1 to 18 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 49818

Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 20th April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash flows from operating activities		
Loss for the year	**(0,41)**	(0.50)
	(0,41)	(0.50)
Movements in working capital:		
Decrease in trade and other payables	**0.41**	0.45
(Increase)/decrease in other current assets	**–**	0.06
(Decrease)/increase in other current liabilities	**–**	–
Cash generated from operations		
Net cash (used in)/generated by operating activities	**–**	–
Cash flows from investing activities		
Net increase in cash and cash equivalents	**–**	**–**
Cash and cash equivalents at the beginning of the year	**0.03**	0.03
	0.03	0.03
Cash and cash equivalents at the end of the year	**0.03**	0.03

Summary of Significant Accounting Policies
The accompanying notes 1 to 18 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 49818

Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 20th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital **(₹ in lakh)**

As at 1st April, 2021	**0.00**
Changes in equity share capital during the year	–
As at 31st March, 2022	**0.00**
Changes in equity share capital during the year	–
As at 31st March, 2023	**0.00**

Note: A similar table to be inserted for any other class of capital issued

B. Other Equity

	Retained earnings (₹ in lakh)
As at 1st April, 2021	**(124.11)**
Loss for the year	(0.50)
Other Comprehensive Loss	–
As at 31st March, 2022	**(124.61)**
Loss for the year	(0.41)
Other Comprehensive Loss	–
As at 31st March, 2023	**(125.02)**

Summary of Significant Accounting Policies
The accompanying notes 1 to 18 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 49818

Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 20th April 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Knowledge Park (Mohali) Limited ("the Company") is a public company incorporated in India on 11 July, 1994 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, Dr G.M.Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400018.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements were approved by the Board of Directors and authorised for issue on 20th April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 4 - (a) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Balance with bank	**0.03**	0.03
Total Cash and cash equivalents	**0.03**	0.03

Note No. 5 - Other Current assets

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Prepaid Expenses	**–**	–
Total Other current assets	**–**	–

Note No. 6 - Equity Share Capital

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Authorised:				
Equity shares of ₹ 10 each with voting rights	**1,000,000**	**100**	1,000,000	100
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**13**	**0.00**	13	0.00
Total	**13**	**0.00**	13	0.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights*			
Period Ended 31st March, 2023			
No. of Shares	**13.00**	**–**	**13.00**
Amount	**0.00**	**–**	**0.00**
Year Ended 31st March, 2022			
No. of Shares	13.00	–	13.00
Amount	0.00	–	0.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.The Distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**6**	**46.15%**	6	46.15%
Mr. A Vishwanth	**1**	**7.69%**	1	7.69%
Mr. Rajkumar Andley	**1**	**7.69%**	1	7.69%
Mr. Vivek Kejriwal	**1**	**7.69%**	1	7.69%
Mr. Pawan Kumar	**1**	**7.69%**	1	7.69%
Mr. Chandra Prakash Bhatia	**1**	**7.69%**	1	7.69%
Mr. Neerak Saroj	**1**	**7.69%**	1	7.69%
Mr. Alok Kumar Mishra	**1**	**7.69%**	1	7.69%

Note No. 7 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
		Amount
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans		
Redeemable preference share capital	**5.00**	5.00
Total Unsecured Borrowings	**5.00**	5.00
Total Borrowings	**5.00**	5.00

Note No. 8 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
	Current	Current
Trade payables for goods & services	**120.04**	119.63
Total trade payables	**120.04**	119.63

No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31 March, 2017 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 9 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Professional charges	**0.20**	0.36
(b) Stamp & Filing Fees	**0.05**	0.08
(c) Payments to auditors		
(i) For audit	**0.15**	0.06
Total Other Expenses	**0.41**	0.50

Note No. 10 - Earnings per Share

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Net loss for the period	**(0.41)**	(0.50)
(b) Nominal value per share	**10.00**	10.00
(c) Weighted average number of equity shares (No.)	**13.00**	13.00
(d) Basic/Diluted earning per share	**(3,126.15)**	(3,859.65)

Note No. 11 - Related Party Transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

Ultimate Holding Company	Mahindra & Mahindra Limited

Group Company

Mahindra Infrastructure Developers Limited

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Infrastructure Developers Limited
Nature of transactions with Related Parties			
Trade payables	**31-Mar-23**	**–**	**–**
	31-Mar-22	–	0.65

Note No. 12 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023, 31 March 2022 is as follows:

	31-Mar-23	31-Mar-22
Debt (A)	**5.00**	5.0
Equity (B)	**(125.01)**	(124.61)
Debt Ratio (A/B)	**(0.04)**	(0.04)

Categories of financial assets and financial liabilities

(₹ in lakh)

As at 31st March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**–**			**–**
Current Assets				
Other Bank Balances	**0.03**			**0.03**
Non-current Liabilities				
Borrowings	**5.0**			**5.0**
Current Liabilities				
Borrowings	**–**			**–**
Trade Payables	**120.04**			**120.04**

(₹ in lakh)

As at 31st March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–			–
Current Assets				
Trade Receivables	–			
Other Bank Balances	0.03			0.03
Non-current Liabilities				
Borrowings	5.0			5.0
Current Liabilities				
Trade Payables	119.63			119.63

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk list all such risks as applicable. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed by Treasury in accordance with the Company's policy. Investments of surplus funds are made only by investment them in mutual funds. Hence the company is not exposed to any credit risk in this respect.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-23				
Trade Payable	**0.41**	**3.92**	**8.59**	**107.12**
Total	**0.41**	**3.92**	**8.59**	**107.12**
31-Mar-22				
Trade Payable	0.81	3.11	8.59	107.12
Total	0.81	3.11	8.59	107.12

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchnage fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Note No. 13 - Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in lakh)

Particulars	Carrying Value		Fair value as at	
	31-Mar-23	31-Mar-22	**31-Mar-23**	31-Mar-22
Financial assets				
Investments	**–**	–	**–**	–
Trade Receivables	**–**	–	**–**	–
Other Bank Balances	**0.03**	0.03	**0.03**	0.03
Total financial assets	**0.03**	0.03	**0.03**	0.03
Financial liabilities				
Trade Payable	**120.04**	119.63	**120.04**	119.63
Total financial liabilities	**120.04**	119.63	**120.04**	119.63

The management assessed that Investment in cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2023: **(₹ in lakh)**

		Fair value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets					
Assets measured at Fair Value:					
Investments		**–**	**–**	**–**	**–**
Trade Receivables		**–**	**–**	**–**	**–**
Other Bank Balances		**–**	**0.03**	**–**	**0.03**
Total		**–**	**0.03**	**–**	**0.03**
Financial liabilities					
Liabilities measured at fair value:					
Trade Payable		**–**	**120.04**	**–**	**120.04**
Total		**–**	**120.04**	**–**	**120.04**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022: **(₹ in lakh)**

		Fair value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Assets measured at Fair Value:					
Investments		–	–	–	–
Trade Receivables		–	–	–	–
Other Bank Balances		–	0.03	–	0.03
Total		–	0.03	–	0.03
Financial liabilities					
Liabilities measured at fair value:					
Trade Payable		–	119.63	–	119.63
Total		**–**	**119.63**	–	**119.63**

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2023.

Note No. 14: Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 15 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	0.0002	0.0002	(0.34%)	
b)	Debt Equity Ratio	Net Debt	Equity	(0.04)	(0.04)	(0.33%)	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.08)	(0.10)	(19.00%)	Decrease in Losses
d)	Return of Equity	PAT	Networth	(0.003)	(0.004)	(19.27%)	Decrease in Losses
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA	
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA	
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA	
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA	
i)	Net profit ratio	PAT	Revenue	NA	NA	NA	
j)	Return on Capital employed	PAT	Borrowing	(0.22%)	(0.28%)	(19.30%)	Decrease in Losses
k)	Return on investment	PAT	Capital employed	NA	NA	NA	

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios

16 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

17. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

18. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 49818

Place : Mumbai
Date : 20th April 2023

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 20th April 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Deep Mangal Developers Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Deep Mangal Developers Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Loss and cash flows for the year ended on that date.

Basis for opinion.

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on

whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 23049818BGXORW3609

Place: Mumbai
Date: 14th April, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. **In respect of its Property, Plant and Equipment:**

As per information provided by the Company to us, it does not have any Property, Plant and Equipment and intangible assets as on 31st March, 2023. Accordingly, paragraph 3 (i) (a), (b), (d) and (e) of the orders is not applicable to the company.

As per information provided by the Company to us, the Company is having a Land as immovable properties and the title deed of such property is on the name of the Company.

ii. **In respect of its inventories:**

The Company is having inventory and work in progress; and it is physically verified by its management at reasonable intervals. Procedures adopted by the Company's management for physical verification of inventories are adequate and reasonable according to the size and nature of its business.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. **Loans given by Company:**

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. **Deposits:**

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. **Cost Records:**

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. **Statutory Dues:**

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. **Previously unrecorded income**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. **Repayment of Loans:**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. **Utilization of IPO & further public offer: -**

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

The Company has raised money by way of right issue of equity shares during the year. The requirements of section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. **Reporting of Fraud:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. **Nidhi Company:**

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. **Related Party Transaction:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. **Internal Audit system:**

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act, 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period Rs. 24.70 lakhs and in the immediately preceding financial year (FY 2021-22) Rs. 34.72 lakhs.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 23049818BGXORW3609

Place: Mumbai
Date: 14th April, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEEP MANGAL DEVELOPERS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Deep Mangal Developers Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 23049818BGXORW3609

Place: Mumbai
Date: 14th April, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
	Non-current assets			
	(a) Financial Assets			
	(i) Investments	4	**0.05**	0.05
	Total Non-current assets (I)		**0.05**	0.05
	Current assets			
	(a) Inventories	5	**346.73**	309.93
	(b) Financial Assets			
	(i) Cash and Cash Equivalents	6	**1.11**	0.59
	(ii) Bank balances other than (i) above	6	**170.00**	–
	(c) Other Current Assets	7	**22.34**	18.43
	Total current assets (II)		**540.18**	328.95
	TOTAL ASSETS		**540.23**	329.00
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	8	**642.01**	1.01
	(b) Other Equity	9	**(107.80)**	(83.10)
	Total equity (III)		**534.21**	(82.09)
	Liabilities			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10	**0.05**	194.19
	(ii) Trade payables	11		
	– total outstanding dues of trade payables other than micro enterprises and small enterprises		**5.90**	187.65
	(iii) Other Financial Liabilities	12	**–**	27.74
	(b) Other Current Liabilities	13	**0.07**	1.51
	Total current liabilities (IV)		**6.02**	411.09
	TOTAL		**540.23**	329.00

Summary of Significant Accounting Policies
The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached.

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 14th April 2023

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 14th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I	Revenue from operations		–	–
II	Other Income	14	**0.13**	0.00
III	**Total Revenue (I + II)**		**0.13**	0.00
IV	**EXPENSES**			
	(a) Finance cost	15	**17.22**	13.72
	(b) Other expenses	16	**7.61**	21.00
	Total Expenses (IV)		**24.83**	34.73
	Loss before tax (III-IV)		**(24.70)**	(34.73)
V	**Tax Expense**			
	(1) Current tax	9	–	–
	(2) Deferred tax		–	–
	Total Expenses		–	–
VI	**Profit/(loss) after tax from continuing operations**		**(24.70)**	(34.73)
VII	**Earnings per equity share**			
	Basic/Diluted	17	**(214.27)**	(3,448.43)

Summary of Significant Accounting Policies
The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached.
For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 14th April 2023

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 14th April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	**(24.70)**	(34.73)
Adjustments for:		
Finance costs recognised in profit or loss	**17.22**	13.72
	(7.48)	(21.00)
Movements in working capital:		
(Increase)/decrease in inventories	**(36.80)**	(13.09)
(Increase)/decrease in other assets	**(3.91)**	(5.93)
(Increase)/decrease in trade and other payables	**(181.75)**	1.09
(Decrease)/increase in other liabilities	**(1.43)**	10.90
Net cash used in operating activities	**(231.37)**	(28.03)
Cash flows from investing activities		
Investment in bank deposits	**(170.00)**	–
Net cash (used in)/generated by investing activities	**(170.00)**	–
Cash flows from financing activities		
Proceeds from borrowings (ICDs)	**55.00**	36.00
Repayment of borrowings (ICDs)	**(249.14)**	–
Proceeds from issue of shares	**641.00**	–
Interest paid on Inter Corporate Deposit	**(44.96)**	(13.72)
Net cash generated by financing activities	**401.90**	22.28
Net increase / decrease in cash and cash equivalents	**0.53**	(5.76)
Cash and cash equivalents at the beginning of the year	**0.59**	6.35
	1.12	0.59
Cash and cash equivalents at the end of the year	**1.12**	0.59

Summary of Significant Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached.

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 14th April 2023

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 14th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

	(₹ in lakh)
As at 31st March, 2021	**1.01**
Changes in equity share capital during the year	–
As at 31st March, 2022	**1.01**
Changes in equity share capital during the year	641.00
As at 31st March, 2023	**642.01**

Particulars	**Retained earnings**
Balance at 31st March, 2021	**(48.37)**
Profit/(Loss) for the year	(34.73)
Other comprehensive income	–
Total comprehensive income	(34.73)
Balance at 31st March, 2022	**(83.10)**
Profit/(Loss) for the year	(24.70)
Other comprehensive income	–
Total comprehensive income	(24.70)
Balance at 31st March, 2023	**(107.80)**

Summary of Significant Accounting Policies
The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached.
For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 14th April 2023

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 14th April 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Deep Mangal Developers Private Limited ("the Company") is a public company incorporated in India on 25 May, 1989 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 14th April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March, 2023 Nos.	As at 31st March, 2023 (₹ in lakh)	As at 31st March, 2022 Nos.	As at 31st March, 2022 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Preference shares					
- of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	**10**	**500**	**0.05**	500	0.05
Moonshine Construction Private Limited	**10**	**1**	**0.00**	1	0.00
Total Investments			**0.05**		0.05

Note No. 5 - Inventories

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Work-in-progress	**346.73**	309.93
Total Inventories (at lower of cost and net realisable value)	**346.73**	309.93

Statement of changes in Inventory

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening inventory (WIP)	**309.93**	296.84
Additions during the year:		
Professional fees	**18.59**	–
Housekeeping chrgs	**5.25**	–
Security expenses	**13.05**	13.09
Closing Inventory (WIP)	**346.82**	309.93

Note No. 6 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
a) Balances with banks	**1.11**	0.59
b) Bank balances other than (a) above	**170.00**	–
Total Cash and cash equivalent	**171.11**	0.59

Note No. 7 - Other Current Assets

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) GST Input Tax Credit	**22.23**	18.43
(b) Interest accrued on Fixed Deposit	**0.11**	–
Total Other Current Assets	**22.34**	18.43

Note No. 8 - Equity Share Capital

Particulars	As at 31st March, 2023 Number of shares	As at 31st March, 2023 (₹ in lakh)	As at 31st March, 2022 Number of shares	As at 31st March, 2022 (₹ in lakh)
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	**6,55,000**	**655.00**	5,000	5.00
	6,55,000	**655.00**	5,000	5.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 100 each	**6,42,007**	**642.01**	1,007	1.01
	6,42,007	**642.01**	1,007	1.01

Pursuant to the approval of Board of Directors of Deep Mangal Developers Limited (the Company) at its meeting held on 11th January, 2023 for rights issue of 6,41,000 equity shares of Rs. 100/- each at par aggregating to Rs. 6,41,00,000/- to the shareholders in proportion of their erstwhile shareholding, allotment was made on 27th March, 2023 after receipt of full subscription from the Shareholders of the Company. There was no change in the percentage of shareholding post abovementioned allotment. The Rights Issue proceeds have been fully utilised for the purpose of the Issue.

Notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2023 Number of shares	As at 31st March, 2023 (₹ in lakh)	As at 31st March, 2022 Number of shares	As at 31st March, 2022 (₹ in lakh)
Opening balance	**1,007**	**1.01**	1,007	1.01
Add: Issued during the year	**6,41,000**	**641**	–	–
Closing balance	**6,42,007**	**642.01**	1,007	1.01

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 100 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mahindra Lifespace Developers Limited, the holding company	**1,12,847**	177

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2023 Number of shares	% holding	As at 31st March, 2022 Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company,	**1,12,847**	**17.58%**	177	17.58%
Mahindra World City (Maharashtra) Limited	**5,29,160**	**82.42%**	830	82.42%

(v) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31st March, 2023 Number of shares	% holding	As at 31st March, 2022 Number of shares	% holding
Equity shares with voting rights				
Mahindra World City (Maharashtra) Limited	**5,29,160.00**	**82.42%**	830	82.42%

Note No. 9 - Other Equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2021	**(48.37)**	**(48.37)**
Profit/(Loss) for the year	(34.73)	(34.73)
Other comprehensive income	–	–
Total comprehensive income	(34.73)	(34.73)
Balance at 31st March, 2022	**(83.10)**	**(83.10)**
Profit/(Loss) for the year	(24.70)	(24.70)
Other comprehensive income	–	–
Total comprehensive income	(24.70)	(24.70)
Balance at 31st March, 2023	**(107.80)**	**(107.80)**

Note No. 10 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Unsecured Borrowings		
(i) Loans from related parties*	**–**	194.14
(ii) Deposits	**0.05**	0.05
Total Unsecured Borrowings	**0.05**	194.19
Total Current Borrowings	**0.05**	194.19

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2022 Non-Current
Trade payable -total outstanding Dues of micro enterprises and small enterprises	**–**	**–**
Trade payable - Other than micro and small enterprises	**5.90**	187.65
Total Trade Payables	**5.90**	187.65

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**5.90**	7.50
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	180.60
Total	**5.90**	187.65

Note No. 12 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Financial Liabilities Measured at Amortised Cost		
Current		
(i) Interest accrued but not due on Borrowings	**–**	27.74
Total other financial liabilities	**–**	27.74

Note No. 13 - Other Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2022 Current
a. Statutory dues		
– taxes payable	**0.07**	1.51
b. Other Current Liablities	**–**	–
Total Other Liabilities	**0.07**	1.51

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a) Interest Income on Fixed Deposit	**0.13**	0.00
Total Other Income	**0.13**	0.00

Note No. 15 - Finance Cost

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a) Interest expense	**17.22**	13.72
Total Finance Cost	**17.22**	13.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.21**	0.15
(b) Other expenses		
(i) Legal and other professional costs	**0.21**	20.76
(ii) Others	**7.19**	0.09
Total Other Expenses	**7.61**	21.00

Note No. 17 - Earnings Per Share

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Net loss for the period (₹ in lakh)	**(24.70)**	(34.73)
(b) Nominal value per share	**100**	100
(c) Weighted average number of equity shares (No.)	**11,527**	1,007
(d) Basic/Diluted earning per share	**(214.27)**	(3,448.43)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Intermidiate Holding Company
3	Mahindra World City (Maharashtra) Limited	Holding Company

(₹ in lakh)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra World City (Maharashtra) Limited
Nature of transactions with Related Parties				
Inter Corproate Deposits received	**31-Mar-23**	**–**	**55.00**	**–**
	31-Mar-22	–	36.00	–
Interest on ICD	**31-Mar-23**	**–**	**17.22**	**–**
	31-Mar-22	–	13.72	–
ICD Refunded	**31-Mar-23**	**–**	**249.14**	**–**
	31-Mar-22	–	–	–
Issue of Shared	**31-Mar-23**	**–**	**112.67**	**528.33**
	31-Mar-22	–	–	–

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra World City (Maharashtra) Limited
ICD Payables	**31-Mar-23**	–	–	–
	31-Mar-22	–	194.00	–
Other payables	**31-Mar-23**	–	–	–
	31-Mar-22	–	180.60	–
Interest on ICD payables	**31-Mar-23**	–	–	–
	31-Mar-22	–	27.88	–

Note No. 19

The accounts of the Company for the year ended 31st March, 2023 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

[I] Capital management

The Company’s capital management objectives is to ensure the Company’s ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company’s policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company’s short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial						
31st March, 2023						
Other financial laibilities	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**	**–**	**–**
31st March, 2022						
Other financial liabilities	12.35	15.39	–	–	27.74	27.74
Total	**12.35**	**15.39**	**–**	**–**	**27.74**	**27.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Non current Investments	–	0.05	–	0.05
(ii) Cash and cash equivalents	–	1.11	–	1.11
Total	**–**	**1.11**	–	**1.11**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	0.05	–	0.05
(ii) Trade payables	–	5.90	–	5.90
Total	**–**	**5.95**	–	**5.95**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Non current Investments	–	0.05	–	0.05
(ii) Cash and cash equivalents	–	0.59	–	0.59
Total	**–**	**0.64**	–	**0.64**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	194.19	–	194.19
(ii) Trade payables	–	187.65	–	187.65
(iii) Other Financial Liabilities	–	27.74	–	27.74
Total	**–**	**409.58**	–	**409.58**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

22 - Financial Ratios

						(₹ in lakh)
	Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	89.71	0.80	11110.98%
b)	Debt Equity Ratio	Net Debt	Equity	0.00	(2.37)	-100%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	NA	NA	–
d)	Return of Equity	PAT	Networth	1.99%	1.35%	47.69%
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receaivables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	NA	NA	NA
j)	Return on Capital employed	PAT	Borrowing	(0.13%)	(0.33%)	-60.45%
k)	Return on investment	PAT	Capital employed	0.00%	0.00%	0.00%

23 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

24. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

25. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

In terms of our report attached.

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 14th April 2023

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 14th April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MOONSHINE CONSTRUCTION PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Moonshine Construction Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 20/04/2023
UDIN: 23049818BGXORY1183

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. **In respect of its Property, Plant and Equipment:**

As per information provided by the Company to us, it does not have any fixed asset as on 31st March, 2023. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. **In respect of its inventories**

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. **Loans given by Company:**

As per information and explanation provided by the Company to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. **Deposits:**

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. **Cost Records:**

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. **Statutory Dues:**

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. **Previously unrecorded income**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. **Repayment of Loans:**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. **Utilisation of IPO & further public offer:**

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. **Reporting of Fraud:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. **Nidhi Company:**

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. **Related Party Transaction:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period of Rs. 0.61 Lakhs and in the immediately preceding financial year (FY 2021-22) Rs. 0.64 Lakhs.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 20/04/2023
UDIN: 23049818BGXORY1183

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOONSHINE CONSTRUCTION PRIVATE LIMITED

Act Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Moonshine Construction Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 20/04/2023
UDIN: 23049818BGXORY1183

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	–	0.25
Total Non-current assets (I)		–	0.25
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**0.41**	0.04
Total current assets (II)		**0.41**	0.04
Total Assets [(I)+(II)]		**0.41**	0.29
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	6	**0.00**	0.00
(b) Other Equity	7	**(32.98)**	(32.37)
Total equity (III)		**(32.98)**	(32.37)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	8	**1.00**	1.00
Total Non-current liabilities (IV)		**1.00**	1.00
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**27.65**	27.15
(ii) Trade Payables	10		
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**3.90**	3.84
(iii) Other Financial Liabilities	11	**0.82**	0.66
(b) Other Current Liabilities	12	**0.02**	0.01
Total current liabilities (V)		**32.39**	31.66
Total equity and liabilities [(III)+(IV)+(V)]		**0.41**	0.29

Summary of Significant Accounting Policies

The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April, 2023

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Revenue (I + II)**		–	–
IV	**EXPENSES**			
	(i) Finance cost	13	**0.18**	0.15
	(ii) Other expenses	14	**0.42**	0.49
	Total Expenses (III-IV)		**0.61**	0.64
V	**Loss for the period**		**(0.61)**	(0.64)
VI	**Loss before tax**		**(0.61)**	(0.64)
VII	**Earnings per equity share (for continuing and discontinued operations):**			
	Basic/Diluted	15	**(2,893.10)**	(3,065.50)

Summary of Significant Accounting Policies
The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April, 2023

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2023

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash flows from operating activities		
Profit before tax for the year	**(0.61)**	(0.64)
Adjustments for:		
Finance costs recognised in profit or loss	**0.18**	0.15
Investment income recognised in profit or loss	**–**	–
	(0.42)	(0.48)
Movements in working capital:		
(Increase)/decrease in other assets	**–**	0.06
Decrease in trade and other payables	**0.06**	(0.02)
(Decrease)/increase in other liabilities	**0.15**	0.14
Net cash generated by operating activities	**(0.21)**	(0.31)
Cash flows from investing activities		
Net cash (used in)/generated by investing activities	**0.25**	–
Cash flows from financing activities		
ICD Received	**0.50**	0.50
Interest paid on ICD	**(0.18)**	(0.15)
Net cash used in financing activities	**0.32**	0.35
Net increase in cash and cash equivalents	**0.36**	0.04
Cash and cash equivalents at the beginning of the year	**0.04**	0.01
	0.04	0.04
Cash and cash equivalents at the end of the year	**0.41**	0.04

Summary of Significant Accounting Policies

The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April, 2023

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

As at 31 March, 2021	0.00
Changes in equity share capital during the year	–
As at 31 March, 2022	0.00
Changes in equity share capital during the year	–
As at 31 March, 2023	0.00

a. Equity share capital

	Equity share capital (no of shares)
Balance at 31 March, 2021	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2022	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2023	21

Particulars	**Retained earnings**
Balance at 31 March, 2021	**(31.73)**
Profit/(Loss) for the period	(0.64)
Other comprehensive income	–
Total comprehensive income	(0.64)
Balance at 31 March, 2022	**(32.37)**
Profit/(Loss) for the period	(0.61)
Other comprehensive income	**–**
Total comprehensive income	(0.61)
Balance at 31 March, 2023	**(32.98)**

Summary of Significant Accounting Policies

The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April, 2023

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Moonshine Construction Private Limited ("the Company") is a private limited company incorporated in India on 16 May, 1996 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 20th April, 2023.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established. Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March 2023 Nos.	(₹ in lakh)	As at 31st March 2022 Nos.	(₹ in lakh)
Investments carried at cost or deemed cost					
Investments in Preference shares					
Preference shares - Mahindra World City Maharashtra Limited	10		–	2,500	0.25
Total Investments			–		0.25

Note No. 5 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
Balances with banks	**0.41**	0.04
Total Cash and cash equivalent	**0.41**	0.04
Total Cash and Bank Balances	**0.41**	0.04

Note No. 6 - Equity share capital

Particulars	As at 31st March 2023 Number of shares	(₹ in lakh)	As at 31st March 2022 Number of shares	(₹ in lakh)
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10 each	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2023 Number of shares	(₹ in lakh)	As at 31st March 2022 Number of shares	(₹ in lakh)
Opening balance	**21**	**0.00**	21	0.00
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**21**	**0.00**	21	0.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by:

Particulars	As at 31st March 2023	As at 31st March 2022
Mahindra World City Maharashtra Limited	**20**	20

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2023 Number of shares	% holding	As at 31st March 2022 Number of shares	% holding
Mahindra World City Maharashtra Limited	**20**	**95.24%**	20	95.24%

Note No. 7 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2021	**(31.73)**	**(31.73)**
Profit/(Loss) for the period	(0.64)	(0.64)
Other comprehensive income	**–**	–
Total comprehensive income	(0.64)	(0.64)
Balance at 31st March 2022	**(32.37)**	**(32.37)**
Profit/(Loss) for the period	(0.61)	(0.61)
Other comprehensive income	**–**	–
Total comprehensive income	(0.61)	(0.61)
Balance at 31st March 2023	**(32.98)**	**(32.98)**

Note No. 8 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Measured at amortised cost*		
A. Unsecured Borrowings - at amortised Cost		
(i) Other Loans		
Redeemable preference share capital	**1.00**	1.00
Total Unsecured Borrowings	**1.00**	1.00
Total Borrowings	**1.00**	1.00

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 9 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
A. Unsecured Borrowings		
(i) Loans from related parties*	**2.50**	2.00
(ii) Loans from others	**25.15**	25.15
Total Unsecured Borrowings	**27.65**	27.15
Total Current Borrowings	**27.65**	27.15

*The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited is in range of 7.70% - 8.25%(Previous Year 7.70% p.a.)

Note No. 10 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade payable -total outstanding Dues of micro enterprises and small enterprises		
Trade payable - Other than micro and small enterprises	**3.90**	3.84
Total Trade Payables	**3.90**	3.84

Note:

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

10 a - Ageing for trade payable from the due date of payment for each of the category is as follows

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.33**	0.27
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**3.57**	3.57
Total	**3.90**	3.84

Note No. 11 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Current		
(a) Interest accrued but not due	**0.82**	0.66
Total Other Current Liabilities	**0.82**	0.66

Note No. 12 - Other current liabilities

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
a. Others		
Statuatory remittances (withholding taxes)	**0.02**	0.01
Total Other Financial Liabilities	**0.02**	0.01

Note No. 13 - Finance Cost

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Interest expense	0.18	0.15
Total Finance Costs	**0.18**	0.15

Note No. 14 - Other Expenses

(₹ in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.21**	0.15
(b) Other expenses		
(i) Legal and other professional costs	**0.21**	0.34
Total Other Expenses	**0.42**	0.49

Note No. 15 - Earnings per Share
Basic Earnings per Share

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Net loss for the period	**(0.61)**	(0.64)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**21**	21
(d) Basic/Diluted earning per share	**(2,893.10)**	(3,037.67)

Note No. 16 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	**Mahindra & Mahindra Limited**	**Ultimate Holding Company**
1	**Mahindra Lifespace Developers Limited**	**Holding Company**

Particulars	For the Period ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited
Nature of transactions with Related Parties			
Inter Corproate Deposits	31-Mar-23	–	**0.50**
	31-Mar-22	–	0.50
Interest on ICD	31-Mar-23	–	**0.18**
	31-Mar-22	–	0.15

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited
ICD Payables	31-Mar-23	–	**2.50**
	31-Mar-22	–	2.00
Interest on ICD Payables	31-Mar-23		**0.82**
	31-Mar-22		0.66

Note No. 17 - The accounts of the Company for the year ended 31 March, 2023 have been prepared on the basis of going concern.

Note No. 18 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

(B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-23						
Trade Payable	**0.33**	**–**	**3.57**	**–**	**3.90**	**3.90**
Total	**0.33**	**–**	**3.57**	**–**	**3.90**	**3.90**
31-Mar-22						
Trade Payable	0.27	–	3.57	–	3.84	3.84
Total	0.27	–	3.57	–	3.84	3.84

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 19 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	0.0128	0.0012	965.94%	Increase in Cash & Bank balance
b)	Debt Equity Ratio	Net Debt	Equity	(0.87)	(0.87)	-0.10%	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.02)	(0.02)	-6.91%	
d)	Return of Equity	PAT	Networth	0.02	0.02	-6.51%	
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA	
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA	
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA	
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA	
i)	Net profit ratio	PAT	Revenue	NA	NA	NA	
j)	Return on Capital employed	PAT	Borrowing	15.08%	16.35%	(7.75%)	
k)	Return on investment	PAT	Capital employed	NA	NA	NA	

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 20 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 21 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

Note No. 22 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 23 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

	Fair value hierarchy as at 31st March, 2023			
Financial assets/financial liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.41	–	0.41
Total	–	0.41	–	0.41
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	–	1.00	–	1.00
(ii) Current Borrowings	–	27.65	–	27.65
(iii) Trade payables	–	3.90	–	3.90
(iv) Other Financial Liabilities	–	0.82	–	0.82
Total	–	33.37	–	33.37

(₹ in lakh)

	Fair value hierarchy as at 31st March, 2022			
Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.04	–	0.04
Total	–	0.04	–	0.04
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	–	1.00	–	1.00
(ii) Current Borrowings	–	27.15	–	27.15
(iii) Trade payables	–	3.84	–	3.84
(iv) Other Financial Liabilities	–	0.66	–	0.66
Total	–	32.64	–	32.64

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 20th April, 2023

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Holidays & Resorts India Limited (the "Company") which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters'

I) Revenue from Contracts with Customers under Ind AS 115 See Note 36 and 52 standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has a unique business model and its revenue comprises of numerous individual transactions and also multiple streams of revenue with its members / customers. In accordance with Ind AS 115 (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognized over the effective membership period. The application of the accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period. The Company has identified expenses which are classified as deferred costs and recognised over the effective membership period.	Our procedures included the following: - Evaluating the appropriateness of accounting policy in accordance with Ind AS 115 for membership contracts entered with customers. - Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue. - Evaluting and testing the identification of expenses incurred by the Company, which can get classified as deferred costs and recognised over the effective membership period. - Perform substantive testing throughout the period, by selecting samples of membership contracts entered during the year and verifying the underlying documents, which include membership agreement forms signed by members, receipt of initial down payment tranche of membership fees, invoices for membership, resort revenue and annual subscription fees. - Evaluating the process followed by the Company for the purpose of determining the effective membership period after considering breakage i.e., customer's unexercised rights. - Evaluating the process followed by the Company and the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections. - Assessing the adequacy of Company's disclosures in accordance with the requirements of Ind AS 115.

II) Contingent liabilities See Note 43 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant tax litigations for both direct and indirect taxes. There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements. The value of the litigations together with the level of judgement involved make it a significant matter for our audit.	Our audit procedures included the following: - Examining the list of outstanding litigations against the Company. - Inquiring and obtaining explanations for movement during the year. - Reading the latest correspondences between the Company and the regulatory authorities for significant matters. - Discussing the status of significant litigation with the Company's senior management personnel and assessing their responses. - Examining opinions obtained by the Company from external advisors. - Involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related techinical grounds relating to their conclusions based on applicable tax laws. - Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

III) Directions by the Regulator See Note 56 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
Pursuant to a complaint made by a customer against the Company, National Financial Reporting Authority ('NFRA') passed an order dated March 29, 2023 ('the Order') providing directions to the Company. As per the order, NFRA has made certain observations in respect of: - the identification and discloure of segments by the Company; and - Company's accounting policy for recognition of revenue on a straight-line basis over the period for the membership fees and annual subscription fees. As per the Order, the Company is required to carry out review of policies and practices in certain areas. These areas are in respect of operating segments and timing of revenue recognition of revenue from customers. The review is required to be completed by June 30, 2023. Given the significance of the findings of NFRA on the policies and practices adopted by the Company, this has been considered as a key audit matter.	Our procedures included the following: - Reading the Order received by the Company and us from NFRA; - Evaluating the findings in the Order with reference to segment reporting under Ind AS 108 and revenue recognition under Ind AS 115; - Communicating the findings of the Order with those charged with governance; - Inquiring and assessing the Company's existing practices and policies followed by the Company in respect of the findings made by NFRA. *Segment Reporting* - Inquiring with the Chief Operating Decision Maker (CODM) on the current process of identification of segments. - Obtaining and inspecting the operating results regularly reviewed by Company's CODM. - Assessing the adequacy of disclosures of operating segments in accordance with Ind AS 108. *Revenue Recognition* - Evaluating the accounting policy for recognition of revenue for contracts entered with members against requirements of Ind AS 115 with reference to fulfillment of performance obligations by the Company. - Inspecting and testing, on sample basis, relevant customer contracts and assessing revenue is recognised on satisfaction of performance obligation. - Assessing the adequacy of disclosures in accordance with Ind AS 115.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

      - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or

      - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company have neither declared nor paid any dividend during the year.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 23112399BGXWIC9017

Mumbai
April 25, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land Manali	1,243.05	Competent Hotels Private Limited - Manali	No	Merger date February 9, 2016 effective from April 1, 2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land - Jaisalmer	1,944.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	
Building - Manali	629.12	Competent Hotels Private Limited - Manali	No	Merger date February 9, 2016 effective from April 1, 2015	
Building - Jaisalmer	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of the examination of the records of the

Company, the Company has made investments in mutual funds during the year. The Company has also provided guarantee and has granted loans to companies during the year, in respect of which the requisite information is below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans and guarantee as below:

(₹ in lakhs)

Particulars	Guarantees	Loans (including interest accrued)
Aggregate amount during the year		
Subsidiaries*		
– MHR Holdings (Mauritius) Limited	2,689	22,882
– MH Boutique Hospitality Limited	Nil	1,066
– Gables Promoters Private Limited	Nil	7,504
– Mahindra Hotels and Residences India Limited	Nil	2,025
– Heritage Bird (M) Sdn Bhd	Nil	728
– Infinity Hospitality Group Company Limited	Nil	4,307
Balance outstanding as at balance sheet date		
Subsidiaries*		
– MHR Holdings (Mauritius) Limited	69,022	22,882
– MH Boutique Hospitality Limited	Nil	1,066
– Gables Promoters Private Limited	Nil	7,504
– Mahindra Hotels and Residences India Limited	Nil	2,025
– Heritage Bird (M) Sdn Bhd.	Nil	728
– Infinity Hospitality Group Company Limited	Nil	4,307

* As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. These loans are renewed during the year on expiry of their prior agreed term. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the following instances of loans falling due during the year were renewed:

(₹ in lakhs)

Name of the parties	Aggregate amount dues (including interest accrued) renewed
– MHR Holdings (Mauritius) Limited	109
– MH Boutique Hospitality Limited	1,066
– Gables Promoters Private Limited	5,114
– Mahindra Hotels and Residences India Limited	21
– Heritage Bird (M) Sdn Bhd.	728
– Infinity Hospitality Group Company Limited	1,107
Total	38,511
Percentage of the aggregate to the total loans granted during the year	21%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount* (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax, interest and penalty	31,251	AY 1999 to 2011	In process of appeal in High Court
Income Tax Act, 1961	Income tax, interest and penalty	42,212	AY 2010 AY 2012 to 2016	ITAT
Income Tax Act, 1961	Income tax, interest and penalty	12,613	AY 2017	Commissioner of Income Tax- Appeals
Finance Act, 1994	Service Tax, interest and penalty	47,664	FY 2007 to 2017	Appellate Authorities
Tamil Nadu Luxury Tax Act	Luxury tax	64	FY 2003 to 2006	Deputy Commissioner
		17	FY 2011 to 2012	Commissioner-Appeals
Kerala Luxury Tax Act	Luxury Tax	659	FY 2009 to 2011	Intelligence officer-Debikulam
		3,230	FY 2010 to 2016	Appellate Commissioner
		1,706	FY 2012 to 2015	High Court
Uttarakhand Luxury Tax Act	Luxury tax	34	FY 2013	Appellate Commissioner
Maharashtra Luxury Tax Act	Luxury tax	42	FY 2013 to 2014	Commissioner of Commercial taxes
Rajasthan Luxury Tax Act	Luxury tax	1,763	FY 2011 to 2017	High Court
Rajasthan Value Added Tax Act	Value added tax	15	FY 2015 to 2017	High Court
Kerala Value Added Tax Act	Value Added Tax	23	FY 2015 to 2017	Assistant Commissioner

* Net of amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any terms loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 23112399BGXWIC9017

Mumbai
April 25, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 23112399BGXWIC9017
Mumbai,
April 25, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**219,748.16**	216,263.32
Right of Use Asset	5	**38,092.87**	26,781.17
Capital work-in-progress	48	**12,834.87**	10,744.48
Other intangible assets	6	**1,536.73**	1,480.98
Intangible assets under development		**834.50**	714.14
Financial Assets			
Investments			
Investments in subsidiaries and associates	7	**11,601.74**	9,532.75
Other Investments	7	**–**	580.49
Trade receivables	8	**22,026.25**	22,120.23
Loans	9	**36,793.62**	–
Other financial assets	10	**32,403.66**	56,264.61
Deferred Tax Assets (Net)	11(a)	**41,556.33**	40,316.39
Other non-current tax assets (Net)	12	**3,228.94**	10,205.41
Deferred Acquisition Cost	13	**70,988.05**	67,035.95
Other non-current assets	14	**5,571.43**	4,113.90
		497,217.15	466,153.82
Current assets			
Inventories	15	**556.87**	633.00
Financial Assets			
Investments	16	**53,366.39**	27,943.07
Trade receivables	17	**94,007.13**	90,696.58
Cash and cash equivalents	18	**1,685.43**	5,648.46
Other bank balances	19	**9,710.65**	32,610.82
Loans	20	**71.03**	6,850.45
Other financial assets	21	**31,791.67**	8,265.88
Deferred Acquisition Cost	22	**5,738.88**	5,306.39
Other current assets	23	**7,284.97**	6,292.86
		204,213.02	184,247.51
		701,430.17	650,401.33
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	24	**20,069.70**	19,984.81
Share application money pending allotment		**117.33**	–
Other equity	25		
Reserves & Surplus		**110,230.67**	92,935.53
Revaluation Reserve		**84,557.53**	84,007.33
Other Comprehensive Income		**(127.72)**	(215.74)
Transition Difference		**(140,272.59)**	(140,272.59)
		54,387.89	36,454.53
		74,574.92	56,439.34
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	26	**34,102.84**	23,689.52
Other financial liabilities	27	**580.01**	850.69
Provisions	28	**832.22**	845.35
Deferred Tax Liabilities	11(b)	**20,451.98**	21,002.18
Other non-current liabilities			
Contract Liability-Deferred Revenue	29	**468,303.38**	450,805.44
		524,270.43	497,193.18
Current liabilities			
Financial Liabilities			
Lease liabilities	30	**6,036.90**	4,472.22
Trade payables	31		
Total outstanding dues of micro enterprises and small enterprises; and		**82.20**	445.88
Total outstanding dues of creditors other than micro enterprises and small enterprises		**21,416.76**	21,327.10
Other financial liabilities	32	**7,423.68**	9,443.72
Provisions	33	**681.61**	849.48
Other current liabilities			
Contract Liability-Deferred Revenue	34	**64,342.90**	57,469.04
Others	35	**2,600.77**	2,761.37
		102,584.82	96,768.81
		701,430.17	650,401.33

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: April 25, 2023

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	**Year ended March 31, 2023**	Year ended March 31, 2022
Income			
Revenue from operations	36	**119,618.18**	96,068.43
Other income	37	**10,938.42**	11,003.80
Total Income		**130,556.60**	107,072.23
Expenses			
Employee benefits expense	38	**30,192.79**	24,861.81
Finance costs	39	**2,913.00**	2,115.85
Depreciation and amortisation expense	4, 5 & 6	**13,908.54**	11,988.56
Other expenses	40	**62,136.02**	47,753.44
Total Expenses		**109,150.35**	86,719.66
Profit before tax		**21,406.25**	20,352.57
Tax expense			
Current tax	41	**6,788.40**	2,665.76
Deferred tax	41	**(1,239.93)**	2,556.35
Total tax expense		**5,548.47**	5,222.11
Profit after tax		**15,857.78**	15,130.46
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit (asset)/liability		**117.62**	(70.58)
Freehold land revaluation		**–**	8,848.36
Income taxes related to items that will not be reclassified to profit or loss		**520.59**	(1,748.98)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**638.21**	7,028.80
Total comprehensive income for the year		**16,495.99**	22,159.26
Earnings per equity share :			
(face value of ₹ 10 per share)			
Basic (in ₹)	42	**7.92**	7.58
Diluted (in ₹)	42	**7.89**	7.55

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: April 25, 2023

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

STATEMENT OF CHANGES IN EQUITY

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	**Share Capital**	**Other Equity**										**Total**
		Reserves & Surplus						**Revaluation Reserve**	**Other Comprehensive Income Actuarial (Loss)**	**Transition Difference**	**Share Application Money Pending Allotment**	
	Equity Share Capital	**Capital Reserve**	**Securities Premium**	**General Reserve**	**Share Options Outstanding Account**	**Capital Redemption Reserve**	**Retained Earnings**					
Balance at the beginning of the reporting year - April 1, 2022	**19,984.81**	**44.75**	**4,209.39**	**10,381.68**	**1,872.37**	**145.80**	**76,281.54**	**84,007.33**	**(215.74)**	**(140,272.59)**	**–**	**56,439.34**
Profit for the year	–	–	–	–	–	–	15,857.78	–	–	–	–	15,857.78
Effect of change in tax base	–	–	–	–	–	–	–	550.20	–	–	–	550.20
Additions during the year	–	–	–	–	315.20	–	–	–	–	–	–	315.20
Share application money pending allotment	–	–	–	–	–	–	–	–	–	–	117.33	117.33
Fresh issue of shares	84.89	–	1,122.16	–	–	–	–	–	–	–	–	1,207.05
OCI component of actuarial gains/ (losses) (Net of taxes)	–	–	–	–	–	–	–	–	88.02	–	–	88.02
Balance at the end of the reporting period - March 31, 2023	**20,069.70**	**44.75**	**5,331.55**	**10,381.68**	**2,187.57**	**145.80**	**92,139.32**	**84,557.53**	**(127.72)**	**(140,272.59)**	**117.33**	**74,574.92**

Particulars	Share Capital	Other Equity										Total
		Reserves & Surplus						Revaluation Reserve	Other Comprehensive Income Actuarial (Loss)	Transition Difference	Share Application Money Pending Allotment	
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings					
Balance at the beginning of the reporting year - April 1, 2021	13,292.38	44.75	10,361.67	10,381.68	1,603.47	145.80	61,151.08	76,925.70	(162.92)	(140,272.59)	–	33,471.02
Profit for the year	–	–	–	–	–	–	15,130.46	–	–	–	–	15,130.46
Additions during the year	–	–	–	–	268.90	–	–	7,081.63	–	–	–	7,350.53
Bonus Issue	6,653.25	–	(6,653.25)	–	–	–	–	–	–	–	–	–
Capitalisation of share issue expenses	–	–	(112.50)	–	–	–	–	–	–	–	–	(112.50)
Fresh issue of shares	39.18	–	613.47	–	–	–	–	–	–	–	–	652.65
OCI component of actuarial gains / (losses) (Net of taxes)	–	–	–	–	–	–	–	–	(52.82)	–	–	(52.82)
Balance at the end of the reporting period - March 31, 2022	19,984.81	44.75	4,209.39	10,381.68	1,872.37	145.80	76,281.54	84,007.33	(215.74)	(140,272.59)	–	56,439.34

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: April 25, 2023

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**21,406.25**	20,352.57
	Adjustments for:		
	Finance costs	**2,913.00**	2,115.85
	Interest income	**(5,441.72)**	(5,432.85)
	Depreciation and amortisation of non-current assets	**13,908.54**	11,988.56
	Net Loss on disposal of property, plant and equipment	**127.75**	222.16
	Gain due to change in lease arrangements	**(173.39)**	(1,247.46)
	Net foreign exchange (Gain)/ Loss	**(2,784.27)**	164.00
	Net Gain on sale of investment	**(1,774.27)**	(2,773.46)
	Net Gain on investments carried at FVTPL	**(316.33)**	(738.86)
	Equity-settled share-based payments	**315.20**	268.90
		6,774.51	4,566.84
	Operating profit before working capital changes	**28,180.76**	24,919.41
	Movements in working capital:		
	(Increase) / Decrease in trade, other receivables and deferred acquisition cost	**(9,765.48)**	3,423.50
	Decrease/ (Increase) in inventories	**76.13**	(179.25)
	(Decrease)/ Increase in trade payables	**(212.74)**	2,218.25
	(Decrease)/ Increase in provisions	**(63.38)**	131.18
	Increase in contract liability-deferred revenue	**24,371.80**	147.84
	Decrease in other liabilities	**(1,479.73)**	(868.32)
		12,926.60	4,873.20
	Cash generated from operations	**41,107.36**	29,792.61
	Income taxes refund / (paid) [Net]	**158.47**	5,802.96
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**41,265.83**	35,595.57
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**3,026.38**	4,636.90
	ICD given to related parties	**(27,322.15)**	(1,880.00)
	ICD repayments by related parties	**–**	42.95
	Placement of fixed deposits and other deposits	**(13,936.31)**	(86,701.22)
	Proceeds from maturity of fixed deposits and other deposits	**40,748.39**	88,811.84
	Payments for property, plant and equipment and intangibles including CWIP	**(15,634.88)**	(12,733.81)
	Proceeds from disposal of property, plant and equipment	**43.89**	49.59
	Proceeds from disposal of investment	**69,983.78**	21,731.36
	Purchase of equity investment	**(1,205.00)**	–
	Purchase of investment	**(93,600.00)**	(40,098.00)
	NET CASH USED IN INVESTING ACTIVITIES	**(37,895.90)**	(26,140.39)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of equity share capital	**1,207.05**	652.65
	Share issue expenses	**–**	(112.50)
	Share application money pending allotment	**117.33**	–
	Proceeds from borrowings	**8,503.43**	749.24
	Repayment of borrowings	**(8,503.43)**	(749.24)
	Payment of lease liabilities	**(5,743.43)**	(4,193.80)
	Dividend paid	**(0.92)**	–
	Interest paid on borrowings	**(2.75)**	(0.22)
	Interest paid on lease liabilities	**(2,910.24)**	(2,115.63)
	NET CASH USED IN FINANCING ACTIVITIES	**(7,332.96)**	(5,769.50)
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,963.03)**	3,685.68
	Cash and cash equivalents at the beginning of the year	**5,648.46**	1,962.78
	Cash and cash equivalents at the end of the year (Refer note no. 18)	**1,685.43**	5,648.46

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: April 25, 2023

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

Mahindra Holidays & Resorts India Limited ('the Company') was incorporated on September 20, 1996, and is in the business of selling vacation ownership and providing holiday facilities.

2(a) Significant accounting policies

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(ii) Basis of preparation and presentation

The standalone financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The significant accounting policies are set out below.

(iii) Revenue recognition

a. Revenue from sale of Vacation Ownership

The Company's business is to sell vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

Revenue from Membership fees

The Company recognises the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Company will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue-vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value.

Deferred acquisition cost

Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

Revenue from annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other liabilities - Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xv).

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainity in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of these leases.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(v) Foreign currencies

The standalone financial statements of the Company are presented in Indian Rupees (INR), which is the Company's functional currency. In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

(vii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments; settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the Company in respect of services provided by employees upto the reporting date.

(viii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options outstanding account in Reserves & Surplus.

(ix) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in the statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(x) Property, plant and equipment (PPE)

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity between 3-5 years.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Furniture and fixtures and office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and Equipment in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	30 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 15 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4 - 5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(xi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(xii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

(xiii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiv) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xv) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through the statement of profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

- (i) to receive cash or another financial asset from another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or

(d) a contract that will or may be settled in the Company's own equity instruments and is:

- (i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at "fair value through profit or loss (FVTPL)" on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in the statement of profit and loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in statement of profit and loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(xvii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

  (i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains are determined based on the amortised cost of the instruments and are recognized in "Other income" and losses are recognised in "Finance Cost" to the extent it is related to borrowings.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in statement of profit and loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(xviii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(xix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xx) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(xxi) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. Share based payments

The entity initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed in Note 24.

b. Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed in Note 44.

c. Intangible assets under development

The Company capitalizes intangibles under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. Estimation towards revenue deferred due to uncertainity of collection

The quantum of revenue deferred due to uncertainity of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

e. Significant financing component

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

f. Customer unexercised rights

The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer.

g. Litigation for taxation matters

The company is subject to tax litigation, the outcome of which is subject to many uncertainities inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

h. Fair valuation of Freehold land

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

i. Leases

The Company makes an assessment on the expected lease term on a lease-by-lease basis as per the contract period. Further, discount rate is based on the incremental borrowing rate of the Company at the time of commencement of lease.

3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(ii) IND AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 4 - Property, Plant and Equipment

Description of Assets	**Land - Freehold**	**Buildings - Freehold**	**Buildings - Leasehold**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross Block								
Balance as at April 1, 2022	**123,347.85**	**85,963.42**	**156.09**	**31,982.11**	**3,350.08**	**23,374.42**	**1,504.92**	**269,678.89**
Additions	**172.41**	**3,561.75**	**–**	**3,603.12**	**455.49**	**2,261.00**	**113.05**	**10,166.82**
Disposals	**–**	**(384.21)**	**–**	**(207.86)**	**(8.55)**	**(58.49)**	**(21.67)**	**(680.78)**
Balance as at March 31, 2023	**123,520.26**	**89,140.96**	**156.09**	**35,377.37**	**3,797.02**	**25,576.93**	**1,596.30**	**279,164.93**
II. Accumulated depreciation								
Balance as at April 1, 2022	**–**	**14,137.78**	**156.09**	**19,786.59**	**2,528.96**	**15,847.89**	**958.26**	**53,415.57**
Depreciation for the year	**–**	**1,622.31**	**–**	**2,737.94**	**358.31**	**1,657.55**	**134.12**	**6,510.23**
Eliminated on disposal of assets	**–**	**(249.18)**	**–**	**(193.27)**	**(7.42)**	**(37.63)**	**(21.54)**	**(509.04)**
Balance as at March 31, 2023	**–**	**15,510.91**	**156.09**	**22,331.27**	**2,879.85**	**17,467.81**	**1,070.84**	**59,416.76**
Net block (I-II)								
Balance as at March 31, 2023	**123,520.26**	**73,630.05**	**–**	**13,046.10**	**917.17**	**8,109.12**	**525.46**	**219,748.16**
Balance as at March 31, 2022	**123,347.85**	**71,825.64**	**–**	**12,195.52**	**821.12**	**7,526.53**	**546.66**	**216,263.32**

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2021	114,484.49	81,317.60	156.09	30,116.49	2,748.83	20,514.38	1,348.88	250,686.76
Additions	15.00	4,910.11	–	3,160.46	659.81	2,925.80	207.08	11,878.26
Disposals	–	(264.29)	–	(1,294.84)	(58.56)	(65.76)	(51.04)	(1,734.49)
Revaluation	8,848.36	–	–	–	–	–	–	8,848.36
Balance as at March 31, 2022	123,347.85	85,963.42	156.09	31,982.11	3,350.08	23,374.42	1,504.92	269,678.89
II. Accumulated depreciation								
Balance as at April 1, 2021	–	12,699.35	156.09	18,590.10	2,288.13	14,500.54	880.12	49,114.33
Depreciation for the year	–	1,478.06	–	2,451.06	298.23	1,408.13	128.58	5,764.06
Eliminated on disposal of assets	–	(39.63)	–	(1,254.57)	(57.40)	(60.78)	(50.44)	(1,462.82)
Balance as at March 31, 2022	–	14,137.78	156.09	19,786.59	2,528.96	15,847.89	958.26	53,415.57
Net block (I-II)								
Balance as at March 31, 2022	123,347.85	71,825.64	–	12,195.52	821.12	7,526.53	546.66	216,263.32
Balance as at March 31, 2021	114,484.49	68,618.25	–	11,526.39	460.70	6,013.84	468.76	201,572.43

All amounts are in ₹ Lakhs unless otherwise stated

Details of Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at March 31, 23	Gross carrying value as at March 31, 22	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Manali - Resort	1,243.05	1,243.05	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land	Jaisalmer Divine - Resort	1,944.00	1,944.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Manali - Resort	629.19	629.19	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Jaisalmer Divine - Resort	1,211.15	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.

Note No. 5 - Right of use asset

Description of Assets	**Right of Use Asset**
I. Gross Block	
Balance as at April 1, 2022	42,046.28
Additions	18,553.82
Deletions	(2,014.72)
Balance as at March 31, 2023*	**58,585.38**
II. Accumulated depreciation	
Balance as at April 1, 2022	15,265.11
Depreciation expense for the year	6,583.12
Eliminated on disposal of assets	(1,355.72)
Balance as at March 31, 2023*	**20,492.51**
Net block (I-II)	
Balance as at March 31, 2023 (refer note 53)	**38,092.87**
Balance as at March 31, 2022	26,781.17

* Pertains to lease of resorts and office properties

Description of Assets	Right of Use Asset
I. Gross Block	
Balance as at April 1, 2021	25,740.06
Additions	17,292.99
Deletions	(986.77)
Balance as at March 31, 2022*	42,046.28
II. Accumulated depreciation	
Balance as at April 1, 2021	10,328.03
Depreciation expense for the year	5,763.31
Eliminated on disposal of assets	(826.23)
Balance as at March 31, 2022*	15,265.11
Net block (I-II)	
Balance as at March 31, 2022 (refer note 53)	26,781.17
Balance as at March 31, 2021	15,412.03

* Pertains to lease of resorts and office properties

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 6 - Other Intangible Assets

Description of Assets	**Computer Software (including Website development cost)**
I. Gross Block	
Balance as at April 1, 2022	9,260.31
Additions	870.85
Disposals	–
Balance as at March 31, 2023	**10,131.16**
II. Accumulated amortization	
Balance as at April 1, 2022	7,779.33
Amortisation expense for the year	815.10
Eliminated on disposal of assets	–
Balance as at March 31, 2023	**8,594.43**
Net block (I-II)	
Balance as at March 31, 2023	**1,536.73**
Balance as at March 31, 2022	1,480.98

Description of Assets	Computer Software (including Website development cost)
I. Gross Block	
Balance as at April 1, 2021	7,920.10
Additions	1,353.86
Disposals	(13.65)
Balance as at March 31, 2022	9,260.31
II. Accumulated amortization	
Balance as at April 1, 2021	7,331.79
Amortisation expense for the year	461.19
Eliminated on disposal of assets	(13.65)
Balance as at March 31, 2022	7,779.33
Net block (I-II)	
Balance as at March 31, 2022	1,480.98
Balance as at March 31, 2021	588.31

Note No. 7 - Non-Current Investments (Refer Note 51)

Particulars	**Face value**	**Currency**	**As at March 31, 2023**		As at March 31, 2022	
			Quantity	**Amount**	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
In Equity Instruments of Subsidiaries						
Heritage Bird (M) Sdn. Bhd.	1	MYR	**300,002**	**40.27**	300,002	40.27
Mahindra Hotels and Residences India Limited	10	INR	**49,994**	**5.00**	49,994	5.00
Gables Promoters Private Limited	10	INR	**65,000,000**	**6,543.78**	65,000,000	6,543.78
MH Boutique Hospitality Limited	100	THB	**49,000**	**95.38**	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	**734,850**	**2,681.11**	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	**145,000**	**115.10**	145,000	115.10
Arabian Dreams Hotel Apartments LLC	1000	AED	**147**	**52.11**	147	52.11
Guestline Hospitality Management and Development Services Limited	10	INR	**25,000**	**497.98**	–	–
Mahindra Holidays & Resorts Harihareshwar Limited	10	INR	**50,000**	**5.00**	–	–
				10,035.73		9,532.75
In Equity Instruments of Associates						
Great Rocksport Private Limited	1	INR	**637,263**	**1,566.01**	–	–
				1,566.01		–
				11,601.74		9,532.75
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	INR	**1**	**–**	1	–
Mahindra Hotels and Resorts Limited (cost of investment INR 1/-)	10	INR	**–**	**–**	20,011	–
Nreach Online Services Private Limited	10	INR	–	–	–	–
Great Rocksport Private Limited	1	INR	**–**	**–**	148,942	366.01
In Preference Instruments of other entities						
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 0/- each)	10	INR	**–**	**–**	25,000	214.48
		–		**–**		580.49
Aggregate book value of unquoted investments				**11,601.74**		10,113.24

All amounts are in ₹ Lakhs unless otherwise stated

Name of Subsidiaries	Place of Business	As at March 31, 2023 % of holding	As at March 31, 2022 % of holding
Heritage Bird (M) Sdn. Bhd.	Malaysia	**100**	100
Mahindra Hotels and Residences India Ltd.	Mumbai	**100**	100
Gables Promoters Private Limited	Chandigarh	**100**	100
MH Boutique Hospitality Limited	Thailand	**49**	49
Infinity Hospitality Group Company Limited	Thailand	**73.99**	73.99
MHR Holdings (Mauritius) Limited	Mauritius	**100**	100
Arabian Dreams Hotel Apartments LLC	Dubai	**49**	49
Guestline Hospitality Management and Development Services Limited	India	**98.39**	–
Mahindra Holidays & Resorts Harihareshwar Limited	India	**100**	–

Note No. 8 - Non-Current Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	**22,026.25**	22,120.23
	22,026.25	22,120.23

Note No. 9 - Non-Current Loans (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties (refer note no 51)	**36,793.62**	–
	36,793.62	–

Note No. 10 - Other Non-Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at amortised cost		
Guarantee commission receivable **	**810.45**	3,085.70
Bank deposit with more than twelve months original maturity	**12,995.92**	10,908.76
Security deposits	**5,097.29**	4,570.15
Other deposits*	**13,500.00**	37,700.00
	32,403.66	56,264.61

* out of the total amount, ₹ 9,500 lakhs (Previous year ₹ 23,500 lakhs) pertains to deposit with related parties.

** includes receivable from related parties ₹ 240.94 Lakhs (Previous year ₹ 2,252.21 lakhs). Refer note no 51.

Note No. 11 (a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Property, plant and equipment (excluding land)	**7,585.17**	7,134.49
Deferred acquisition cost	**19,310.63**	18,207.12
Fair valuation of financial assets	**1,781.96**	1,688.72
Tax effect of items constituting deferred tax assets		
Employee benefits	**373.76**	370.90
Deferred revenue	**67,434.22**	64,832.33
Receivables / Revenue derecognition	**645.20**	645.20
Lease arrangements	**1,733.31**	1,450.59
Provisions	**47.60**	47.70
Net Deferred Tax Assets	**41,556.33**	40,316.39

Note No. 11 (b) - Deferred Tax Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Fair valuation of land	**20,451.98**	21,002.18
	20,451.98	21,002.18

Note No. 12 - Other Non-Current Tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Other non-current tax assets (Net of provisions up to the reporting date)	**3,228.94**	10,205.41
	3,228.94	10,205.41

Note No. 13 - Non-Current Deferred Acquisition Cost

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred acquisition cost (refer note 2(a)(iii))	**70,988.05**	67,035.95
	70,988.05	67,035.95

Note No. 14 - Other Non-Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	**3,914.04**	2,499.18
Prepayments	**524.86**	552.23
Duty paid under protests	**310.22**	310.22
With government authorities (excluding income taxes)	**822.31**	752.27
	5,571.43	4,113.90

Note No. 15 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Food and beverages	**187.22**	175.26
Operating supplies	**369.65**	457.74
	556.87	633.00
Cost of food and beverages recognised as an expense during the year (Refer Note 40)	**4,741.10**	3,118.32

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 16 - Current Investments

Particulars	As at March 31, 2023 Units	As at March 31, 2023 Amount	As at March 31, 2022 Units	As at March 31, 2022 Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
Axis Banking & PSU Debt Fund -Direct - Growth	**235,746**	**5,395.22**	235,746	5,155.91
Axis Liquid Fund-Direct Growth	**62,813**	**1,570.89**	–	–
Axis Money Market Fund-Direct Growth	**247,520**	**3,013.83**	–	–
Bandhan Bond Fund-Short Term Plan-Direct Growth	**11,723,872**	**5,980.41**	–	–
IDFC Bond Fund-Short Term Plan-Direct Growth	**–**	**–**	11,723,872	5,744.32
ICICI Prudential Liquid Fund-Direct Growth	**566,461**	**1,887.37**	–	–
ICICI Prudential Nifty SDL Sep 2027 Index Fund - Direct Growth	**58,192,452**	**6,035.02**	–	–
ICICI Prudential Money Market - Direct Growth	**1,115,661**	**3,618.19**	–	–
HDFC Corporate Bond Fund-Regular Plan-Growth	**–**	**–**	395,034	103.23
HDFC Corporate Bond Fund-Direct Plan-Growth	**–**	**–**	22,066,862	5,843.61
Mahindra Liquid Fund - Direct - Growth	**–**	**–**	408,343	5,652.22
Mahindra Manulife Overnight Direct-Growth	**–**	**–**	1,241	13.65
Kotak-Corporate Bond -Direct Growth	**160,461**	**5,257.07**	160,461	5,027.04
Nippon India Money Market - Direct Growth	**107,593**	**3,816.87**	–	–
Nippon India AAA CPSE Bond plus SDL-April 2027 (60:40) Index Fund - Direct Growth	**36,991,560**	**3,811.57**	–	–
Nippon India Liquid Fund-Direct Plan Growth	**61,433**	**3,383.07**	7,740	403.09
Tata Mutual Fund - Money Market Fund	**9,890**	**400.37**	–	–
UTI Money Market - Direct Growth	**129,624**	**3,415.41**	–	–
UTI Liquid Cash Plan - Direct Growth	**156,699**	**5,781.10**	–	–
Aggregate book value of unquoted investments	**109,761,785**	**53,366.39**	34,999,299	27,943.07

Note No. 17 - Current Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	**94,007.13**	90,696.58
	94,007.13	90,696.58

Note No. 18 - Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks on current account	**1,611.07**	2,255.59
Cash on hand	**74.36**	92.87
Deposits with original maturity less than three months	**–**	3,300.00
	1,685.43	5,648.46

Note No. 19 - Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (unpaid dividend)	**4.56**	5.48
Bank Deposits with original maturity greater than three months and less than twelve months	**9,706.09**	32,605.34
	9,710.65	32,610.82

Note No. 20 - Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties (refer note no 51)	**–**	6,787.66
Loans and advances to employees	**71.03**	62.79
	71.03	6,850.45

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 21 - Other Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at amortised cost		
Other receivables from related parties (refer note no 51)	**–**	111.97
Interest accrued but not due**	**5,591.67**	3,453.92
Other deposits*	**26,200.00**	4,699.99
	31,791.67	8,265.88

* out of the total amount ₹ 14,000 lakhs (Previous year Nil) pertains to deposit with related parties.

** includes receivable from related parties ₹ 3,769.58 Lakhs (Previous year ₹ 1,956.34 lakhs). Refer note no 51

Note No. 22 - Deferred Acquisition Cost

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred acquisition cost (refer note 2(a)(iii))	**5,738.88**	5,306.39
	5,738.88	5,306.39

Note No. 23 - Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
With government authorities (excluding income taxes)	**5,120.02**	4,550.88
Prepayments	**552.74**	688.44
Advance to suppliers:		
Considered good	**1,612.21**	1,053.54
Considered doubtful*	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	7,284.97	6,292.86

* includes advances given to related parties - ₹ 250 lakhs

Note No. 24 - Equity Share Capital

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount
<u>Authorised:</u>				
Equity shares of ₹ 10 each with voting rights	**300,000,000**	**30,000.00**	300,000,000	30,000.00
<u>Issued, Subscribed and Fully Paid:</u>				
Equity shares of ₹ 10 each with voting rights	**201,256,640**	**20,125.66**	200,598,176	20,059.82
Treasury Shares (par value)	**(559,592)**	**(55.96)**	(750,060)	(75.01)
	200,697,048	**20,069.70**	199,848,116	19,984.81

Treasury shares represents equity shares of ₹ 10/- each fully paid up, allotted to Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

24 a) Terms / rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

iii) With the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company is seeking a clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA.

24 b) Shares in the company held by holding company

Name of shareholder	No. of shares	% held as at March 31, 2023	No. of shares	% held as at March 31, 2022
Mahindra & Mahindra Limited (Holding Company)	**134,835,922**	**67.00%**	134,835,922	67.22%

All amounts are in ₹ Lakhs unless otherwise stated

24 c) Shares in the Company held by Promoters :

Promoter name	Shares held by promoters at the end of the year Year ended	No. of Shares	% of Total Shares	% Change during the year
Mahindra & Mahindra Limited	**March 31 ,2023**	**134,835,922**	**67.00%**	**(0.22%)**
Mahindra & Mahindra Limited	March 31 ,2022	134,835,922	67.22%	

Promoter name	Shares held by promoters at the end of the year Year ended	No. of Shares	% of Total Shares	% Change during the year
Mahindra & Mahindra Limited	March 31 ,2022	134,835,922	67.22%	(0.09%)
Mahindra & Mahindra Limited	March 31 ,2021	89,890,615	67.31%	

24 d) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	No. of shares	% held as at March 31, 2023	No. of shares	% held as at March 31, 2022
Mahindra & Mahindra Limited	**134,835,922**	**67.00%**	134,835,922	67.22%
HDFC Trustee Company Limited	**15,834,805**	**7.87%**	18,275,853	9.11%

24 e) The reconciliation of the number of shares outstanding as at March 31, 2023 and March 31, 2022 is set out below:-

	As at March 31, 2023		As at March 31, 2022	
Particulars	**No. of Shares**	**In ₹ Lakhs**	No. of Shares	In ₹ Lakhs
Number of shares at the beginning	**199,848,116**	**19,984.81**	132,923,744	13,292.38
Add: Bonus Shares issued during the year	**–**	**–**	66,816,892	6,681.69
Add: Shares issued on exercise of employee stock options	**848,932**	**84.89**	391,875	39.18
Less: Shares issued to ESOP Trust as bonus shares	**–**	**–**	(284,395)	(28.44)
Number of shares at the end	**200,697,048**	**20,069.70**	199,848,116	19,984.81

In the previous year, the Board of Directors at its meeting held on July 29, 2021 had approved issue of bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on September 13, 2021 on approval being received in the shareholder's meeting.

24 f) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

iii) The Company formulated the Employee Stock Option Scheme ("ESOS 2020"), under which the Company has the option to issue and allot the shares directly to the eligible employees/directors as per the recommendation of the remuneration committee.

iv) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	ESOS 2006 - Equity settled option plan administered through Employee Stock Option Trust.
	ESOS 2014 - Equity settled option plan issued directly/administered through Employee Stock Option Trust.
	ESOS 2020 - Equity settled option plan issued directly
Method of Settlement	By issue of shares at Exercise Price.

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in years)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 years from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 years from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)	21/02/2012	323.00	143.55	215.33	4	186,500			
Grant VIII (ESOS 2006)	31/01/2013	323.00	143.55	215.33	4	130,000			
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	117.33	176.00	4	620,000			refer note (b) below
Grant II (ESOS 2014)	27/10/2015	365.00	162.22	243.33	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	164.45	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	180.45	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	273.33	410.00	4	60,000			
Grant VI (ESOS 2014)	15/05/2019	234.00	156.00	234.00	4	145,000			
Grant VII (ESOS 2014)	31/07/2019	226.00	N.A.	226.00	4	45,000			
Grant VIII (ESOS 2014)	04/11/2019	215.00	143.33	215.00	4	60,000			
Grant IX (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	300,000			
Grant X (ESOS 2014)	01/02/2020	238.00	158.67	238.00	4	300,000			
Grant I (ESOS 2020)	29/10/2020	10.00	N.A.	10.00	3	100,000	5 years from the date of grant	33% each on expiry of 12,24 and 36 months from the date of grant.	
Grant II (ESOS 2020)	29/07/2021	10.00	N.A.	10.00	3	58,366			
Grant III (ESOS 2020)	22/10/2021	10.00	N.A.	10.00	3	61,395			
Grant IV (ESOS 2020)	02/11/2022	10.00	N.A.	10.00	3	156,701			

Note (a) 35%,30%,15%,10% and 10% on expiry of 12,24,36,48 and 60 months from the date of grant respectively.

Note (b) Minimum of 100 and a maximum of all the options vested but not exercised till that date.

v) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on April 1, 2022	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on March 31, 2023	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006				Closed				
Grant II (ESOS 2006)	30/03/2007				Closed				
Grant III (ESOS 2006)	11/01/2007				Closed				
Grant V (ESOS 2006)	11/01/2008				Closed				
Grant VI (ESOS 2006)	21/02/2012				Closed				
Grant VII (ESOS 2006)	21/02/2012	30,936	–	–	–	15,468	–	15,468	15,468
Grant VIII (ESOS 2006)	31/01/2013	35,000	–	–	–	35,000	–	–	–
Grant IX (ESOS 2006)	29/01/2014				Closed				
Grant I (ESOS 2014)	22/01/2015	675,000	–	–	–	277,500	–	397,500	397,500
Grant II (ESOS 2014)	27/10/2015	127,500	–	–	–	60,000	22,500	45,000	45,000
Grant III (ESOS 2014)	18/02/2016	225,000	–	–	–	225,000	–	–	–
Grant IV (ESOS 2014)	31/01/2017				Closed				
Grant V (ESOS 2014)	02/08/2017	45,000	–	–	–	–	–	45,000	45,000
Grant VI (ESOS 2014)	15/05/2019	197,500	–	–	38,125	60,000	–	137,500	66,875
Grant VII (ESOS 2014)	31/07/2019				Closed				
Grant VIII (ESOS 2014)	04/11/2019	90,000	–	–	22,500	20,000	–	70,000	47,500
Grant IX (ESOS 2014)	04/11/2019				Closed				
Grant X (ESOS 2014)	01/02/2020	257,500	–	–	75,000	137,500	–	120,000	45,000
Grant I (ESOS 2020)	29/10/2020	150,000	–	–	49,999	–	–	150,000	99,998
Grant II (ESOS 2020)	29/07/2021	87,546	–	–	23,916	18,464	15,778	53,304	5,452
Grant III (ESOS 2020)	22/10/2021	61,395	–	–	20,465	–	–	61,395	20,465

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Date of Grant	Options outstanding as on April 1, 2022	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options out-standing as on March 31, 2023	Options vested but not exercised
Grant IV (ESOS 2020)	02/11/2022	–	156,701	–	–	–	–	156,701	–
Total		**1,982,377**	**156,701**	**–**	**230,005**	**848,932**	**38,278**	**1,251,868**	**788,258**

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. February 21, 2012 is ₹.129.93 for Grant VII (ESOS 2006), January 31, 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), January 22, 2015 is ₹ 97.24 for Grant I (ESOS 2014), October 27, 2015 is ₹ 158.85 for Grant II (ESOS 2014), February 18, 2016 is ₹ 126.91 for Grant III (ESOS 2014), January 31, 2017 is ₹ 150.35 for Grant IV (ESOS 2014), August 02, 2017 is ₹ 161.83 for Grant V (ESOS 2014), May 15, 2019 is ₹ 82.36 for Grant VI (ESOS 2014), July 31, 2019 is ₹ 84.92 for Grant VII (ESOS 2014), November 04, 2019 is ₹ 85.97 for Grant VIII (ESOS 2014), November 04, 2019 is ₹ 85.97 for Grant IX (ESOS 2014), February 01, 2020 is ₹ 85.97 for Grant X (ESOS 2014) and October 29, 2020 is ₹ 157.53 for Grant I (ESOS 2020) , July 29, 2021 is ₹ 311.84 for Grant II (ESOS 2020), October 22, 2021 is ₹ 234.67 for Grant III (ESOS 2020) and November 02, 2022 is ₹ 275.63 for Grant IV (ESOS 2020).

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VI & VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	4%
Grant VIII(ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%
Grant VI (ESOS 2014)	15/05/2019	6.83%	3.00	38%	0%
Grant VII (ESOS 2014)	31/07/2019	6.05%	3.00	38%	0%
Grant VIII (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0%
Grant IX (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0%
Grant X (ESOS 2014)	01/02/2020	5.74%	3.00	38%	0%
Grant I (ESOS 2020)	29/10/2020	4.63%	3.00	38%	0%
Grant II (ESOS 2020)	29/07/2021	5.25%	3.50	39%	0%
Grant III (ESOS 2020)	22/10/2021	5.19%	3.50	39%	0%
Grant IV (ESOS 2020)	02/11/2022	7.16%	3.51	42.52%	0%

The weighted average share price at the date of exercise for options was ₹ 249.55 per share (March 31, 2022 ₹ 251.07 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was 2.22 years (March 31, 2022 3.73 years).

Note No. 25 - Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	**10,381.68**	10,381.68
Securities premium	**5,331.55**	4,209.39
Share options outstanding account	**2,187.57**	1,872.37
Retained earnings	**92,139.32**	76,281.54
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Reserves & surplus	**110,230.67**	92,935.53
Revaluation Reserve	**84,557.53**	84,007.33
Other comprehensive income-actuarial loss	**(127.72)**	(215.74)
Transition difference	**(140,272.59)**	(140,272.59)
	54,387.89	36,454.53

Notes :

a) **General reserve**: The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium**: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, utilise equity related expenses like share issue expenses, etc.

c) **Share option outstanding account**: The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital reserve**: Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital redemption reserve**: The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Revaluation reserve**: The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.

g) **Transition difference**: The Cumulative effect of applying Ind AS 115 Revenue from Contract with Customers, Ind AS 116 Leases (net of deferred tax) is recognised as an adjustment to other equity, by seperately disclosing it in Transition Difference. Subsequent impact of unwinding of transition adjustments of Ind AS 115 and Ind AS 116 is included in retained earnings.

Note No. 26 - Non-Current Lease Liabilities (At amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities (Refer Note 53)	**34,102.84**	23,689.52
	34,102.84	23,689.52

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 27 - Other Non-Current Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention Money	**580.01**	850.69
	580.01	850.69

Note No. 28 - Non-Current Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits - Compensated absences	**832.22**	845.35
	832.22	845.35

Note No. 29 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liability - deferred revenue - vacation ownership (Refer Note 52)	**468,303.38**	450,805.44
	468,303.38	450,805.44

Note No. 30 - Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities (Refer Note 53)	**6,036.90**	4,472.22
	6,036.90	4,472.22

Note No. 31 - Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 49)	**82.20**	445.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	**21,416.76**	21,327.10
	21,498.96	21,772.98

Micro and small enterprises have been identified by the Company on the basis of the information available with the Company.

Note No. 32 - Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital supplies/services	**776.22**	1,477.15
Guarantee liability	**569.51**	833.50
Commission payable to non-whole time directors	**201.11**	184.50
Unpaid dividends*	**4.56**	5.49
Employee benefits payable	**4,457.81**	4,530.43
Other payables	**1,414.47**	2,412.65
	7,423.68	9,443.72

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2023

Note No. 33 - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity (refer note 44)	**28.70**	221.13
- Compensated absences	**652.91**	628.35
	681.61	849.48

Note No. 34 - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liability - Deferred revenue - Vacation ownership	**46,651.02**	41,560.15
Contract liability - Deferred revenue - Annual subscription fee	**17,691.88**	15,908.89
	64,342.90	57,469.04

Note No. 35 - Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Taxes (excluding income taxes) and other statutory dues	**2,600.77**	2,761.37
	2,600.77	2,761.37

Note No. 36 - Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contract with customers		
Vacation ownership income	**45,452.43**	39,337.57
Income from resorts :		
Room rentals	**6,215.82**	2,773.88
Food and beverages	**19,989.35**	12,889.05
Wine and liquor	**677.53**	379.02
Others	**5,370.09**	3,228.76
Annual subscription fee	**34,018.58**	30,787.93
	111,723.80	89,396.21
Other operating revenue		
Interest income on installment sales	**5,672.28**	5,800.65
Miscellaneous income	**2,222.10**	871.57
	7,894.38	6,672.22
	119,618.18	96,068.43

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 37 - Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets at amortised cost		
On deposits with bank	**1,760.96**	1,927.83
On other deposits	**1,088.43**	677.98
On loans/deposits with related parties (refer Note No. 51)	**2,339.15**	2,527.74
Others	**282.50**	743.64
Net foreign exchange gain	**2,881.48**	–
Net gain arising on financial assets designated as at FVTPL	**2,090.60**	3,512.32
Gain due to change in lease arrangements	**173.39**	1,247.46
Guarantee commission from related parties (refer Note No. 51)	**321.91**	366.83
	10,938.42	**11,003.80**

Note No. 38 - Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages, including bonus	**26,196.73**	21,753.19
Contribution to provident and other funds	**1,802.55**	1,624.96
Equity-settled share-based payments	**315.20**	268.90
Staff welfare expenses	**1,878.31**	1,214.76
	30,192.79	24,861.81

Note No. 39 - Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities (Refer Note 53)	**2,910.25**	2,115.63
Interest on short-term borrowings	**2.75**	0.22
	2,913.00	2,115.85

Note No. 40 - Other Expenses

Particulars		Year ended March 31, 2023		Year ended March 31, 2022
Cost of food and beverages consumed				
Opening stock	**175.26**		127.65	
Add: Purchases	**4,753.06**		3,165.93	
Less: Closing stock	**187.22**		175.26	
		4,741.10		3,118.32
Operating supplies		**5,619.11**		3,384.00
Power & fuel		**4,673.86**		3,068.05
Rent including lease rentals (Refer Note 53)		**7,732.43**		4,821.61
Rates and taxes		**1,050.62**		996.65
Insurance		**599.84**		539.93
Repairs and maintenance				
Buildings		**592.63**		783.64
Plant & equipment		**754.31**		575.52
Others		**1,988.22**		1,417.93
Advertisement and sales promotion		**15,913.12**		13,136.80
Travelling and conveyance		**2,709.77**		1,776.98
Commission and other customer offers		**5,571.51**		4,777.40
Net loss on foreign currency transactions		**–**		193.49
Auditor's remuneration and out-of-pocket expenses				
For Statutory audit		**102.00**		102.00
For Other services		**50.38**		6.05
For reimbursement of expenses		**5.05**		1.50
Directors' fees		**62.70**		69.80
Commission to non whole time directors		**201.11**		184.50
Legal and other professional costs		**3,526.53**		3,745.63
Communication		**770.08**		508.20
Software charges		**255.52**		161.99
Service charges		**1,856.11**		1,372.47
Bank charges		**586.77**		503.32
Corporate social responsibility (CSR) expenditure (refer note no 47)		**325.42**		272.11
Loss on sale of property, plant and equipment (net)		**127.75**		222.16
Miscellaneous expenses		**2,320.09**		2,013.39
		62,136.02		47,753.44

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 41 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax:		
In respect of current year	**6,788.40**	2,665.76
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(1,239.93)**	2,556.35
Total income tax expense	**5,548.47**	5,222.11

The Special Bench of the Income Tax Appellate Tribunal (ITAT) has, after considering the relevant facts pertaining to the Company, by its order dated May 26, 2010 upheld the contention of the Company that in the Company's case 60% of the membership fees should be considered chargeable to tax in the year of enrolment of a member whereas the balance 40% should be charged on pro rata basis over the period of membership. The Department's appeal against the said order is pending before Madras High Court. Consequently, the Company has continued to provide for income tax by computing income by applying the order of the ITAT.

The Company has been advised that after the introduction of Section 43CB with effect from April 1, 2017 the revenue from membership fees is chargeable as per ICDS IV. The Company is further advised that as per the said ICDS the revenue from membership fees is chargeable to tax by spreading the entire fees over the membership period. The Company has, accordingly, filed its Return of Income from Assessment Year 2017-18 onwards as per ICDS IV. However in the books of accounts, the Company has continued to make its provision for tax on the basis of the order of the ITAT. If the tax liability is computed applying ICDS IV the liability for current tax will be significantly lower with a corresponding impact in Deferred Tax.

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	**520.59**	(1,748.98)
	520.59	(1,748.98)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(520.59)**	1,748.98
	(520.59)	1,748.98

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	**21,406.25**	20,352.57
Income tax expense calculated at 25.168%	**5,387.53**	5,122.33
Income taxed at different rate	**–**	(53.95)
Effect of expenses that is non-deductible in determining taxable profit	**160.94**	153.73
Income tax expense recognised in statement of profit and loss	**5,548.47**	5,222.11

The tax rate used for the March 31, 2023 and March 31, 2022 reconciliations above is at the corporate tax rate plus surcharges and cess at applicable rate of 25.168% payable by company on taxable profits under Indian Income Tax Laws.

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2023			
	Opening Balance	**Recognised in Profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	**(28,136.67)**	**(450.68)**	**550.20**	**(28,037.15)**
Deferred Cost	**(18,207.12)**	**(1,103.51)**	**–**	**(19,310.63)**
Fair valuation of financial assets	**(1,688.72)**	**(93.25)**	**–**	**(1,781.96)**
	(48,032.51)	**(1,647.44)**	**550.20**	**(49,129.74)**
Tax effect of items constituting deferred tax assets				
Employee benefits	**370.88**	**2.88**	**–**	**373.76**
Receivables / Revenue derecognition	**645.20**	**–**	**–**	**645.20**
Deferred revenue	**64,832.32**	**2,601.90**	**–**	**67,434.22**
Provisions	**47.73**	**(0.13)**	**–**	**47.60**
Lease arrangements	**1,450.59**	**282.72**	**–**	**1,733.31**
	67,346.72	**2,887.37**	**–**	**70,234.09**
Net Tax Assets/(Liabilities)	**19,314.21**	**1,239.93**	**550.20**	**21,104.35**

Particulars	For the Year ended March 31, 2022			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(25,858.88)	(511.05)	(1,766.74)	(28,136.67)
Deferred Cost	(17,713.49)	(493.63)	–	(18,207.12)
Fair valuation of financial assets	(1,466.06)	(222.66)	–	(1,688.72)
	(45,038.43)	(1,227.34)	(1,766.74)	(48,032.51)
Tax effect of items constituting deferred tax assets				
Employee Benefits	311.07	59.81	–	370.88
Receivables / Revenue derecognition	645.20	–	–	645.20
Deferred Revenue	65,335.87	(503.55)	–	64,832.32
Income tax loss	961.19	(961.19)	–	-
Provisions	47.73	–	–	47.73
Leases	1,374.67	75.92	–	1,450.59
	68,675.73	(1,329.01)	–	67,346.72
Net Tax Assets / (Liabilities)	23,637.30	(2,556.35)	(1,766.74)	19,314.21

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 42 - Earnings per Share

Basic earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year after tax	**15,857.78**	15,130.46
Weighted average number of equity shares (in lakhs)	**2,003.04**	1,996.44
Earnings per share - Basic (in ₹)	**7.92**	7.58

Diluted earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year after tax	**15,857.78**	15,130.46
Weighted average number of equity shares (in lakhs)	**2,009.43**	2,004.71
Earnings per share - Diluted (in ₹)	**7.89**	7.55

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic EPS (in lakhs)	**2,003.04**	1,996.44
Add: Effect of ESOPs (in lakhs)	**6.39**	8.27
Weighted average number of equity shares used in the calculation of diluted EPS (in lakhs)	**2,009.43**	2,004.71

Note No. 43 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) <u>Income Tax matters:</u>		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	**53,711.17**	53,711.17
interest included in the above till the date of order	**14,124.67**	14,124.67
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	**6,778.79**	6,778.79
interest included in the above till the date of order	**1,419.92**	1,419.92
Matters decided in favour of the Company, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) <u>Service Tax matters:</u>		
(i) Service tax demand on the enrollment of member as against service tax paid on receipt basis (timing differences *) (inclusive of penalty where quantified in demand) (Refer note 2 below)	**43,105.47**	43,105.47
(ii) Other items (inclusive of penalty where quantified in demand)	**3,468.63**	3,468.63
(c) <u>Luxury Tax matters:</u>		
In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:		
Demands raised (inclusive of penalty)	**6,833.00**	6,895.37

The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending.

* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any which currently is not determinable.

Notes:

1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.

2) The Company had received show cause notices from service tax authorities of ₹ 21,991.33 lakhs.The Company had received an Order in original from the principal commissioner of CGST and Central Excise confirming the demand amounting to ₹ 43,105.47 lakhs including interest and penalty and the same has been disclosed as Contingent liability in above table.

   The Company filed rectification application against the said order before Principal Commissioner on January 18, 2022 for rectification of mistake apparent from the record as department has incorrectly interpreted the financial statement to determine service tax demand. However Principal Commissioner rejected rectification application on February 7, 2022 without giving any opportunity for personal hearing. Thereafter Company filed Writ Application before Madras High Court on February 22, 2022 against rejection of rectification application order. The Madras High Court on March 8, 2023 accepted the Company's request to provide an opportunity for hearing and set aside the Order passed by Principal Commissioner. On March 29, 2023, the Principal Commissioner reaffirmed the Original Order dated February 7, 2022 and rejected the Company's rectification application. The Company is contemplating to file a Writ Application before the Madras High Court against the said Order of Principal Commissioner. Company is confident that no payment is expected to be made for this matter.

3) The Company has accounted for service tax receivable of ₹ 822.30 lakhs (Previous year ₹ 752.27 lakhs) in relation to the service tax paid on ASF and Membership fee invoices for contracts which have been cancelled post GST implementation.The Company has received an unfavorable order against the refund claim and has filed an appeal against the order.Commissioner of GST and Central Excise (Appeals) has allowed the appeal and remanded back the matter to lower authorities for verification of documents.

Particulars	As at March 31, 2023	As at March 31, 2022
(d) <u>Guarantees given for its subsidiaries:</u>		
Amount of guarantees given (Euro)	**770.00**	991.00
Outstanding amount against guarantees (Euro)	**680.48**	838.98
Amount of guarantees given (₹) (Refer Note 51)	**69,022.03**	83,739.50
Outstanding amount against guarantees (₹) (Refer Note 51)	**60,997.10**	70,892.97

All amounts are in ₹ Lakhs unless otherwise stated

(e) Other matters under appeal (Property related):

(i) The Government of Kerala through the Sub Collector, district of devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of land revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the munnar resort (Total Gross Value ₹ 605.12 Lakhs) and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order. The writ Petition has been disposed off by an Order dated May 21, 2019. Against the said Order, the company has filed a Writ Appeal and by an order dated June 19, 2019, the Court granted an interim stay of all further proceedings. The Writ Appeal has been dismissed by a Judgement dated May 25, 2022. The Company has filed review petition before the Kerala High Court. The same is pending.

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala (Total Gross Value ₹ 1,545.01 Lakhs) are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

(f) Other matters:

The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lakhs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.

(g) With respect to member complaints pending before various consumer forum and other matters:

Estimated amount of claims ₹ 795.91 lakhs (As at March 31, 2022: ₹ 579.39 lakhs). In addition, there are claims by some members seeking certain reliefs which are not agreed by the company, the financial impact of these claims are currently not ascertainable and hence not captured in above.

(h) Capital commitment:

Particulars	**As at March 31, 2023**	As at March 31, 2022
Estimated amount of contracts remaining to be executed on Property, plant & equipment and not provided for (net of advances)	**3,166.30**	3,605.47

Note No. 44 - Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to provident fund and superannuation fund aggregating ₹ 1,473.10 lakhs (2022: ₹ 1,312.77 lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

(b) Defined Benefit Plans (Gratuity):

The Company has a funded gratuity scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2023 and March 31, 2022:

	Funded Plan Gratuity	
Particulars	**2023**	2022
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	**191.22**	184.23
Net Interest cost	**11.05**	12.07
Components of defined benefit costs recognised in profit & loss	**202.27**	196.30
Ib. Included in other Comprehensive Income:		
Difference between actual and expected return on plan assets	**(15.96)**	1.17
Actuarial (Gain)/Loss on account of :		
Demographic Assumptions	**3.85**	(10.49)
Financial Assumptions	**(88.57)**	8.62
Experience Adjustments	**(16.93)**	71.28
Components of defined benefit costs recognised in other comprehensive income	**(117.62)**	70.58
I. Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	**1,211.58**	1,213.55
2. Fair value of plan assets as at March 31	**1,182.88**	992.42
3. Deficit	**(28.70)**	(221.13)
II. Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	**1,213.55**	1,020.04
Expenses Recognised in the Statement of profit and loss		
– Current Service Cost	**191.22**	184.23
– Interest Expense	**60.63**	47.91
Recognised in Other Comprehensive Income		
Actuarial gain/ (loss) arising from:		
Change in Demographic Assumptions	**3.85**	(10.49)
Financial Assumptions	**(88.57)**	8.62
Experience Adjustments	**(16.93)**	71.28
Benefit payments	**(152.16)**	(108.04)
Present value of defined benefit obligation at the end of the year	**1,211.58**	1,213.55
III. Change in fair value of assets during the year ended March 31:		
Fair value of plan assets at the beginning of the year	**992.42**	763.03
Expenses Recognised in the Statement of Profit and Loss:		

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Funded Plan Gratuity 2023	2022
Expected return on plan assets	**49.59**	35.84
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Difference between actual and expected return on plan assets	**15.96**	(1.17)
Contributions by employer (including benefit payments recoverable)	**277.08**	302.76
Benefit payments	**(152.16)**	(108.04)
Fair value of plan assets at the end of the year	**1,182.88**	992.42

IV. Major categories of plan assets:

Deposits with Insurance companies	**1,182.88**	992.42

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2023	March 31, 2022
Discount rate(s)	**7.15%**	5.00%
Expected rate(s) of salary increase	**5.50%**	5.50%
Expected rate of return on plan assets	**5.50%**	5.00%
Attrition	**18%-56%**	18%-68%
Mortality table	**IALM 2012-14**	IALM 2012-14

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Financial Year	Changes in assumption	Impact on defined benefit obligation: Decrease in assumption	Increase in assumption
Discount rate	**2022-2023**	**0.50%**	19.41	(18.78)
	2021-2022	0.50%	20.17	(20.89)
Salary growth rate	**2022-2023**	**0.50%**	(18.78)	19.41
	2021-2022	0.50%	(20.89)	20.17
Attrition rate	**2022-2023**	**0.50%**	10.73	(15.32)
	2021-2022	0.50%	43.58	(63.89)
Mortality rate	**2022-2023**	**0.50%**	(0.11)	0.13
	2021-2022	0.50%	(0.01)	0.01

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 182.86 lakhs (Previous year : ₹ 368.90 lakhs) to the gratuity trust during the next financial year of 2023-24.

V. Maturity profile of defined benefit obligation:

Particulars	2023	2022
Within 1 year	**413.70**	379.12
1 - 2 year	**262.53**	260.24
2 - 3 year	**201.05**	189.73
3 - 4 year	**154.90**	143.79
4 - 5 year	**141.03**	109.01
> 5 years	**278.31**	275.25

Plan Assets.

The fair value of Company's pension plan asset as of March 31, 2023 and March 31, 2022 by category are as follows:

Particulars	2023	2022
Asset category:		
Contributions placed with Insurance companies	**1,182.88**	992.42
	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 3 years (March 31, 2022: 3 years)

VI. Experience Adjustments:

Particulars	Year Ended 2023	2022	2021	2020	2019
	Gratuity				
Defined Benefit Obligation	**1,211.58**	1,213.55	1,020.04	882.21	723.74
Fair value of plan assets	**1,182.88**	992.42	763.03	805.03	626.02
Surplus/(Deficit)	**(28.70)**	(221.13)	(257.01)	(77.18)	(97.72)
Experience adjustment on plan liabilities [(Gain)/Loss]	**(101.65)**	69.41	5.56	(66.21)	(8.50)
Experience adjustment on plan assets [Gain/ (Loss)]	**15.96**	(1.17)	(14.52)	(6.77)	(4.83)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of compensated absences is ₹ 353.44 lakhs (Previous Year: ₹ 356.57 lakhs).

Note No. 45 - Financial Instruments

Capital management

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity and lease liability is not considered as debt. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

All amounts are in ₹ Lakhs unless otherwise stated

Categories of financial assets and financial liabilities

				As at March 31, 2023
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Trade Receivables	**22,026.25**	**–**	**–**	**22,026.25**
Loans	**36,793.62**	**–**	**–**	**36,793.62**
Other financial assets				
– Non derivative financial assets	**32,403.66**	**–**	**–**	**32,403.66**
Current Assets				
Investments	**–**	**53,366.39**	**–**	**53,366.39**
Trade receivables	**94,007.13**	**–**	**–**	**94,007.13**
Cash and cash equivalents	**1,685.43**	**–**	**–**	**1,685.43**
Other bank balances	**9,710.65**	**–**	**–**	**9,710.65**
Loans	**71.03**	**–**	**–**	**71.03**
Other financial assets				
– Non derivative financial assets	**31,791.67**	**–**	**–**	**31,791.67**
Non-current Liabilities				
Lease liabilities	**34,102.84**	**–**	**–**	**34,102.84**
Other financial liabilities				
– Non derivative financial liabilities	**580.01**	**–**	**–**	**580.01**
Current Liabilities				
Lease liabilities	**6,036.90**	**–**	**–**	**6,036.90**
Trade payables	**21,498.96**	**–**	**–**	**21,498.96**
Other financial liabilities				
– Non derivative financial liabilities	**7,423.68**	**–**	**–**	**7,423.68**

				As at March 31, 2022
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non–current Assets				
Investments	–	580.49	–	580.49
Trade Receivables	22,120.23	–	–	22,120.23
Other Financial Assets				
– Non derivative financial assets	56,264.61	–	–	56,264.61
Current Assets				
Investments	–	27,943.07	–	27,943.07
Trade Receivables	90,696.58	–	–	90,696.58
Cash and cash equivalents	5,648.46	–	–	5,648.46
Other Bank Balances	32,610.82	–	–	32,610.82
Loans	6,850.45	–	–	6,850.45
Other Financial Assets				
– Non Derivative Financial Assets	8,265.88	–	–	8,265.88
Non–current Liabilities				
Lease liabilities	23,689.52	–	–	23,689.52
Other Financial Liabilities				
– Non Derivative Financial Liabilities	850.69	–	–	850.69
Current Liabilities				
Trade Payables	21,772.98	–	–	21,772.98
Lease liabilities	4,472.22	–	–	4,472.22
Other Financial Liabilities				
– Non Derivative Financial Liabilities	9,443.72	–	–	9,443.72

Financial Risk Management Framework

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Company's Business Plan. The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	**Exposure primarily from**	**Measurement**	**Management**
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities

(i) Credit risk management

A significant portion of the Company's sales of vacation ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The member is not allowed to use the benefits of membership untill the overdue amount is regularised or fully paid in that relevant period. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- deferred revenue - vacation ownership fee" (refer note 29 and note 34).

The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Company is as under:

Particulars	**March 31, 2023**	March 31, 2022
Carrying value of receivables (refer note 8 and 17)*	**116,033.38**	112,816.81
Credit loss allowance	**–**	–
Loss allowance (%)	**0.00%**	0.00%

* Given that the Company is deferring recognition of revenue at inception, as explained above the risk of credit loss is reduced and the member is allowed to avail the benefits of membership only when all the overdue amount is regularised or fully paid in that relevant period. The amounts deferred at inception are adjusted from the carrying value of receivables (refer note 8 and 17) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	**As at March 31, 2023 outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**56,221.77**	**10,105.73**	**7,733.62**	**9,491.96**	**6,091.85**	**26,313.33**	**115,958.26**
(ii) Disputed Trade Receivables – considered good	**–**	**13.87**	**2.61**	**23.97**	**13.64**	**21.03**	**75.12**
	56,221.77	**10,119.60**	**7,736.24**	**9,515.94**	**6,105.48**	**26,334.36**	**116,033.38**

Particulars	As at March 31, 2022 outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	50,990.31	11,786.37	9,427.76	11,780.75	5,788.03	23,012.61	112,785.82
(ii) Disputed Trade Receivables – considered good	–	9.73	7.24	7.90	3.87	2.24	30.99
	50,990.31	11,796.10	9,435.00	11,788.65	5,791.90	23,014.85	112,816.81

Additional Disclosure of Trade Receivables

Particulars	**As at March 31, 2023 outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Gross Trade Receivables	**56,221.77**	**10,119.60**	**7,736.24**	**9,515.94**	**6,105.49**	**26,334.36**	**116,033.38**
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 29 & 34)	**(53,902.65)**	**(9,422.76)**	**(7,260.11)**	**(9,019.51)**	**(5,688.04)**	**(26,201.07)**	**(111,494.13)**
Net Balance	**2,319.12**	**696.84**	**476.13**	**496.43**	**417.46**	**133.29**	**4,539.26**

Particulars	As at March 31, 2022 outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Trade Receivables	50,990.31	11,796.10	9,435.00	11,788.65	5,791.90	23,014.85	112,816.81
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 29 & 34)	(49,069.95)	(11,039.34)	(8,697.01)	(11,135.84)	(5,622.57)	(22,908.82)	(108,473.53)
Net Balance	1,920.36	756.76	737.99	652.80	169.33	106.02	4,343.27

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2023				
Trade Payables	**21,498.96**	**–**	**–**	**–**
Lease Liabilities	**8,991.07**	**13,716.38**	**9,386.67**	**26,479.45**
Other Financial Liabilities	**7,423.68**	**580.01**	**–**	**–**
Financial guarantee contracts	**60,997.10**	**–**	**–**	**–**
Total	**98,910.81**	**14,296.39**	**9,386.67**	**26,479.45**

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2022				
Trade Payables	21,772.98	–	–	–
Lease Liabilities	6,560.54	9,858.45	6,751.82	19,304.85
Other Financial Liabilities	9,443.72	850.69	–	–
Financial guarantee contracts	70,892.97	–	–	–
Total	108,670.21	10,709.14	6,751.82	19,304.85

The Company has provided financial guarantees to its wholly owned subsidiaries. The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

	Outstanding as at March 31, 2023				
Trade Payables	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**82.20**	**–**	**–**	**–**	**82.20**
(ii) Others	**8,099.45**	**3,046.89**	**1,693.69**	**86.50**	**12,926.53**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**
	8,181.65	**3,046.89**	**1,693.69**	**86.50**	**13,008.73**
Accrued Expenses	**–**	**–**	**–**	**–**	**8,490.23**
Total	**8,181.65**	**3,046.89**	**1,693.69**	**86.50**	**21,498.96**

	Outstanding as at March 31, 2022				
Trade Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	445.88	–	–	–	445.88
(ii) Others	16,702.98	2,599.67	1,979.99	44.46	21,327.10
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
	17,148.86	2,599.67	1,979.99	44.46	21,772.98

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**March 31, 2023**	March 31, 2022
Cash credit		
– Expiring within one year	**10,500**	10,500
	10,500	10,500

During the year, for borrowings from banks on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Company with banks are in agreement with the books of account.

(iii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

All amounts are in ₹ Lakhs unless otherwise stated

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

in ₹ Lakhs

Particulars	Currency	March 31, 2023	March 31, 2022
Receivables	MYR	733.51	719.20
	EUR	23,072.33	2,487.64
	AED	8.85	301.64
	THB	5,442.40	2,058.99
	USD	20.46	–
	SGD	404.26	–
Payables	USD	–	0.81
	MYR	100.70	21.63
	GBP	–	2.60
	SGD	–	0.75
	AED	65.34	261.56
	EUR	17.87	–
	QAR	12.52	–
	THB	103.40	33.54

Of the above foreign currency exposures, none of the exposures are hedged by a derivative.

Foreign Currency Sensitivity

The Company is exposed to the following currency risks - USD, AED, THB, MYR, GBP, SGD and EUR - and the following table demonstrates the sensitivity.

Particulars	Currency	Change in rate	Impact on profit before tax
March 31, 2023	**USD**	**10%**	**2.05**
	USD	**(10)%**	**(2.05)**
	MYR	**10%**	**63.28**
	MYR	**(10)%**	**(63.28)**
	EUR	**10%**	**2,305.45**
	EUR	**(10)%**	**(2,305.45)**
	SGD	**10%**	**40.43**
	SGD	**(10)%**	**(40.43)**
	AED	**10%**	**(5.65)**
	AED	**(10)%**	**5.65**
	QAR	**10%**	**(1.25)**
	QAR	**(10)%**	**1.25**
	THB	**10%**	**533.90**
	THB	**(10)%**	**(533.90)**
March 31, 2022	USD	10%	(0.08)
	USD	(10)%	0.08
	MYR	10%	69.76
	MYR	(10)%	(69.76)
	EUR	10%	248.76
	EUR	(10)%	(248.76)
	SGD	10%	(0.08)
	SGD	(10)%	0.08
	AED	10%	4.01
	AED	(10)%	(4.01)
	GBP	10%	(0.26)
	GBP	(10)%	0.26
	THB	10%	202.54
	THB	(10)%	(202.54)

Sr. No.	Ratio Analysis	Formula	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1.	Current Ratio	Current Assets / Current Liabilities	**1.99**	1.90	5%	NA
2.	Debt – Equity Ratio	Total Debt / Shareholder's Equity	**NA**	NA	NA	NA
3.	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	**NA**	NA	NA	NA
4.	Return on Equity (ROE)	Net Profits after taxes / Average Shareholder's Equity	**24.21%**	33.66%	(28)%	Variance due to increase in Shareholder's equity.
5.	Inventory Turnover Ratio	Cost of food and beverages consumed / Average Inventory	**7.97**	5.74	39%	Increase in resort operations compared to previous year as impacted due to COVID 19 related restrictions.
6.	Trade receivables turnover ratio	Revenue from operations / Average Accounts Receivable	**1.05**	0.82	27%	Last year sales were impacted on account of COVID 19 related lockdown restrictions.
7.	Trade payables turnover ratio	Purchases, Operating supplies and Rent expenses / Average Trade Payables	**0.84**	0.55	52%	Increase is primarily on account of rent expenses and increase in operations compared to Previous year.Rent expenses where low in previous year on account of rent re-negotiations.
8.	Net capital turnover ratio	Revenue from operations / Working Capital	**1.18**	1.10	7%	NA
9.	Net profit ratio	Net Profits after taxes / Revenue from operations	**0.13**	0.16	(16)%	NA
10.	Return on capital employed (ROCE)	Earning before interest and taxes / Shareholder's Equity	**32.61%**	39.81%	(18)%	NA
11.	Return on investment	Investment Income / Average Investment	**5.18%**	5.30%	(2)%	NA

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Fair Value Measurement

Fair valuation techniques and inputs used - recurring Items

Financial assets / financial liabilities* measured at fair value	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
Investments				
Mutual fund investments	**53,366.39**	27,943.07	Level 1	Refer note 1 below
Equity and preference investments	**–**	580.49	Level 3	Refer note 2 below
Total financial assets	**53,366.39**	28,523.56		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using discounted cash flow method.

Reconciliation of Level 3 fair values

Particulars	Equity and Preference
Balance as at March 31, 2022	580.49
Conversion of investments into subsidiary/associate and now measured at Amortised cost	(580.49)
Balance as at March 31, 2023	**–**

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

Note No. 47 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Particulars	March 31, 2023	March 31, 2022
(i) Amount required to be spent by the Company during the year	**325.00**	270.00
(ii) Amount of expenditure incurred	**325.42**	272.11
(iii) Shortfall at the end of the year	**–**	–
(iv) Total of previous years shortfall	**–**	–
(v) Reason for shortfall	**Not applicable**	Not applicable
(vi) Nature of CSR activities	**Environmental Sustainability, Education & Skill Development, Healthcare, Women Empowerment etc**	Environmental Sustainability, Education & Skill Development, Covid Relief and Rehabilitation, Women Empowerment etc
(vii) Details of related party transactions	**Not applicable**	Not applicable

Particulars	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	325.42	–	325.42

Note No. 48 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	**10,744.48**	11,182.29
Additions during the current year to CWIP	**9,969.04**	10,572.29
Capitalization/Deletions during the current year from CWIP	**(7,878.65)**	(11,010.10)
Balance as at end of the year	**12,834.87**	10,744.48

As at March 31, 2023 amount in CWIP for a period of

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**8,272.68**	**1,487.29**	**414.70**	**2,660.20**	**12,834.87**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	8,272.68	**1,487.29**	**414.70**	**2,660.20**	**12,834.87**

As at March 31, 2022 amount in CWIP for a period of

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,887.51	1,957.84	595.29	2,303.84	10,744.48
Projects temporarily suspended	–	–	–	–	–
	5,887.51	1,957.84	595.29	2,303.84	10,744.48

As at March 31, 2023 amount in CWIP for a period of

Intangible assets under development	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**644.34**	**190.17**	**–**	**–**	**834.50**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	644.34	**190.17**	**–**	**–**	**834.50**

As at March 31, 2022 amount in CWIP for a period of

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	538.98	140.23	34.93	–	714.14
Projects temporarily suspended	–	–	–	–	–
	538.98	140.23	34.93	–	714.14

All amounts are in ₹ Lakhs unless otherwise stated

Expenditure during construction pending allocation included in (CWIP) above:

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries, Wages & Bonus	**1,002.66**	894.57
Staff welfare Expenses	**18.75**	15.45
Power & Fuel	**1.78**	6.61
Rent	**7.71**	8.72
Rates & Taxes	**0.96**	0.96
Repairs-Others	**13.77**	13.77
Travelling	**96.23**	83.93
Consultancy Charges	**202.63**	207.02
Miscellaneous	**258.19**	265.45
	1,602.68	1,496.48

Note No. 49 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on	**82.20**	445.88
(ii) the amount of interest paid by the buyer under MSMED Act,	**–**	–
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	**–**	–
(iv) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(v) Interest due and payable on unpaid principal amount to MSME suppliers as on	**–**	–

Note No. 50 - Segment information

The Company is primarily engaged in the business of sale of vacation ownership and other related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM) (Also refer note 56).

Note No. 51 - Related party transactions

Particulars		March 31, 2023	March 31, 2022
Transactions during the year:	**Holding company**		
Sale of services	Mahindra & Mahindra Limited	**25.28**	28.61
Purchases of PPE	Mahindra & Mahindra Limited	**239.28**	146.55
Purchase of services	Mahindra & Mahindra Limited	**576.75**	547.68
Usage of Trademark	Mahindra & Mahindra Limited	**0.75**	–
Reimbursements Paid	Mahindra & Mahindra Limited	**595.98**	–
Reimbursements Received	Mahindra & Mahindra Limited	**17.30**	–
	Subsidiary companies		
ICD, Loans & Advances given *(excluding rollover)*	Gables Promoters Private Limited	**2,357.00**	800.00
	Mahindra Hotels & Residences India Limited	**1,955.00**	2.00
	Infinity Hospitality Group Company Limited	**3,080.51**	1,078.00
	MHR Holdings (Mauritius) Limited	**19,929.64**	–
ICD, Loans & Advances repaid	Heritage Bird (M) Sdn Bhd.	**–**	42.95
Equity Investment	Mahindra Holidays & Resorts Harihareshwar Limited	**5.00**	–
Purchase of services	Heritage Bird (M) Sdn Bhd.	**130.95**	128.01
	Infinity Hospitality Group Company Ltd	**371.81**	369.12
	Gables Promoters Private Limited	**1,147.50**	1,202.16
	Arabian Dreams Hotels Apartments LLC	**986.52**	300.38
Reimbursement of Expenses - Received	Gables Promoters Private Limited	**173.29**	–
	Mahindra Hotels & Residences India Ltd	**82.43**	–
Reimbursement of Expenses - Paid	Gables Promoters Private Limited	**107.51**	116.84

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2023	March 31, 2022
Interest Income	Heritage Bird (M) Sdn Bhd.	**31.19**	31.09
	Gables Promoters Private Limited	**408.72**	332.54
	Infinity Hospitality Group Company Ltd	**79.05**	30.94
	MH Boutique Hospitality Limited	**21.59**	21.44
	Mahindra Hotels & Residences India Ltd	**56.14**	1.24
	MHR Holdings (Mauritius) Limited	**337.90**	4.72
Commission on Corporate Guarantee	MHR Holdings (Mauritius) Limited	**321.91**	350.60
	Infinity Hospitality Group Company Ltd	**–**	16.23
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd	**2,520.89**	60,431.00
	Fellow Subsidiaries / Associates		
Sale of services	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)	**1.27**	1.18
	Mahindra Lifespace Developers Ltd	**14.71**	16.99
	Mahindra & Mahindra Financial Services Ltd	**2.70**	2.51
	Bristlecone India Limited.	**0.17**	0.20
	Tech Mahindra Limited	**3.24**	3.01
	Mahindra Susten Private Limited	**0.67**	0.62
Reimbursement of Expenses - Received	Mahindra Lifespace Developers Ltd	**2.39**	–
Reimbursement of Expenses - Paid	Mahindra & Mahindra South Africa Pty Ltd	**5.16**	–
	NBS International Limited	**6.30**	–
Interest Income	Mahindra Rural Housing Finance Ltd	**603.00**	1,161.27
	Mahindra & Mahindra Financial Services Ltd	**801.56**	944.50
Purchase of PPE	Mahindra Engineering & Chemical Products Ltd	**–**	57.78
	NBS International Limited	**19.92**	25.68
Equity Investment	Great Rocksport Private Limited	**1,200.00**	–
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	**296.39**	649.68
	Mahindra Defence Systems	**6.25**	–
	Mahindra Engineering & Chemical Products Ltd	**–**	169.57
	Bristlecone India Limited.	**206.11**	150.87
	Mahindra Logistics Limited	**0.23**	7.59
	Tech Mahindra Ltd	**806.73**	123.86
	Mahindra Solarize Pvt Ltd	**230.33**	–
	Great Rocksport Pvt Ltd	**46.14**	–
	Pininfaria S.P.A.	**112.81**	–
Other Entity	**Director's Interest**		
Purchase of services	Shawman Software Pvt Limited	**–**	21.00
Key Management Personnel **Managerial remuneration***			
	Mr. Kavinder Singh	**1,056.12**	514.65
	Mrs. Akhila Balachandar (till May 31, 2021)	**–**	59.20
	Mr. Sujit Vaidya (from June 1, 2021)	**214.35**	124.46
	Mr. Dhanraj Mulki	**134.37**	88.20
	Director's Sitting Fees	**62.70**	69.80
	Commission to non whole time directors	**201.11**	184.50
Investment in Inter Corporate Deposits	**Fellow Subsidiaries/Associates**		
	Mahindra Rural Housing Finance Ltd	**–**	9,000.00
	Mahindra & Mahindra Financial Services Ltd	**–**	14,500.00

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2023	March 31, 2022
Redemption of Inter Corporate Deposits	Mahindra Rural Housing Finance Limited	**–**	20,500.00
	Mahindra & Mahindra Financial Services Limited	**–**	19,500.00
Balances as at:	**Holding company**		
Outstanding: Payable	Mahindra & Mahindra Limited	**2.83**	256.84
Outstanding: Receivable	Mahindra & Mahindra Limited	**8.01**	5.32
Investments	**Subsidiary companies**		
	Mahindra Hotels & Residences India Limited	**5.00**	5.00
	Heritage Bird (M) Sdn Bhd.	**40.27**	40.27
	Gables Promoters Private Limited	**6,543.78**	6,543.78
	Infinity Hospitality Group Company Limited	**2,681.11**	2,681.11
	MH Boutique Hospitality Limited	**95.38**	95.38
	Arabian Dreams Hotels Apartments LLC	**52.11**	52.11
	MHR Holdings (Mauritius) Limited	**115.10**	115.10
	Mahindra Holidays & Resorts Harihareshwar Limited	**5.00**	–
	Guestline Hospitality Management and Development Services Limited	**497.98**	–
Inter Corporate Deposits including interest accrued	Gables Promoters Private Limited	**7,504.25**	4,779.40
	MH Boutique Hospitality Limited	**1,066.60**	985.81
	Mahindra Hotels & Residences India Limited	**2,024.83**	19.31
	MHR Holdings (Mauritius) Limited	**22,882.14**	283.25
	Infinity Hospitality Group Company Limited	**4,307.02**	1,025.37
	Heritage Bird (M) Sdn Bhd.	**728.25**	719.08
Other Receivables	MHR Holdings (Mauritius) Limited	**190.16**	1,981.88
	Covington S.a.r.l	**–**	222.52
	Infinity Hospitality Group Company Limited	**50.78**	47.81
	Arabian Dreams Hotels Apartments LLC	**–**	97.72
	Mahindra Hotels & Residencies India Limited	**89.23**	–
Other Payables	Infinity Hospitality Group Company Limited	**103.44**	33.54
	Heritage Bird (M) Sdn Bhd.	**100.70**	21.63
	Gables Promoters Private Limited	**189.25**	242.67
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Limited	**69,022.03**	83,739.50
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Limited	**60,997.10**	70,892.97
Outstanding: Payable	**Fellow Subsidiaries / Associates**		
	Mahindra Engineering & Chemical Products Ltd	**–**	27.12
	Tech Mahindra Ltd	**64.97**	62.34
	Bristlecone India Limited	**4.47**	23.70
	Mahindra Logistics Limited	**0.21**	0.23
	Mahindra Integrated Business Solutions Pvt Ltd	**9.52**	166.74
	NBS International Limited	**0.04**	2.39
	Mahindra Solarize Pvt Ltd	**149.17**	–

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2023	March 31, 2022
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	**8.85**	10.54
	Great Rocksport Pvt Ltd	**0.02**	–
Other Deposits (Including accrued interest)	Mahindra & Mahindra Financial Services Ltd	**15,757.62**	15,036.27
	Mahindra Rural Housing Finance Ltd	**9,396.99**	9,395.50
Other entities under the control of the company			
Balances as at :			
Outstanding: Payable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	**205.73**	497.78

*: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to key mangerial personnel are not included.

Note No. 52 - Revenue from contract with customers

a) **Disaggregation of revenue from contracts with customers**

The Company primarily derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Over time (A)		
Vacation ownership income	**45,452.43**	39,337.57
Annual subscription fee	**34,018.58**	30,787.93
Total (A)	**79,471.01**	70,125.50
At a point in time (B)		
Income From resorts:		
Room rentals	**6,215.82**	2,773.88
Food and beverages	**19,989.35**	12,889.05
Wine and liquor	**677.53**	379.02
Others	**5,370.09**	3,228.76
Total (B)	**32,252.79**	19,270.71
Total Revenue from contract with customers (A + B)	**111,723.80**	89,396.21

b) **Movement of deferred acquisition cost and deferred contract liability**

1. **Movement of deferred acquisition cost:**

Particulars	As At March 31, 2023	As At March 31, 2022
Opening Balance	**72,342.34**	70,381.00
i) Additions during the year (Net)	**9,855.29**	7,082.80
ii) Amortised during the year	**(5,470.70)**	(5,121.46)
Closing Balance	**76,726.93**	72,342.34

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

2. **Movement of deferred contract liability:**

Particulars	Vacation ownership	Annual subscription Fee	Total
	March 31, 2023		
Opening Balance	**492,365.59**	**15,908.89**	**508,274.48**
i) Addition during the year (Net)	**68,041.24**	**35,801.57**	**103,842.81**
ii) Income recognised during the year	**(45,452.43)**	**(34,018.58)**	**(79,471.01)**
Closing Balance	**514,954.40**	**17,691.88**	**532,646.28**

Particulars	Vacation ownership	Annual subscription Fee	Total
	March 31, 2022		
Opening Balance	492,933.15	15,193.49	508,126.64
i) Addition during the year (Net)	38,770.01	31,503.33	70,273.34
ii) Income recognised during the year	(39,337.57)	(30,787.93)	(70,125.50)
Closing Balance	492,365.59	15,908.89	508,274.48

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) **Obligations for returns, refunds and other similar obligations:**

Particulars	As At March 31, 2023	As At March 31, 2022
Return, refunds and other similar obligations	**99.79**	52.18
Total	**99.79**	52.18

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

All amounts are in ₹ Lakhs unless otherwise stated

d) **Revenue expected to be recognised in the future from deferred contract liability:**

Time Band	As At March 31, 2023	As At March 31, 2022
< 1 Year - vacation ownership	**46,651.02**	41,560.15
< 1 Year - ASF	**17,691.88**	15,908.89
1 - 2 Year	**44,592.89**	40,186.15
2 - 3 Year	**41,973.02**	38,388.33
3 - 4 Year	**39,996.42**	36,919.82
4 - 5 Year	**39,079.63**	36,319.03
5-10 Year	**164,297.10**	157,878.58
> 10 year	**138,364.32**	141,113.53
Total	**532,646.28**	508,274.48

The deferred contract liability broken year wise shows summary of vacation ownership and annual subscription fee recognisible over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) **Reconciliation of revenue from contract with customer**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contract with customer as per the contract price	**122,626.15**	97,396.57
Adjustments made to contract price on account of :-		
Discounts / rebates / incentives	**(10,902.35)**	(8,000.36)
Revenue from contract with customer as per the statement of profit and loss	**111,723.80**	89,396.21

Note No. 53 - Leases

Right of Use Asset

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning of the year	**26,781.17**	15,412.03
Additions during the current year	**18,553.82**	17,292.99
Deletions during the current year (Net)	**(659.00)**	(160.54)
Amortisation of ROU	**(6,583.12)**	(5,763.31)
Balance as at end of the year	**38,092.87**	26,781.17

Lease liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
Current	**6,036.90**	4,472.22
Non-current	**34,102.84**	23,689.52
Lease liabilities included in the balance sheet as at the end of the year	**40,139.74**	28,161.74

Maturity analysis - contractual undiscounted cash flows

Particulars	As At March 31, 2023	As At March 31, 2022
Less than one year	**8,991.07**	6,560.54
1 - 2 Year	**7,862.50**	5,085.02
2 - 3 Year	**5,853.88**	4,773.43
3 - 4 Year	**5,116.38**	3,721.68
4 - 5 Year	**4,270.30**	3,030.14
More than five years	**26,479.44**	19,304.85
Total undiscounted lease liabilities as at the end of the year	**58,573.57**	42,475.66

Amounts recognised in statement of profit and loss during the year ended March 31

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on lease liabilities	**2,910.25**	2,115.63
Amortisation of ROU	**6,583.12**	5,763.31
Expenses relating to short term leases	**7,732.43**	4,821.61
Total	**17,225.80**	12,700.55

Amounts recognised in statement of cash flows during the year ended March 31

Particulars	As At March 31, 2023	As At March 31, 2022
Total cash outflow for leases	**8,653.67**	6,309.43

During the previous year, the Company had renegotiated with certain lessors on the rent reduction / waiver due to COVID-19 pandemic which is short term in nature. Accordingly, the Company in the statement of profit and loss has recognised an amount of ₹ 1,238.60 Lakhs for the year ended March 31, 2022, as part of Other Income.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 54 - Transactions with Struck off Companies

Name of the Struck off Company	Nature of Transactions with struck off Company	Transactions during the year	Balance outstanding as at March 31, 2023	Transactions during the previous year	Balance outstanding as at March 31, 2022
Altek India Private Limited	Purchase of Goods/ Services	0.47	–	–	–
Drisna Enterprises Private Limited	Purchase of Goods/ Services	3.03	–	–	–

Note No. 55 - Reporting under Rule 11(d) of the Companies (Audit and Auditor's) Rules, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No. 56 - NFRA order

The Company has received an order ('the Order') from National Financial Reporting Authority ('NFRA') on March 29, 2023 wherein NFRA has made certain observations on identification of operating segments by the Company in compliance with requirements of Ind AS 108 and the Company's existing accounting policy for recognition of revenue on a straight-line basis over the membership period. As per the order received from NFRA, the Company is required to complete its review of accounting policies and practices in respect of disclosure of operating segments and timing of recognition of revenue from customers and take necessary measures to address the observations made in the Order by June 30, 2023. The Company is conducting review as required by the Order.

As at March 31, 2023, the management has assessed the application of its accounting policies relating to segment disclosures and revenue recognition. Basis the current assessment by the Company after considering the information available as on date; the existing accounting policies, practices and disclosures are in compliance with the respective Ind AS and accordingly have been applied by the Company in the preparation of these standalone financial statements.

Note No. 57 - Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of review of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

Note No. 58

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure, wherever necessary.

The standalone financial statements of the Company were approved by the Board of Directors and authorised for issue on April 25, 2023.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: April 25, 2023

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer
Place: Mumbai
Date: April 25, 2023

Dhanraj Mulki
Company Secretary
Place: Mumbai
Date: April 25, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Hotels and Residences India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Hotels and Residences India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid / provided for managerial remuneration for the year ended March 31, 2023.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared / paid / declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXN8578
Place: Mumbai
Date: April 22, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Hotels and Residences India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXN8578
Place: Mumbai
Date: April 22, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of ₹ 1,18,15,174 during the current financial year and ₹ 2,05,444 in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXN8578
Place: Mumbai
Date: April 22, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	As At March 31, 2023	As At March 31, 2022
			₹ in Lakhs
ASSETS			
Non-Current Assets			
Capital work-in-progress	2	737.68	–
Other non-current assets	3	1,013.92	–
		1,751.60	–
Current Assets			
Financial Assets			
Cash and Cash Equivalents	4	206.70	2.04
Other Current Assets	5	74.40	–
		281.11	2.04
		2,032.70	2.04
EQUITY AND LIABILITIES			
Equity			
Share Capital	6	5.00	5.00
Other Equity	7	(141.15)	(23.00)
		(136.15)	(18.00)
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	8	1,971.00	–
		1,971.00	–
Current Liabilities			
Financial Liabilities			
Borrowings	9	53.83	19.31
Other Financial Liabilities	10	135.09	0.73
Other Current Liabilities	11	8.93	–
		197.85	20.04
		2,032.70	2.05
Significant Accounting Policies	1		

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 22, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	Note	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue			
Revenue from operations		–	–
Other Income		–	–
Total Revenue		–	–
Expenses:			
Finance Costs	12	56.14	1.24
Other Expenses	13	62.01	0.82
Total Expenses		118.15	2.06
Profit Before Tax		(118.15)	(2.06)
Less: Tax Expense			
Current Tax		–	–
Deferred Tax		–	–
Profit / (Loss) for the Year		(118.15)	(2.06)
Other comprehensive income			
Items that will not be reclassified to profit or loss :		–	–
Items that will be reclassified to profit or loss :		–	–
Total other comprehensive income for the period		–	–
Total comprehensive income for the period		(118.15)	(2.06)
Earnings Per Share (Basic & Diluted)	13	(236.30)	(4.13)

Significant Accounting Policies 1

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 22, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
		₹ in Lakhs
A Cash Flow from Operating Activities:		
Profit / (Loss) before exceptional items and tax	**(118.15)**	(2.05)
Adjustments:		
Finance Costs	**56.14**	1.24
Operating profit before working capital changes	**(62.01)**	(0.81)
Changes in working capital:		
Increase / (Decrease) other receivables	**74.40**	–
(Increase) / Decrease other liabilities	**(129.50)**	0.36
Income Tax Paid	**–**	–
Net Cash (used in) / from Operating Activities	**(117.11)**	(0.45)
B Cash Flow from Investing Activities:		
Payments for property, plant and equipment and CWIP	**(1,633.23)**	–
Net Cash (used in) / from Investing Activities	**(1,633.23)**	–
C Cash Flow from Financing Activities:		
Proceeds from borrowings	**1,955.00**	3.10
Finance Costs	**–**	(1.24)
Net Cash (used in) / from Financing Activities	**1,955.00**	1.86
Net increase / (decrease) in Cash & Cash Equivalents (A+B+C)	**204.66**	1.41
Cash & Cash Equivalents:		
Cash and cash equivalents at the beginning of the year	**2.04**	0.63
Cash and cash equivalents at the end of the year	**206.70**	2.04
Net increase / (decrease) as disclosed above	**204.66**	1.41

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 22, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a. Equity share capital

Particulars	**₹ in Lakhs Amount**
As at April 1, 2021	**5.00**
Changes in equity share capital during the year	
Issue of equity shares during the year	**–**
As at March 31, 2022	**5.00**
Changes in equity share capital during the year	
Issue of equity shares during the year	**–**
As at March 31, 2023	**5.00**

b. Other equity

₹ in Lakhs

	Reserves & Surplus	**Items of other comprehensive income**	
Particulars	**Retained earnings**	**Remeasurements of the defined benefit liabilities / (assets)**	**Total**
As at April 1, 2021	(20.94)	–	(20.94)
Loss for the year	(2.06)	–	(2.06)
Other comprehensive income	–	–	–
Total comprehensive income	**(2.06)**	**–**	**(2.06)**
As at March 31, 2022	**(23.00)**	**–**	**(23.00)**
Loss for the year	**(118.15)**	**–**	**(118.15)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**(118.15)**	**–**	**(118.15)**
As at March 31, 2023	**(141.15)**	**–**	**(141.15)**

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 22, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 (A) Corporate Information

The Company was incorporated on April 26, 2007 and has not yet started to generate revenue.

During the year, the board has approved acquisition of resorts situated in Rajasthan at a consideration along with improvement plan and acquisition of adjacent land.

1 (B) Significant accounting policies

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

The Company had not commenced commercial operations during the year ended March 31, 2023.

(iv) Taxation

Since the Company did not have any commercial operations during the year, the question of income tax / deferred tax does not arise.

(v) Property, plant and equipment

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assetsare ready for their intended use.

(vi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(vii) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

A debt instrument that meets the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(viii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(ix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2 Capital work-in-progress

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	**737.68**	–
	737.68	–

3 Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	**1,013.92**	–
	1,013.92	–

4 Cash & Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
-On Current Account	**206.70**	2.04
	206.70	2.04

5 Other Current Assets

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to Suppliers		
Considered good	**4.21**	–
Considered doubtful	**–**	–
Less: Provision for doubtful advances	**–**	–
With Government authorities (excluding income taxes)	**70.19**	–
	74.40	–

6 Share Capital

₹ in Lakhs

Particulars	As at March 31, 2023 No. of Shares	As at March 31, 2023 ₹	As at March 31, 2022 No. of Shares	As at March 31, 2022 □
Authorised :				
Equity Shares of □ 10 each	**5,00,00,000**	**5,000.00**	50,000	5.00
	5,00,00,000	**5,000.00**	50,000	5
Issued, Subscribed & Paid up:				
Equity :				
50,000 Equity Shares of □ 10 each	**50,000**	**5.00**	50,000	5.00
	50,000	**5.00**	50,000	5.00

Notes:

1 The Company has only one class of shares referred to as equity shares having a par value of □ 10. Each holder of equity share is entitled to one vote per share.

2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However,no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reconciliation of No. of Shares and amount outstanding at the beginning and at the end of the reporting period:

₹ in Lakhs

Particulars	As at March 31, 2023 No. of Shares	As at March 31, 2023 ₹	As at March 31, 2022 No. of Shares	As at March 31, 2022 □
At the beginning of the year	**50,000**	**5.00**	50,000	5.00
Add: Issued during the year	**–**	**–**	–	–
At the end of the year	**50,000**	**5.00**	50,000	5.00

4 Shares in the company held by each shareholder holding more than 5% shares specifying the no. of shares held

Name of the Shareholder	No. of Shares March 31, 2023	% held As at March 31, 2023	No. of Shares March 31, 2022	% held As at March 31, 2022
Mahindra Holidays & Resorts India Limited	**49,994**	**99.99%**	49,994	99.99%

5 Shareholding of Promoters in the company

Shares held by promoters at the end of March 31, 2023

Promoter Name	No. of Shares	% to Total Shares	% Change during the year
Mahindra Holidays & Resorts India Limited	**49,994**	**99.99%**	0.00%

Shares held by promoters at the end of March 31, 2022

Promoter Name	No. of Shares	% to Total Shares	% Change during the year
Mahindra Holidays & Resorts India Limited	49,994	99.99%	0.00%

7 Other Equity

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Surplus / (Deficit) in Statement of Profit & Loss		
As per last balance sheet	**(23.00)**	(20.94)
Add: Profit / (Loss) for the year	**(118.15)**	(2.05)
	(141.15)	(23.00)

8 Long Term-Borrowings

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
*Loans from related party	**1,971.00**	–
	1,971.00	–

*The loan (Inter Corporate Deposit) is taken from Mahindra Holidays & Resorts India Limited and carries an interest rate @8.75% p.a.

9 Short Term-Borrowings

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans from related party	**–**	16.00
Interest accrued on Loans from related party	**53.83**	3.31
	53.83	19.31

*The loan (Inter Corporate Deposit) is taken from Mahindra Holidays & Resorts India Limited and carries an interest rate @8.75% p.a.

10 Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital supplies / services	**96.13**	0.03
Other payables	**16.72**	0.70
Creditor Retention Money	**22.24**	–
	135.09	0.73

11 Other Current Liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Taxes (excluding income taxes) and other statutory dues	**8.93**	–
	8.93	–

12 Finance Costs

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on ICD	**56.14**	1.24
	56.14	1.24

13 Other Expenses

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Rates & Taxes	**0.75**	0.12
Legal and Professional Charges	**39.16**	0.35
Auditors' Remuneration	**0.75**	0.35
Repairs and maintenance		
Building	**0.18**	–
Plant and equipment	**0.32**	–
Others	**17.65**	–
Travelling and Conveyance	**0.62**	–
Miscellaneous expenses	**2.58**	–
	62.01	0.82

13 a) Auditors Remuneration (Net of Taxes) included in Other Expenses above:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Audit Fees	**0.75**	0.35
	0.75	0.35

14 Earnings per Share

in ₹

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and Diluted Earnings per share	**(236.30)**	(4.13)

□ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**(118.15)**	(2.06)
Weighted average number of equity shares	**50,000**	50,000
Earnings per share - Basic and Diluted	**(236.30)**	(4.13)

15 Categories of financial assets and financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	**206.70**	**206.70**
Current Liabilities		
Borrowings	**2,024.83**	**2,024.83**
Other Financial Liabilities	**135.09**	**135.09**

□ in Lakhs

Particulars	As at March 31, 2022	
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	2.04	2.04
Current Liabilities		
Borrowings	19.31	19.31

16 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilties that are not measured at fair value is closely approximates the carrying value as disclosed below:

₹ in Lakhs

Particulars	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Cash and Cash Equivalents	**206.70**	**206.70**	2.04	2.04
Financial liabilities				
Borrowings	**2,024.83**	**2,024.83**	19.31	19.31
Other Financial Liabilities	**135.09**	**135.09**	—	–

17 Capital Commitment

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on Property, Plant & Equipment and not provided for (net of advances)	**191.17**	–

18 Ratios

Particulars	Ratios	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Ratio	Current Asset / Current Liability	1.42	2.79
Debt-Equity Ratio	Total debt / Shareholders equity	(14.87)	(1.07)
Debt Service Coverage Ratio	Net operating income / debt (principal+interest)	(0.03)	(0.04)
Return on Equity Ratio	Net Income / Average Total shareholders Equity	1.53	0.12
Return on Capital employed	Earning before Interest and tax / capital employed	(0.03)	(0.62)
Return on investment	Net profit / Cost of investment	(23.63)	(0.41)

Reason for variance :

During the year, the board has approved acquisition of resorts situated in Rajasthan at a consideration along with improvement plan and acquisition of adjacent land. As results, there are movement in ratio compared to previous year.

19 Segment information

The Company did not commence commercial operations during the year ended March 31, 2023. Hence, the disclosure requirement as per Ind AS 108 on Operating Segment would not be applicable to the Company.

20 Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limited
Ultimate Holding Company	Mahindra & Mahindra Limited

(ii) Related Party Transactions and balances

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Holding company		
Transactions during the year:		
Interest accrued on ICD	**56.14**	1.24
ICD Availed / Converted	**1,955.00**	2.00
Reimbursement of expenses	**82.43**	–
Holding company		
Balances as at:		
ICD Outstanding	**1,971.00**	16.00
Interest accrued but not due on ICD	**53.83**	3.31
Balance Payable	**89.23**	–

21 Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	**–**	–
Additions during the current year to CWIP	**737.68**	–
Capitalization / (Deletions) during the current year from CWIP	**–**	–
Balance as at end of the year	**737.68**	–

₹ in Lakhs

CWIP : As at March 31, 2023 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**737.68**	–
Projects temporarily suspended	**–**	–
Total	**737.68**	–

22 Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

23 Rounding Off and Regrouping / Reclassification of items

The amount has been rounded off to nearest (INR) and previous year figures have been regrouped / reclassified to correspond with current year's classification / disclosure, wherever deemed necessary.

24 The Financial Statements have been approved for issue by Company's Board of Directors on April 22, 2023.

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 22, 2023

INDEPENDENT AUDITORS' REPORT

To the members of Gables Promoters Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Gables Promoters Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXS2106

Place: Mumbai
Date: April 22, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) According to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditor's) Rules, 2014 with the Central Government

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) and (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXS2106

Place: Mumbai
Date: April 22, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Gables Promoters Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXS2106

Place: Mumbai
Date: April 22, 2023

BALANCE SHEET AS AT MARCH 31, 2023

₹ in Lakhs

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**15,036.15**	15,462.32
Intangible Assets	4	**6.10**	10.46
Capital work-in-progress	5	**2,343.68**	–
Financial Assets			
Deposits	6	**6.68**	46.37
Others		**–**	–
Other non-current tax assets	7	**122.43**	191.12
Other non-current assets	8	**130.27**	–
		17,645.31	15,710.27
Current assets			
Inventories	9	**18.71**	12.17
Financial Assets			
Trade Receivables	10	**198.79**	243.52
Cash and cash equivalents	11	**133.16**	52.29
Other Bank Balances	12	**230.91**	331.56
Other current assets	13	**108.43**	52.49
		690.00	692.03
		18,335.30	16,402.30
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	14	**6,500.00**	6,500.00
Other Equity	15	**3,191.80**	2,833.16
		9,691.80	9,333.16
Non-current liabilities			
Financial Liabilities			
Borrowings	16	**–**	334.14
Others	17	**148.84**	124.95
Provisions	18	**3.06**	4.36
Deferred Tax Liabilities (Net)	19	**295.62**	327.58
		447.52	791.03
Current liabilities			
Financial Liabilities			
Borrowings	20	**7,831.51**	6,079.40
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**222.79**	116.60
Others	22	**65.73**	10.54
Provisions	23	**0.96**	1.27
Other current liabilities	24	**74.98**	70.29
		8,195.98	6278.11
		18,335.30	16402.30

See accompanying notes to the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 22, 2023

Sujit Vaidya
Director
DIN: 03287161
Place: Mumbai
Date: April 22, 2023

Narender Pratap Singh
CFO

Place: Mumbai
Date: April 22, 2023

Kasturi Banerjee
Company Secretary
(ACS: 62651)

Place: Mumbai
Date: April 22, 2023

Balamurugan PS
Manager

Place: Mumbai
Date: April 22, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
REVENUE			
Revenue from operations	25	2,277.97	2,107.00
Other Income	26	28.23	10.69
Total Revenue		2,306.20	2,117.69
EXPENSES			
Employee benefit expense	27	378.10	315.41
Finance Charges	28	482.73	491.03
Depreciation and amortisation expense	3 & 4	477.47	479.88
Other expenses	29	641.22	620.75
Total Expenses		1,979.51	1,907.07
Profit/ (Loss) before tax		326.68	210.62
Tax Expense			
Current tax		–	–
Deferred tax		–	–
Total tax expense		–	–
Profit after tax for the year		326.68	210.62
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Freehold land revaluation		–	749.78
Income taxes related to items that will not be reclassified to profit or loss		31.96	(119.43)
Net other comprehensive income not to be reclassified		31.96	630.35
Total comprehensive income for the year		358.64	840.97
Earnings per equity share (for continuing operation):			
Basic and Diluted (In ₹)	30	0.50	0.32

See accompanying notes to the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 22, 2023

Sujit Vaidya
Director
DIN: 03287161
Place: Mumbai
Date: April 22, 2023

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 22, 2023

Narender Pratap Singh
CFO

Place: Mumbai
Date: April 22, 2023

Kasturi Banerjee
Company Secretary
(ACS: 62651)

Place: Mumbai
Date: April 22, 2023

Balamurugan PS
Manager

Place: Mumbai
Date: April 22, 2023

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before tax for the year	**326.68**	210.62
Adjustments for:		
Finance Cost	**482.73**	491.03
Depreciation	**477.47**	479.88
Interest on deposits with bank	**(15.93)**	–
Income from sale of Fixed Assets	**(0.49)**	–
Movements in working capital:		
Decrease/ (Increase) in other assets	**7.41**	(128.99)
Increase/ (decrease) in trade and other payables	**246.13**	63.03
Cash generated from operations	**1,523.99**	1,115.57
Income taxes paid	**–**	–
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	**1,523.99**	1,115.57
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	**(46.93)**	(7.81)
Placement of Fixed Deposits	**100.65**	–
Sale of Fixed Assets	**0.49**	–
Payment for Capital advance	**(130.27)**	–
Placement of Fixed Deposits	**–**	(331.56)
Capital work in progress	**(2,343.68)**	13.02
Purchase of Intangible assets	**–**	(13.08)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	**(2,419.73)**	(339.42)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity Share Capital		
Inter Corporate Deposit Received from Holding Company	**2,357.00**	(328.85)
Proceeds/ (Repayment) from borrowings	**(1,300.00)**	–
Payment of Interest	**(80.89)**	(491.03)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	**976.11**	(819.88)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**80.37**	(43.73)
Cash and cash equivalents at the beginning of the year	**52.79**	96.02
Cash and cash equivalents at the end of the year	**133.16**	52.79

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 22, 2023

Sujit Vaidya
Director
DIN: 03287161
Place: Mumbai
Date: April 22, 2023

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 22, 2023

Narender Pratap Singh
CFO

Place: Mumbai
Date: April 22, 2023

Kasturi Banerjee
Company Secretary
(ACS: 62651)

Place: Mumbai
Date: April 22, 2023

Balamurugan PS
Manager

Place: Mumbai
Date: April 22, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	Share Capital	Other Equity Reserves & Surplus		Total
	Equity Share Capital	Retained Earnings	Revaluation Reserve	
Balance at the beginning of reporting year April 1, 2022	6,500.00	(609.04)	3,442.20	9,333.16
Profit for the year	–	326.68	–	326.68
Additions during the year	–	–	31.96	31.96
Balance at the end of reporting year March 31, 2023	**6,500.00**	**(282.35)**	**3,474.16**	**9,691.80**

₹ in Lakhs

Particulars	Share Capital	Other Equity Reserves & Surplus		Total
	Equity Share Capital	Retained Earnings	Revaluation Reserve	
Balance at the beginning of reporting year April 1, 2021	6,500.00	(819.66)	2,811.85	8,492.19
Profit for the year	–	210.62	–	210.62
Additions during the year	–	–	630.35	630.35
Balance at the end of reporting year March 31, 2022	**6,500.00**	**(609.04)**	**3,442.20**	**2,833.16**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 22, 2023

Sujit Vaidya
Director
DIN: 03287161
Place: Mumbai
Date: April 22, 2023

Narender Pratap Singh
CFO

Place: Mumbai
Date: April 22, 2023

Kasturi Banerjee
Company Secretary
(ACS: 62651)

Place: Mumbai
Date: April 22, 2023

Balamurugan PS
Manager

Place: Mumbai
Date: April 22, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

The Company was incorporated on January 9, 2012 (CIN:U45209 CH2012PTC033473) and is in the principle business of construction, maintenance & running of hotels, resorts, shopping malls, buildings and other commercial & residential apartments.

2 Significant accounting policies

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(v) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Since the company has commenced operations during the current year and has not generated any profit before tax, current tax is Nil.

(vi) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at fair value and not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Buildings (other than those mentioned below)	60 years
Plant & equipment	10 years
Furniture and Fixtures (other than those mentioned below)	10 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(vii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(viii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xi) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(ix) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(x) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

Note No. 3 - Tangible Assets

₹ in Lakhs

Description of Assets	**Land - Freehold**	**Buildings - Freehold**	**Plant and Equipment - Freehold**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles - Freehold**	**Total**
I. Gross Block							
Balance as at April 1, 2022	5,053.78	9,833.32	1,561.81	52.73	1,180.48	53.51	17,735.63
Additions	–	–	42.53	0.48	3.92	–	46.93
Revaluation Reserve	–	–	–	–	–	–	–
Disposals	–	–	(2.17)	–	–	–	(2.17)
Balance as at March 31, 2023	**5,053.78**	**9,833.32**	**1,602.17**	**53.20**	**1,184.40**	**53.51**	**17,780.39**
II. Accumulated depreciation and impairment for the year							
Balance as at April 1, 2022	–	756.33	777.84	41.28	666.74	31.11	2,273.30
Depreciation/ amortisation expense for the year	–	163.89	153.17	5.54	143.82	6.69	473.11
Eliminated on disposal of assets	–	–	(2.17)	–	–	–	(2.17)
Effect of foreign currency translation for impairement loss	–	–	–	–	–	–	–
Balance as at March 31, 2023	–	**920.22**	**928.84**	**46.82**	**810.56**	**37.80**	**2,744.24**
Net block (I-II)							
Balance as at March 31, 2023	**5,053.78**	**8,913.11**	**673.34**	**6.38**	**373.84**	**15.70**	**15,036.15**
Balance as at March 31, 2022	5,053.78	9,076.99	783.97	11.44	513.74	22.39	15,462.32

₹ in Lakhs

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles - Freehold	Total
I. Gross Block							
Balance as at April 1, 2021	4,304.00	9,833.32	1,559.39	47.34	1,180.48	53.51	16,978.04
Additions	–	–	2.43	5.38	–	–	7.81
Revaluation Reserve	749.78	–	–	–	–	–	749.78
Balance as at March 31, 2022	5,053.78	9,833.32	1,561.81	52.73	1,180.48	53.51	17,735.63
II. Accumulated depreciation and impairment for the year							
Balance as at April 1, 2021	–	592.44	623.47	32.50	523.20	24.42	1,796.04
Depreciation/ amortisation expense for the year	–	163.89	154.37	8.78	143.54	6.69	477.26
Balance as at March 31, 2022	–	756.33	777.84	41.28	666.74	31.11	2,273.30
Net block (I-II)							
Balance as at March 31, 2022	5,053.78	9,076.99	783.97	11.44	513.74	22.39	15,462.32
Balance as at March 31, 2021	4,304.00	9,240.88	935.91	14.84	657.28	29.08	15,181.99

Note No. 4 - Other Intangible Assets

₹ in Lakhs

Description of Assets	**Computer Software**
I. Gross Block	
Balance as at April 1, 2022	13.08
Additions	–
Balance as at March 31, 2023	**13.08**
II. Accumulated amortization	
Balance as at April 1, 2022	2.62
Amortisation expense for the year	4.36
Balance as at March 31, 2023	**6.98**
Net block (I-II)	
Balance as at March 31, 2023	**6.10**
Balance as at March 31, 2022	10.46

₹ in Lakhs

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2021	–
Additions	13.08
Balance as at March 31, 2022	13.08
II. Accumulated amortization	
Balance as at April 1, 2021	–
Amortisation expense for the year	2.62
Balance as at March 31, 2022	2.62
Net block (I-II)	
Balance as at March 31, 2022	10.46
Balance as at March 31, 2021	–

Note No. 5 - Capital work-in-progress

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Capital work-in-progress	**2,343.68**	–
	2,343.68	–

Note No. 6 - Financial assets - Others

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Deposits - Non Current	**6.68**	46.37
Less : Provision for doubtful deposit	**–**	–
	6.68	46.37

Note No. 7 - Other Non-Current Tax Assets

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Advance Income tax	**122.43**	191.12
(Net of provisions up to the reporting date)		
	122.43	191.12

Note No. 8 - Other non-current assets

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Capital advances		
Capital advance	**130.27**	–
	130.27	–

Note No. 9 - Inventories
(At lower of cost and net realisable value)

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Food, beverages and smokes	**18.71**	12.17
	18.71	12.17

Note No. 10 - Trade Receivables
(Unsecured)

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Due for less than six months and within the next one year		
Considered good	**198.79**	243.52
	198.79	243.52

Note No. 11 - Cash and Bank Balances

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Cash and cash equivalents		
Cash at hand	**1.46**	1.55
Balances with banks	**131.70**	50.74
	133.16	52.29

Note No. 12 - Other Bank Balances

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Bank Deposits with original maturity greater than three months and less than twelve months	**230.91**	331.56
	230.91	331.56

Note No. 13 - Other assets - Current

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Advances other than capital advances		
Balances with government authorities (other than income taxes)	**74.30**	35.60
Prepaid Expenses	**28.34**	16.88
Other advances	**–**	–
Advance to suppliers	**5.79**	0.01
	108.43	52.49

Note No. 14 - Equity Share Capital

₹ in Lakhs

Particulars	**As At March 31, 2023**		As At March 31, 2022	
	No. of shares	**₹ in lakhs**	No. of shares	□ in lakhs
Authorised:				
Equity shares of □ 10 each with voting rights	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of □ 10 each with voting rights	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
	6,50,00,000	**6,50,00,000**	6,50,00,000	6,50,00,000

14 a) Terms/ rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of □ 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

14 b) Shares in the Company held by Holding Company and each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	**No. of shares**	**% held as at March 31, 2023**	No. of shares	% held as at March 31, 2022
Mahindra Holidays & Resorts India Limited (Holding Company)	**6,50,00,000**	**100.00%**	6,50,00,000	100.00%

14 c) The reconciliation of the number of shares outstanding as at March 31, 2023, March 31, 2022 is set out below:-

₹ in Lakhs

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	No. of Shares	**In ₹**	No. of Shares	In □
Number of shares at the beginning	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
Add: Issued during the year	**–**	**–**	–	–
Number of shares at the end	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00

14 d) Shareholding of promoters in the company

Shares held by promoters at the end of March 31, 2023			
Promoter name	No of shares	% of total shares	% change during the year
Mahindra holidays & Resorts India limited	6,50,00,000	100%	0%

Shares held by promoters at the end of March 31, 2022			
Promoter name	No of shares	% of total shares	% change during the year
Mahindra holidays & Resorts India limited	6,50,00,000	100%	0%

Note No. 15 - Other Equity

₹ in Lakhs

Particulars	**As At March 31, 2023**	As At March 31, 2022
Retained earnings	**(282.35)**	(609.04)
Revaluation Reserve	**3,474.16**	3,442.20
	3,191.80	**2,833.16**

Note No. 16 - Borrowings Non-current

₹ in Lakhs

Particulars	**As At March 31, 2023**	As At March 31, 2022
Secured Borrowings		
Loans from banks	**–**	334.14
	–	334.14

Loans from banks are secured by a hypothecation of current assets of the Company and mortgage of immovable property of the company. This loan is repayable by 2023 - 2024 and carries an interest rate @ 6M MCLR + 0.10%.

Note No. 17 - Other Financial Liabilities - Non-current

₹ in Lakhs

Particulars	**As At March 31, 2023**	As At March 31, 2022
Measured at Amortised Cost		
Retention Money	**148.84**	124.95
	148.84	124.95

Note No. 18 - Provisions

₹ in Lakhs

Particulars	**As At March 31, 2023**	As At March 31, 2022
Provision for Employee Benefits		
Gratuity	**1.22**	2.31
Compensated Absences	**1.84**	2.05
	3.06	4.36

Note No. 19 - Deferred tax liabilities

₹ in Lakhs

Particulars	**As At March 31, 2023**	As At March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Revaluation of freehold land	**295.62**	327.58
	295.62	327.58

Note No. 20 - Borrowings Current

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Unsecured Borrowings		
Current maturities of long term borrowings	**327.26**	1,300.00
Loans from related parties*	**7,504.25**	4,779.40
	7,831.51	6,079.40

*This Loan carries an interest rate @ 8.75% per annum including interest of 897.25 lakhs (PY: 612.85 lakhs).

Note No. 21 - Trade Payables

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**222.79**	116.60
	222.79	116.60

Note No. 22 - Other Financial Liabilities - Current

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Employee payable	**0.72**	2.77
Others	**–**	–
- Other payables (Capital Creditors)	**65.01**	7.77
	65.73	10.54

Note No. 23 - Provisions

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for Employee Benefits		
Gratuity	**0.26**	**0.43**
Compensated Absences	**0.71**	**0.84**
	0.96	**1.27**

Note No. 24 - Other Current Liabilities

₹ in Lakhs

Particulars	As At March 31, 2023	As At March 31, 2022
Statutory dues		
- taxes payable (other than income taxes)	**74.98**	70.29
	74.98	70.29

Note No. 25 - Revenue from Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Income from resorts :		
Room Rentals	**1,402.77**	1,333.36
Food and Beverages	**695.78**	636.50
Wine and liquor	**20.20**	15.58
Holiday Activity	**61.95**	52.55
Others	**97.27**	69.01
	2,277.97	2,107.00

Note No. 26 - Other Income

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income		
On Income Tax Refund	**11.81**	8.98
On deposits with bank	**15.93**	1.71
Income from sale of property, plant & equipment	**0.49**	–
	28.23	10.69

Note No. 27 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and wages, including bonus	**378.10**	315.41
	378.10	315.41

Note No. 28 - Finance Costs

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on borrowings from Bank	**74.01**	158.49
Interest on borrowings from related party	**408.72**	332.54
	482.73	491.03

Note No. 29 - Other Expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Cost of food, beverages and smokes consumed		
Opening stock	**12.17**	12.48
Add: Purchases	**177.98**	145.95
Less: Closing stock	**18.71**	12.17
	171.44	146.26
Operating Supplies	**122.52**	114.89
Power and Fuel	**130.40**	185.50
Rates and taxes	**10.00**	7.47
Travelling expenses	**20.68**	17.80
Auditors remuneration and out-of-pocket expenses	**–**	–
As Auditors	**1.75**	1.88
Consultancy Charges	**7.41**	5.34
Repairs and maintenance	**–**	–
Buildings	**2.19**	2.30
Plant & equipment	**17.33**	23.74
Others	**61.20**	47.04
Communication	**10.17**	3.92
Printing and Stationary	**7.02**	8.35
Insurance	**14.72**	12.73
Service Charges	**24.66**	21.53
Miscellaneous	**39.72**	22.02
	641.22	620.75

Note No. 30 - Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and Diluted Earnings (in rupee symbol)	**0.50**	0.32

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**326.68**	210.62
Weighted average number of equity shares (In Lakhs)	**650.00**	650.00
Earnings per share from continuing operations - Basic and Diluted (in rupee symbol)	**0.50**	0.32

Note No. 31 - Categories of financial assets and financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	
	Amortised Cost	Total
Non-Current Assets		
Deposits	**6.68**	**6.68**
Current Assets		
Trade Receivables	**198.79**	**198.79**
Cash & Bank balances	**364.07**	**364.07**
Non-current Liabilities		
Borrowings	**–**	**–**
Other Financial Liabilities		
- Non Derivative Financial Liabilities	**148.84**	**148.84**
Current Liabilities		
Borrowings	**7,831.51**	**7,831.51**
Trade Payables	**222.79**	**222.79**
Other Financial Liabilities		
- Non Derivative Financial Liabilities	**65.73**	**65.73**

₹ in Lakhs

Particulars	As at March 31, 2022	
	Amortised Cost	Total
Non-Current Assets		
Deposits	46.37	46.37
Current Assets	–	
Trade Receivables	243.52	243.52
Cash & Bank balances	383.85	383.85
Non-current Liabilities	–	
Borrowings	334.14	334.14
Other Financial Liabilities	–	
- Non Derivative Financial Liabilities	124.95	124.95
Current Liabilities	–	
Borrowings	6,079.40	6,079.40
Trade Payables	116.60	116.60
Other Financial Liabilities	–	
- Non Derivative Financial Liabilities	10.54	10.54

Note No. 32 - Fair Value Measurement

Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

₹ in Lakhs

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deposits	**6.68**	**6.68**	46.37	46.37
Trade Receivables	**198.79**	**198.79**	243.52	243.52
Cash & Bank balances	**364.07**	**364.07**	383.85	383.85
Total	**569.53**	**569.53**	673.74	673.74
Financial liabilities				
Borrowings	**7,831.51**	**7,831.51**	6,413.54	6,413.54
Other long term liabilities	**148.84**	**148.84**	129.31	129.31
Trade Payables	**222.79**	**222.79**	116.60	116.60
Other current financial liabilities	**65.73**	**65.73**	10.54	10.54
Total	**8,268.87**	**8,268.87**	6,669.99	6,669.99

Note No. 33 - Segment information

The Company is primarily engaged in the business of maintenance & running of resorts and related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the chief operating decision maker (CODM).

Note No. 34 - Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limited
Ultimate Holding Company	Mahindra & Mahindra Limited

Key Managerial Personnel

Narender Pratap Singh
Balamurugan PS
Rutika Nandwana

(ii) Related Party Transactions and balances

₹ In Lakhs

Particulars	March 31, 2023	March 31, 2022
Holding company		
Transactions during the year:		
ICD received	**2,357.00**	800.00
Interest on ICD repaid	**–**	120.00
Interest on ICD	**408.72**	332.54
Share Capital	**–**	–
Reimbursement received	**107.51**	–
Reimbursement paid	**173.29**	116.41
Sale of services	**1,147.50**	1,103.58
Holding company		
Balances as at:		
ICD received	**7,504.25**	4,779.40
Trade payables	**–**	–
Trade Receivables	**189.25**	242.67
Ultimate Holding company		
Transactions during the year :		
Purchase of Property, Plant & Equipment	**1,157.94**	–
Purchase of Goods and Services	**4.79**	–

Note No. 35 - Capital Work in Progress

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the reporting period	**–**	13.02
Add: Cost of construction during the year	**2,343.68**	
Expensed out during the year	**–**	–
Transferred to Property, plant & equipment		(13.02)
Balance at the end of the reporting period	**2,343.68**	–

₹ in Lakhs

CWIP : As at March 31, 2023 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**2,343.68**	–
Projects temporarily suspended	**–**	–
Total	**2,343.68**	–

Note No. 36 - Capital Commitment

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
Estimated amount of Contracts remaining to be executed on capital account and not provided for net of advances	**13.68**	–
	13.68	–

Note No. 37 - Revaluation of land

As at September 30, 2018, the Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

Particulars	₹ in Lakhs
Revaluation surplus as at March 31, 2022	3,769.78
Deferred tax on the above revaluation	(508.73)
As at March 31, 2022	**3,261.05**

The carrying amount of freehold land as at March 31, 2022 under cost and revaluation model are given below:

Block of asset	Revaluation Model	Cost Model
Freehold Land	5,053.78	1,284.00

Note No. 38 - Employee benefits

(a) Defined Contribution Plan
The Group's contribution to Provident Fund and Superannuation Fund aggregating 12.85 Lakhs (2022: 12.12 Lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)
The Company does not have a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is not funded.

Defined benefit plans – as per actuarial valuation on March 31, 2023 and March 31, 2022:

₹ in Lakhs

Particulars	Unfunded Plan Gratuity March 31, 2023	Unfunded Plan Gratuity March 31, 2022
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	(1.26)	1.19
Net Interest cost	–	–
Components of defined benefit costs recognised in profit & loss	**(1.26)**	1.19
Ib. Included in other Comprehensive Income		
Difference between actual and expected return on plan assets	–	–
Actuarial (Gain)/ Loss on account of :		
Demographic Assumptions	–	–
Financial Assumptions	–	–
Experience Adjustments	–	–

Particulars	Unfunded Plan Gratuity March 31, 2023	March 31, 2022
Components of defined benefit costs recognised in other comprehensive income	–	–
I. Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	(1.26)	1.19
2. Fair value of plan assets as at March 31	–	–
3. Deficit	**1.26**	**(1.19)**
	–	–
II. Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	–	1.54
Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	(1.26)	1.19
Interest Expense (Income)	–	–
Recognised in Other Comprehensive Income		
Actuarial Gain/ (Loss) arising from:		
Change in Demographic Assumptions	–	–
Financial Assumptions	–	–
Experience Adjustments	–	–
Benefit payments	–	–
Present value of defined benefit obligation at the end of the year	**1.48**	2.74

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2023	March 31, 2022
Discount rate(s)	7.29%	5.66%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on plan assets	0.00%	0.00%
Attrition	25.00%	25.00%
Mortality table	IALM 2012-14	IALM 2012-14

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

₹ in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2022-2023**	**0.50%**	**(0.03)**	**0.03**
	2021-2022	0.50%	(0.04)	0.04
Salary growth rate	**2022-2023**	**0.50%**	**0.03**	**(0.03)**
	2021-2022	0.50%	0.05	(0.03)
Attrition rate	**2022-2023**	**0.50%**	**(0.02)**	**0.02**
	2021-2022	0.50%	(0.01)	0.02
Mortality rate	**2022-2023**	**5.00%**	**0.00**	**0.00**
	2021-2022	5.00%	0.00	(0.00)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

III. Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
Within 1 year	**0.26**	0.43
1 - 2 year	**0.11**	0.50
2 - 3 year	**0.24**	0.44
3 - 4 year	**0.22**	0.43
4 - 5 year	**0.26**	0.35
6 - 10 years	**0.67**	0.95
> 5 years	**0.27**	0.28

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 6 years (2022: 4 years)

IV. Experience Adjustments:

₹ in Lakhs

Particulars	Period Ended March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
			Gratuity		
Defined Benefit Obligation	1.48	2.74	1.54	–	–
Fair value of plan assets	–	–	–	–	–
Surplus/ (Deficit)	(1.48)	(2.74)	(1.54)	–	–
Experience adjustment on plan liabilities [(Gain)/ Loss]	–	–	–	–	–
Experience adjustment on plan assets [Gain/ (Loss)]	–	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of Compensated absences is □ 4.62 Lakhs (Previous Year: □ 0.37 Lakhs).

Note No. 39 - Trade receivables Schedule

Trade receivables Ageing schedule FY. 2022-23 **₹ in Lakhs**

Defined Benefit Plans (Compensated absences)	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	195.11	–	–	–	3.68	198.79
(ii) Undisputed Trade receivables - considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade receivables - considered good	–	–	–	–	–	–
(iv) Disputed Trade receivables - considered doubtful	–	–	–	–	–	–
	195.11	–	–	–	3.68	198.79

Trade receivables Ageing schedule FY. 2021-22 **₹ in Lakhs**

Defined Benefit Plans (Compensated absences)	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	239.69	–	–	1.57	2.25	243.51
(ii) Undisputed Trade receivables - considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade receivables - considered good	–	–	–	–	–	–
(iv) Disputed Trade receivables - considered doubtful	–	–	–	–	–	–
	239.69	–	–	1.57	2.25	243.51

Note No. 40- Trade Payables Ageing Schedule

Trade Payables Ageing schedule FY. 2022-23 **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	222.26	–	0.52	–	222.79
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
	222.26	–	0.52	–	222.79

Trade Payables Ageing schedule FY. 2021-22 **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	116.60	–	–	–	116.60
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
	116.60	–	–	–	116.60

Note No. 41 Ratios

Particulars	Ratios	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Ratio	Current Assets/ Current Liabilities	**0.08**	0.11
Debt-Equity Ratio	Total Debt/ Shareholders equity	**0.81**	0.69
Debt Service Coverage Ratio	Net operating income/ Debt (principal + Interest)	**0.16**	0.18
Return on Equity Ratio	Net income/ Average total shareholders Equity	**0.03**	0.02
Inventory turnover ratio	Turnover/ Average inventory	**147.52**	170.95
Trade receivable turnover ratio	Turnover/ Average Trade receivables	**10.30**	9.96
Trade payable turnover ratio	Turnover/ Average Trade Payables	**13.43**	22.60
Net Capital turnover ratio	Turnover/ Net Capital	**(0.30)**	(0.38)
Net Profit ratio	PAT/ Turnover	**0.14**	0.10
Return on Capital employed	Earning before Interest and tax/ Capital employed	**0.08**	0.33
Return on investment.	Net Profit/ Cost of investment	**0.03**	0.02

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 22, 2023

Sujit Vaidya
Director
DIN: 03287161
Place: Mumbai
Date: April 22, 2023

Narender Pratap Singh
CFO

Place: Mumbai
Date: April 22, 2023

Kasturi Banerjee
Company Secretary
(ACS: 62651)

Place: Mumbai
Date: April 22, 2023

Balamurugan PS
Manager

Place: Mumbai
Date: April 22, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HERITAGE BIRD (M) SDN. BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Heritage Bird (M) Sdn. Bhd., which comprise the statement of financial position as at March 31, 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

LLOYDS EARLE	**DATUK K.**
PANICKER & TAN	**K. PANICKER**
A.F. 0604	761/03/25(J)
Chartered Accountants	Chartered Accountant

Place : Kuala Lumpur.
Dated : April 18, 2023

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

Particulars	Note	**March 31, 2023 RM**	March 31, 2022 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	**7**	**3,458,770**	3,557,592
		3,458,770	3,557,592
Current Assets			
Trade receivables	**8**	**540,000**	120,000
Non-trade receivables		**4,598**	825
Cash at bank		**452,446**	715,412
		997,044	836,237
TOTAL ASSETS		**4,455,814**	4,393,829
EQUITY AND LIABILITIES			
Equity			
Share capital	**9**	**300,002**	300,002
Accumulated profit / (losses)		**188,430**	(7,070)
Total Equity		**488,432**	292,932
Current Liabilities			
Non-trade payables		**38,692**	88,869
Amount due to holding company	**10**	**3,905,250**	3,988,886
Tax payable		**23,440**	23,142
		3,967,382	4,100,897
Total Liabilities		**3,967,382**	4,100,897
TOTAL EQUITY AND LIABILITIES		**4,455,814**	4,393,829

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note	**March 31, 2023 RM**	March 31, 2022 RM
Revenue	**11**	**720,000**	720,000
Cost of sales		**(46,800)**	(46,800)
Other Income		**2,498**	–
Gross profit		**675,698**	673,200
Administration expenses		**(213,429)**	(211,337)
Profit from operations	**12**	**462,269**	461,863
Finance costs	**13**	**(172,500)**	(173,760)
Net profit before taxation		**289,769**	288,103
Taxation	**14**	**(94,269)**	(95,829)
Total comprehensive income for the year		**195,500**	192,274

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

	Share Capital RM	Accumulated Profit/ (Losses) RM	Total RM
March 31, 2023			
Balance as at March 31, 2022	**300,002**	**(7,070)**	**292,932**
Total comprehensive income for the year	**–**	**195,500**	**195,500**
Balance as as March 31, 2023	**300,002**	**188,430**	**488,432**
March 31, 2022			
Balance as at March 31, 2021	300,002	(199,344)	100,658
Total comprehensive income for the year	–	192,274	192,274
Balance as at March 31, 2022	300,002	(7,070)	292,932

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	March 31, 2023 RM	March 31, 2022 RM
Cash Flows From Operating Activities		
Net profit before taxation	**289,769**	288,103
Adjustment :-		
Depreciation of property, plant and equipment	**98,822**	98,822
Interest on loan	**172,500**	173,760
Operating profit before working capital changes	**561,091**	560,685
Changes in receivables	**(423,773)**	120,000
Changes in payables	**(50,177)**	19,963
Cash generated from operations	**87,141**	700,648
Tax paid	**(93,971)**	(90,895)
Net cash (used in)/generated from operating activities	**(6,830)**	609,753
Cash Flows From Investing Activities	**–**	–
Cash Flows From Financing Activities		
Amount due to holding company	**(83,636)**	(93,616)
Interest paid to holding company	**(172,500)**	(173,760)
Amount due to directors	**–**	(14,000)
Net cash used in financing activities	**(256,136)**	(281,376)
Net (decrease)/increase in cash and cash equivalents	**(262,966)**	328,377
Cash and cash equivalents brought forward	**715,412**	387,035
Cash and cash equivalents carried forward	**452,446**	715,412

Note:

Cash and cash equivalent at the end of the year comprises:

	March 31, 2023 RM	March 31, 2022 RM
Cash at bank	**452,446**	715,412

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

1. General Information

The Company is a private company, incorporated and domiciled in Malaysia. The registered office is situated at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, and its principal place of business is located at 3A07, Block B, Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The Company's principal activities are holding of investment properties and lease rental.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

2. Compliance With Financial Reporting Standards and the Companies Act, 2016

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016.

3. Basis of Preparation

The financial statements of the Company have been prepared using cost bases which include historical cost, amortised cost, and lower of cost and net realisable value and fair value bases which include fair value basis and fair value less costs to sell basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting year and the reported amounts of revenues and expenses during the reporting year. Judgements and assumptions are applied in measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 6.

4. Significant Accounting Policies

a) Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. These include assets constructed or acquired for environmental protection purposes and investment property measured on the cost model. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits. For an exchange of non-monetary asset that has a commercial substance, cost is measured by reference to the fair value of the asset received. For an asset transferred from a customer or a grantor, cost is measured by reference to the fair value of the asset.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are depreciated by allocating the depreciable amount of significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Furniture and fittings	Straight-line	5
Building	Straight-line	50

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any changes in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

b) Impairment of non-financial assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash generating unit at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in the profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

For a cash-generating unit, any impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit, if any, and the balance of the impairment loss is then allocated to the other assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

c) Share capital and distribution

(i) Share capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(ii) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, including a distribution in specie, the Company measures the dividend payable at the fair value of the assets to distributed. At the end of each reporting period and at the date of settlement, the Company reviews and adjusts the carrying amount of the dividend payable to reflect changes in the fair value of the assets to be distributed, with any changes recognised in equity as adjustments to the amount of the distribution. Upon settlement, the difference between the carrying amount of the dividend payable and the carrying amount of the assets distributed is recognised as a gain or loss in profit or loss.

d) Financial instrument

(i) Initial recognition and measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instrument

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirely as a single item or derecognised part-by-part of a single item or a group of similar items.

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more than compared with the carrying amount of the original liability.

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories namely (i) financial assets at fair value through profit or loss; and (ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4(d)(vii).

(iv) Subsequent measurement of financial liabilities

After initial recognition, the Company measures all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives instruments that are liabilities and financial guarantee contracts, which are measured at fair value.

(v) Fair value measurement of financial instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(vi) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial assets or liability is derecognised or impaired, and through the amortization process of the instrument.

(vii) Impairment and uncollectibility of financial assets

At the end of each reporting year, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due year. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the assets if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

e) Related parties

Related parties refer to persons connected to the directors and/or shareholders of the Company, and companies in which the directors and/or shareholders or persons connected to the said directors and/or shareholders have substantial equity interest.

f) Cash and cash equivalents

Cash comprises cash at bank.

g) Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counterparty (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting year. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation.

For an onerous contract, provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

h) Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period except for: (i) loans and advances that form part of the net investment in a foreign operation; and (ii) transactions entered into in order to hedge foreign currency risks of net investments in foreign operations.

i) Tax assets and tax liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the equity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that to not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment. However, for deductible temporary differences related to investments in subsidiaries and branches, a deferred tax asset is recognised to the extent, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity in the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, if the owner-entity of the Group does not have a business model to hold the property solely for rental income, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

j) Revenue recognition

The Company measures revenue from a sale of goods or service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to a customer in a sale or service transaction.

Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risk and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that economic benefits associated with the transaction will flow to the Company; and (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

k) Fair value measurement

For assets, liabilities and equity instruments whether financial or non-financial items that require fair value measurement disclosure, the Company establishes a fair value measurement hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is estimated using a quoted price in an active market if that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of an active market price, the fair value of an item is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

5. Financial Risk Management Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

a) Liquidity and cash flow risks

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

b) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company manages its exposure to foreign currency risk by monitoring fluctuations in foreign exchange and by timing its payments in foreign currencies accordingly.

c) Credit risk

Credit risk is controlled by monitoring procedures and by internal credit review where credit risk is material.

d) Interest rate risk

The Company's interest rate exposure arises principally from the borrowings. The interest rate risk is managed through the use of fixed and floating rate financial instruments.

Apart from the above, the Company does not face any material financial risks in other areas such as market risk, etc.

6. Critical Judgement and Estimation Uncertainty

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

a) Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

b) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

c) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

d) Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability- weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price or market price is used as the best estimate. If an obligation is to be settled overtime, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

7. Property, Plant and Equipment

	Leasehold Properties RM	Furniture and Fittings RM	Total RM
<u>**Gross Carrying Amount:**</u>			
At April 1, 2022	4,941,100	54,454	4,995,554
Additions	–	–	–
At March 31, 2023	**4,941,100**	**54,454**	**4,995,554**
<u>**Accumulated Depreciation:**</u>			
At April 1, 2022	1,383,508	54,454	1,437,962
Charge for the year	98,822	–	98,822
At March 31, 2023	**1,482,330**	**54,454**	**1,536,784**
Net Book Value at April 1, 2022	3,557,592	–	3,557,592
Net Book Value at March 31, 2023	**3,458,770**	**–**	**3,458,770**

Strata-titles in respect of the lease properties have yet to be received from the relevant authorities.

8. Trade Receivables

	March 31, 2023 RM	March 31, 2022 RM
Holding Company	**540,000**	120,000

9. Share Capital

	March 31, 2023		March 31, 2022	
	No. of shares	RM	No. of shares	RM
Issued and fully paid ordinary shares:-				
Balance b/f	**300,002**	**300,002**	300,002	300,002
Issued during the year	**–**	**–**	–	–
Balance c/f	**300,002**	**300,002**	300,002	300,002

10. Amount Due To Holding Company

The holding company is Mahindra Holidays & Resorts India Ltd., a company incorporated in India, which holds the entire issued and paid up capital of the Company.

The amount due to holding company, consisting of non-trade balances, is unsecured and bears interest at the rate of 4.6% p.a. *(2022:4.6% p.a.)*. The amount due is renewed on expiry and payable if it is not renewed by holding company.

11. Revenue

Revenue represents income from lease rental and rental income receivable.

12. Profit From Operations

The following items have been charged in arriving at profit from operations:-

	March 31, 2023 RM	March 31, 2022 RM
Assessment and quit rent	**3,248**	3,304
Audit fee	**18,000**	18,000
Depreciation of property, plant and equipment	**98,822**	98,822
Directors' fee	**14,000**	14,000
	134,070	134,126

13. Finance Costs

	March 31, 2023 RM	March 31, 2022 RM
Interest expense on loan from holding company	**172,500**	173,760
	172,500	173,760

14. Taxation

	March 31, 2023 RM	March 31, 2022 RM
Current year provision	**93,440**	93,141
Under provision in prior years	**829**	2,688
	94,269	95,829

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	March 31, 2023 RM	March 31, 2022 RM
Profit before taxation	**289,769**	288,103
Tax at statutory income tax rate of 24%	**69,545**	69,145
Tax effect of expenses that are not deductible for tax purposes	**23,895**	23,996
Under provision in prior years	**829**	2,688
	94,269	95,829

15. Related Party Transactions

	March 31, 2023 RM	March 31, 2022 RM
Revenue	**(720,000)**	(720,000)
Interest on loan	**172,500**	173,760

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a negotiated basis.

16. Employees

The number of employees of the Company as at March 31, 2023 is Nil *(2022 : Nil)*.

17. Date of Authorisation for Issue of the Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on April 18, 2023.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infinity Hospitality Group Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infinity Hospitality Group Company Limited (the Company), which comprise the statement of financial position as at March 31, 2023, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and we have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mr. Pongteera Chainsakultam

Certified Public Accountant Registration No. 9387

Cover Biz Company Limited
April 19, 2023

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

Currency : Baht

	Notes	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**732,205.99**	1,273,478.17
Trade and other receivables	**5**	**5,230,577.65**	2,128,639.09
Inventory	**6**	**398,793.74**	362,750.04
Other current assets		**119,765.85**	91,419.69
TOTAL CURRENT ASSETS		**6,481,343.23**	3,856,286.99
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	**194,161,348.28**	195,356,759.70
Intangible assets	**8**	**15.00**	15.00
Other non-current assets		**11,000.00**	401,000.00
TOTAL NON-CURRENT ASSETS		**194,172,363.28**	195,757,774.70
TOTAL ASSETS		**200,653,706.51**	199,614,061.69

Currency : Baht

	Notes	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term loan from financial institution	**9**	**–**	–
Trade and other payables	**10**	**8,379,150.78**	4,166,478.23
Short-term borrowings	**12 and 14**	**174,500,000.00**	44,000,000.00
Current portion of Long-term loan	**13**	**–**	130,500,000.00
Other current liabilities	**11**	**712,145.61**	249,901.27
TOTAL CURRENT LIABILITIES		**183,591,296.39**	178,916,379.50
TOTAL LIABILITIES		**183,591,296.39**	178,916,379.50
SHAREHOLDERS' EQUITY			
Authorized share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Issued and paid-up share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Retained earnings (Deficits)		**(132,937,589.88)**	(129,302,317.81)
TOTAL SHAREHOLDERS' EQUITY		**17,062,410.12**	20,697,682.19
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**200,653,706.51**	199,614,061.69

The accompanying notes are an integral part of the financial statements.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Currency : Baht

	Notes	2023	2022
REVENUES			
Revenue from rent and services		**28,119,465.02**	16,346,728.85
Other income		**98,056.94**	366,272.05
TOTAL REVENUES		**28,217,521.96**	16,713,000.90
EXPENSES			
Cost of rent and services		**14,886,598.80**	7,362,543.91
Selling expenses		**1,883,981.33**	607,687.16
Administrative expenses		**11,290,038.08**	7,820,389.10
TOTAL EXPENSES		**28,060,618.21**	15,790,620.17
EARNINGS BEFORE FINANCIAL COST		**156,903.75**	922,380.73
Financial costs		**(3,792,175.82)**	(6,061,311.61)
EARNINGS BEFORE CORPORATE INCOME TAX		**(3,635,272.07)**	(5,138,930.88)
NET PROFIT/ (LOSS)		**(3,635,272.07)**	(5,138,930.88)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

Currency : Baht

	Notes	Issued and paid-up share capital	Retained earnings (Deficits)	Total
Beginning balance as of March 31, 2021		150,000,000.00	(124,163,386.93)	25,836,613.07
Changes in shareholders' equity for the period				
Net profit/ (loss) for the period		–	(5,138,930.88)	(5,138,930.88)
Ending balance as of March 31, 2022		150,000,000.00	(129,302,317.81)	20,697,682.19
Changes in shareholders' equity for the period				
Net profit/ (loss) for the period		–	(3,635,272.07)	(3,635,272.07)
Ending balance as of March 31, 2023		**150,000,000.00**	**(132,937,589.88)**	**17,062,410.12**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2023

1 GENERAL INFORMATION

Company status

Infinity Hospitality Group Company Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on May 6, 2005, with registration no. 0105548060791.

Place of company

20, Soi Sukhumvit 7 (Lerdsin 2) , Sukhumvit Rd., North Klongtoey, Wattana, Bangkok, Thailand.

Business and operation

The objective of the Company are services and rent of hotel, apartment, mansion and condominium.

2 CORONAVIRUS DISEASE 2019 PANDEMIC

The Covid-19 pandamic is impacting various businesses and industries. The exponential reduction in personal and business travel has imposed significant pressure on the hospitality industry resulting in lower occupancy and revenue per available room. This situation significantly affects the Company's business activities in terms of hotel business. The company had to temporarily suspend the hotel operations since March 2020 due to lockdown measures in order to prevent the spread of Covid -19 and a decrease in number of foreign and local tourists. The company still unable retun to its normal operations because the main client is foreign tourists. However the company have main service agreement with headquarter to support the current cash flows. The management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provision and contingent liabilities, and has used estimates and judgements in respect of various isssues as the situation has evolved .The management considered that there is no impairment and additional provision on this Covid-19 pandemic situation as of March 31, 2023.

3 BASIC OF FINANCIAL STATEMENT PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The management of the Company assessed that there is no material effects of this standard for the period in which they are initially applied.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated September 28, 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

4.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost being determined on first-in, first-out method. The Company determine to accrue provision for decline in value of inventories on deteriorated or obsolescent inventories.

4.3 Property, plant and equipment

Land are stated at cost, Buiding and Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by a straight-line method over their estimated useful life as follows:

	Useful life	
Land	–	
Years Building	20	Years
Improvement & Decoration	20.5	Years
Furniture Fixture & Equipment	5	Years
General Equipment	5	Years
Computer	3.5	Years

4.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to their costs on the straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows:

	Year life	
Computer software	3.5	Years

4.5 Employee benefits

Salaries, wages and contributions to the social security fund are recognized as expenses when incurred.

4.6 Provisions and contigent liabilities

The Company recongnized provision in the best estimated amount of expenses which have to be paid on current obligation as at the end of accounting period.

4.7 Revenue and expenses recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

The company record other revenue and expenses base on accrual basis.

4.8 Income tax expense

The Company record income tax as expenses by calculating on profit and loss of tax regulation basis.

5 TRADE AND OTHER RECEIVABLES

Currency : Baht

Consist of:	**2023**	2022
Accounts Receivables - Trade	**90,879.71**	4,607.96
Allowance for doubtful accounts	**(4,607.96)**	(4,607.96)
Accrued income - related parties (Note 12)	**4,290,165.00**	1,477,723.50
Other account receivables - related parties (Note 12)	**535,101.00**	476,581.00
Prepaid expenses	**313,039.90**	174,334.59
Other receivable	**6,000.00**	–
Total	**5,230,577.65**	2,128,639.09

6 INVENTORY

Currency : Baht

Consist of:	**2023**	2022
Finished Goods	**398,793.74**	362,750.04
Total	**398,793.74**	362,750.04

7 PROPERTY, PLANT AND EQUIPMENT

Currency : Baht

Consist of:	Construction in Progress	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost									
As at March 31, 2022	225,000.00	114,770,000.00	108,968,618.24	53,467,376.98	1,348,372.94	2,269,335.33	390,204.78	175,000.00	281,613,908.27
Acquisitions	5,380,000.00	–	–	5,645,000.00	1,533,511.41	393,974.23	26,124.11	–	12,978,609.75
Disposals/Transfer	(5,605,000.00)	–	–	(60,000.00)	(18,020.57)	(376,867.22)	(88,167.58)	–	(6,148,055,37)
Adjustment/Reclassification	–	–	–	–	–	–	–	–	–
As at March 31, 2023	**–**	**114,770,000.00**	**108,968,618.24**	**59,052,376.98**	**2,863,863.78**	**2,286,442.34**	**328,161.31**	**175,000.00**	**288,444,462.65**
Accumulated depreciation									
As at March 31, 2022	–	–	76,886,540.73	5,795,160.80	882,097.89	2,160,176.99	358,173.16	174,999.00	86,257,148.57
Depreciation for the period	–	–	5,448,430.81	2,780,270.39	216,055.01	102,567.96	21,291.68	–	8,568,615.85
Depreciation on disposals	–	–	–	(59,999.00)	(18,016.57)	(376,502.90)	(88,131.58)	–	(542,650.05)
As at March 31, 2023	**–**	**–**	**82,334,971.54**	**8,515,432.19**	**1,080,136.33**	**1,886,242.05**	**291,333.26**	**174,999.00**	**94,283,114.37**
Net book value									
As at March 31, 2022	225,000.00	114,770,000.00	32,082,077.51	47,672,216.18	466,275.05	109,158.34	32,031.62	1.00	195,356,759.70
As at March 31, 2023	**–**	**114,770,000.00**	**26,633,646.70**	**50,536,944.79**	**1,783,727.45**	**400,200.29**	**36,828.05**	**1.00**	**194,161,348.28**

Depreciation for the period

For the year ended March 31, 2022 (Included in cost and administrative expenses)	7,897,835.15
For the year ended March 31, 2023 (Included in cost and administrative expenses)	**8,568,615.85**

8 INTANGIBLE ASSETS

Currency : Baht

Consist of:	Computer software	Total
Cost		
As at March 31, 2022	797,433.00	797,433.00
Acquisitions	–	–
Disposals	–	–
Adjustment/Reclassification	–	–
As at March 31, 2023	**797,433.00**	**797,433.00**
Accumulated amortisation		
As at March 31, 2022	797,418.00	797,418.00
Amortisation for the period	–	–
Depreciation on disposals	–	–
Adjustment/Reclassification	–	–
As at March 31, 2023	**797,418.00**	**797,418.00**
Net book value		
As at March 31, 2022	15.00	15.00
As at March 31, 2023	**15.00**	**15.00**
Amortisation for the period		
For the year ended March 31, 2022 (Included in administrative expenses)		3,125.25
For the year ended March 31, 2023 (Included in administrative expenses)		–

9 SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

On November 21, 2019 (Revised on February 11, 2021), The Company has entered into Banking Facility Agreement for Short Term Loan of Baht 44 million which was fully repaid during the year 2022. The rate of interest on each Loan for each interest period is the rate of the sum of BIBOR plus the applicable Margin per annum.

The details of above Banking Facility Agreement as follows:

Currency : Baht

	2023	2022
Balance as of April 1,	**–**	25,000,000.00
Add Loan received	**–**	19,000,000.00
Less Repayment	**–**	(44,000,000.00)
Balance as of March 31,	**–**	–

10 TRADE AND OTHER PAYABLES

Currency : Baht

Consist of:	**2023**	2022
Trade payables	**601,071.89**	181,125.62
Accrued interest expneses - related party (Note 12)	**4,862,324.60**	1,377,139.69
Accrued interest expneses - Other	**–**	163,088.92
Accrued expenses - related party (Note 12)	**2,106,028.00**	2,106,028.00
Accrued expenses	**809,726.29**	339,096.00
Total	**8,379,150.78**	4,166,478.23

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2023

11 OTHER CURRENT LIABILITIES

Currency : Baht

Consist of:	2023	2022
Unrealised output tax	**286,611.75**	96,974.94
Withholding tax payable	**24,606.54**	11,741.21
Social security tax payable	**58,232.00**	24,060.00
Revenue Department payable	**73,695.32**	63,386.80
Retention of construction	**269,000.00**	53,738.32
Total	**712,145.61**	249,901.27

12 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder
MH Boutique Hospitality Limited	Thailand	51% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rent and services	Contractually agreed rate
Corporate guarantee charged	Contractually agreed rate
Loan interest	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2023	2022
Income		
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	**16,260,750.00**	16,260,750.00
Expenses		
Mahindra Holidays & Resorts India Limited	**3,485,184.91**	2,214,293.69
Receivable		
Mahindra Holidays & Resorts India Limited	**4,290,165.00**	1,477,723.50
MH Boutique Hospitality Limited	**535,101.00**	476,581.00
Payable		
Mahindra Holidays & Resorts India Limited	**6,968,352.60**	3,483,167.69
Loan		
Mahindra Holidays & Resorts India Limited	**174,500,000.00**	44,000,000.00
Interest rate	**2.05%**	3.40%

13 LONG-TERM LOAN

On February 6, 2017, The Company has entered into 5-Year Secured Committed Term Loan Facility of Baht 162,000,000 Facility Agreement with a financial institution which was fully repaid during the year 2023. The rate of interest on each Loan for each interest period is the rate of the sum of BIBOR plus 2.10 percent per annum.

Details of Loan are as followed:

Currency : Baht

	2023	2022
Long-term loan	**–**	130,500,000.00
Less Current portion of Long-term borrowings	**–**	(130,500,000.00)
Net Long-term loan	**–**	–

Moving of long-term loan during the years ended March 31, 2023 and 2022 are as followed:

Currency : Baht

	2023	2022
Balance as of April 1,	**130,500,000.00**	134,000,000.00
Add: Loan received	**–**	–
Less: Repayment	**(130,500,000.00)**	(3,500,000.00)
Balance as of March 31,	**–**	130,500,000.00

14 SHORT-TERM BORROWING

As of March 31, 2023 and 2022, the Company has a short-term borrowing from related party in the amount of Baht 174,500,000 and 44,000,000, respectively, in order to settle loan agreement with a financial institution. The rate of interest is 2.05-3.40% annum.

Moving of short-term borrowing during the years ended March 31, 2023 and 2022 are as followed:

Currency : Baht

	2023	2022
Balance as of April 1,	**44,000,000.00**	–
Add: Loan received	**130,500,000.00**	44,000,000.00
Less: Repayment	**–**	–
Balance as of March 31,	**174,500,000.00**	44,000,000.00

15 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 19, 2023.

Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MH Boutique Hospitality Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MH Boutique Hospitality Limited (the Company), which comprise the statement of financial position as at March 31, 2023, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pongteera Chainsakultam
Certified Public Accountant Registration No. 9387

Cover Biz Company Limited

April 19, 2023

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

Currency : Baht

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**63,554.43**	63,448.26
TOTAL CURRENT ASSETS		**63,554.43**	63,448.26
NON-CURRENT ASSETS			
Investment in subsidiaries	*5*	**38,000,000.00**	38,000,000.00
TOTAL NON-CURRENT ASSETS		**38,000,000.00**	38,000,000.00
TOTAL ASSETS		**38,063,554.43**	38,063,448.26
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payable	*6*	**19,660,832.00**	18,650,312.00
Short-term loan	*7*	**28,000,000.00**	28,000,000.00
TOTAL CURRENT LIABILITIES		**47,660,832.00**	46,650,312.00
TOTAL LIABILITIES		**47,660,832.00**	46,650,312.00
SHAREHOLDERS' EQUITY			
Authorized share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Issued and paid-up share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Retained earnings (Deficits)		**(19,597,277.57)**	(18,586,863.74)
TOTAL SHAREHOLDERS' EQUITY		**(9,597,277.57)**	(8,586,863.74)
TOTAL LIABILITIES AND SHARHOLDERS' EQUITY		**38,063,554.43**	38,063,448.26

The accompanying notes are an integral part of the financial statements.

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2023

Currency : Baht

	Notes	**Year ended March 31, 2023**	Year ended March 31, 2022
REVENUES			
Other income		**107.25**	79.23
TOTAL REVENUES		**107.25**	79.23
EXPENSES			
Administrative expenses		**58,521.08**	58,520.79
TOTAL EXPENSES		**58,521.08**	58,520.79
EARNINGS BEFORE FINANCIAL COST		**(58,413.83)**	(58,441.56)
Financial costs		**952,000.00**	952,000.00
NET PROFIT/ (LOSS)		**(1,010,413.83)**	(1,010,441.56)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

Currency : Baht

	Issued and paid-up share capital		Retained earnings (Deficits)	Total
	Preference	Ordinary		
Beginning balance as of March 31, 2021	5,100,000.00	4,900,000.00	(17,576,422.18)	(7,576,422.18)
Changes in shareholders' equity for the year				
Net profit/ (loss) for the year	–	–	(1,010,441.56)	(1,010,441.56)
Ending balance as of March 31, 2022	5,100,000.00	4,900,000.00	(18,586,863.74)	(8,586,863.74)
Changes in shareholders' equity for the year				
Net profit/ (loss) for the year	–	–	(1,010,413.83)	(1,010,413.83)
Ending balance as of March 31, 2023	**5,100,000.00**	**4,900,000.00**	**(19,597,277.57)**	**(9,597,277.57)**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2023

1 GENERAL INFORMATION

Company status

MH Boutique Hospitality Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on October 10, 2012 with registration no. 0105555151500.

Place of company

33/118-119 23th Floor Wall street Tower, Surawongse, Suriyawongse, Bangrak, Bangkok

Business and operation

The objective of the Company is to become a partner with limited liability in a partnership or a shareholder in a private limited company and a public limited company.

2 CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is impacting most business and industries, resulting in an economic slowdown. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

3 BASIC OF FINANCIAL STATEMENT PREPARATION

The company financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after January 01, 2011.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated September 28, 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after January 01, 2011.

The company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.

4 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

4.2 Investment

Investments in subsidiary, associated and other companies are stated at cost. An allowance for impairment loss will be made when the net realisable value of the investment is lower than its cost.

4.3 Revenue and expenses recognition

The company record other revenue and expenses base on accrual basis.

5 INVESTMENT IN SUBSIDIARIES

On November 5, 2012 , the Company invested in 51% of Infinity Hospitality Company Limited as a subsidiary company, which had authorised capital of Baht 150 million divided into 1,500,000 ordinary shares at a par value of Baht 100.

Details of the Company's subsidiaries, as at March 31, 2023 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)
Investment in subsidiaries			
Infinity Hospitality Group Company Limited	Hotel	Thailand	51

6 TRADE AND OTHER PAYABLES

Consist of: *Currency : Baht*

	As at March 31, 2023	As at March 31, 2022
Accrued interest expenses - Related parties (Note 7)	**16,237,142.80**	15,427,942.82
Accrued interest expenses for withholding tax	**2,865,378.20**	2,722,578.18
Accrued expenses	**23,210.00**	23,210.00
Other payable - Related parties (Note 7)	**535,101.00**	476,581.00
Total	**19,660,832.00**	18,650,312.00

7 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest charged	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2023	2022
Expenses		
Mahindra Holidays & Resorts India Limited	**952,000.00**	952,000.00
Payable		
Mahindra Holidays & Resorts India Limited	**16,237,142.80**	15,427,942.82
Infinity Hospitality Group Company Limited	**535,101.00**	476,581.00
Loan from related parties		
Mahindra Holidays & Resorts India Limited	**28,000,000.00**	28,000,000.00
Interest rate	**3.40%**	3.40%

8 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 19, 2023.

Director

INDEPENDENT AUDITORS' REPORT
To the members of MHR Holdings (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at March 31, 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages herein give a true and fair view of the financial position of the Company as at March 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the financial statements which indicates that the Company had accumulated losses of EUR 7,978,703 during the year ended March 31, 2023 and, as of that date, the Company had a shareholder's deficit of EUR 7,833,703. As stated in Note 20, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The shareholder has undertaken to provide financial support to ensure continuation of the Company's operations. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of the Directors sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: April 21, 2023

Ebene 72201, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Notes	2023	2022
		EUR	EUR
ASSETS			
Non-current			
Investments in subsidiary	9	**23,182,500**	23,182,500
Loans	11	**6,061,867**	29,091,732
Non-current assets		**29,244,367**	52,274,232
Current			
Loans	11	**56,216,394**	24,764,527
Other receivable and prepayments	13	**2,400**	7,056
Cash and cash equivalents		**382,177**	2,366,339
Current assets		**56,600,971**	27,137,922
Total assets		**85,845,338**	79,412,154
EQUITY AND LIABILITIES			
Equity			
Stated capital	16	**145,000**	145,000
Accumulated losses		**(7,978,703)**	(6,822,697)
Total shareholder's deficit		**(7,833,703)**	(6,677,697)
Liabilities			
Non-current liabilities			
Borrowings	12	**67,638,877**	63,868,930
Current			
Borrowings	12	**25,788,390**	19,811,520
Other payables and accruals	15	**251,774**	2,409,401
Current liabilities		**26,040,164**	22,220,921
Total liabilities		**93,679,041**	86,089,851
Total equity and liabilities		**85,845,338**	79,412,154

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2023

	Notes	2023	2022
		EUR	EUR
INCOME		**–**	–
EXPENDITURE			
Professional fees	**14**	**40,348**	51,600
Audit fees		**8,000**	7,321
License fees		**2,357**	2,304
Bank charges		**2,313**	1,166
		53,018	62,391
OPERATING LOSS		**(53,018)**	(62,391)
Finance income	**10.1**	**1,472,030**	1,231,994
Finance costs	**10.2**	**(2,575,018)**	(2,894,080)
LOSS BEFORE TAX		**(1,156,006)**	(1,724,477)
Tax expense	**8**	**–**	–
LOSS FOR THE YEAR		**(1,156,006)**	(1,724,477)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		**–**	–
Items that will be reclassified subsequently to profit or loss		**–**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,156,006)**	(1,724,477)

The notes on herein an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

	Stated capital	Accumulated losses	Total
	EUR	EUR	EUR
At April 01, 2021	145,000	(5,098,220)	(4,953,220)
Loss for the year	–	(1,724,477)	(1,724,477)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	–	–
At March 31, 2022	145,000	(6,822,697)	(6,677,697)
At April 01, 2022	**145,000**	**(6,822,697)**	**(6,677,697)**
Loss for the year	**–**	**(1,156,006)**	**(1,156,006)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**–**
At March 31, 2023	**145,000**	**(7,978,703)**	**(7,833,703)**

The notes on herein an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
	EUR	EUR
Operating activities		
Loss before tax	**(1,156,006)**	(1,724,477)
Adjustments for:		
Interest income	**(1,422,002)**	(1,177,138)
Interest expense (Note 17)	**1,799,871**	1,505,467
Amortisation of transaction costs (Note 17)	**284,478**	485,913
Non-cash movement – Transaction costs (Note 17)	**–**	247,854
	(493,659)	(662,381)
Changes in working capital:		
Change in other receivable and prepayments	**4,656**	(4,652)
Change in other payables and accruals	**(2,157,627)**	525,141
Net cash used in operations	**(2,646,630)**	(141,892)
Interest received	**–**	100,264
Interest paid (Note 17)	**(1,487,532)**	(1,526,398)
Net cash used in operating activities	**(4,134,162)**	(1,568,026)
Investing activities		
Loans to subsidiary	**(7,000,000)**	(4,000,000)
Net cash used in investing activities	**(7,000,000)**	(4,000,000)
Financing activities		
Loans received (Note 17)	**34,000,000**	62,047,503
Processing fees paid (Note 17)	**–**	(674,428)
Repayment of loans (Note 17)	**(24,850,000)**	(53,488,990)
Net cash from financing activities	**9,150,000**	7,884,085
Net change in cash and cash equivalents	**(1,984,162)**	2,316,059
Cash and cash equivalents at beginning of the year	**2,366,339**	50,280
Cash and cash equivalents at end of the year	**382,177**	2,366,339
Cash and cash equivalents made up of:		
Cash at bank	**382,177**	2,366,339

The notes on herein an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2023

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

MHR Holdings (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on June 26, 2014 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended Standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the financial year commencing on 1 April 2022:

IFRS 3	References to the Conceptual Framework (Amendment to IFRS 3)
IAS 16	Proceeds before intended use (Amendments to IAS 16)
IAS 37	Onerous Contracts- Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)

Management has assessed the impact of these new and revised Standards and Interpretations and concluded that none of the above has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 17	Amendments to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)
IFRS 17	Initial Application of IFRS 17 and IFRS 9- Comparative Information (Amendment to IFRS 17)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Non-Current Liabilities with Covenants (Amendments to IAS 1)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/ or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: *Revenue from contacts with customers,* all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loans and other receivable fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. For the Company, instruments within the scope of the new requirements include its loans and other receivable.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings, other payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Consolidated financial statements

The financial statements are separate financial statements which contain information about MHR Holdings (Mauritius) Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra Holidays and Resorts India Limited.

3.7 Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Equity

Stated capital represents the value of shares that have been issued.

Accumulated losses include current and prior years' results as disclosed in the statement of comprehensive income.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting Company; has significant influence over the reporting Company; or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

3.12 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and are deducted from borrowings and amortised over the period of the facility to which it relates.

3.14 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount

3.15 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amount has not suffered any impairment in value at the reporting date.

Impact of Russia/ Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2023	2022
	EUR	EUR
Financial assets at amortised cost		
Non-current		
Loans	**6,061,867**	29,091,732
Current		
Loans	**56,216,394**	24,764,527
Other receivable	**–**	4,138
Cash and cash equivalents	**382,177**	2,366,339
	56,598,571	27,135,004
Total financial assets	**62,660,438**	56,226,736

	2023	2022
	EUR	EUR
Financial liabilities measured at amortised cost		
Non-current		
Borrowings	**67,638,877**	63,868,930
Current		
Borrowings	**25,788,390**	19,811,520
Other payables and accruals	**251,774**	2,409,401
	26,040,164	22,220,921
Total financial liabilities	**93,679,041**	86,089,851

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: *Financial Instruments:* Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is not exposed to any currency risk as most of its financial assets and financial liabilities are denominated in the Euro, which is the functional currency of the Company.

The currency profile of its financial assets and liabilities is as follows:

	Financial assets 2023	Financial liabilities 2023
	EUR	EUR
Long term exposure		
Euro (EUR)	**6,061,867**	**67,638,877**
Short term exposure		
Euro (EUR)	**56,598,571**	**26,000,562**
United States Dollar (USD)	**–**	**39,602**
	62,660,438	**93,679,041**

	Financial assets 2022	Financial liabilities 2022
	EUR	EUR
Long term exposure		
Euro (EUR)	29,091,732	63,868,930
Short term exposure		
Euro (EUR)	27,135,004	22,191,794
United States Dollar (USD)	–	29,127
	56,226,736	86,089,851

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company's interest-bearing financial assets are in the form of loans to the subsidiary at a fixed rate of interest and therefore are not subject to market fluctuations.

As March 31, 2023, the Company has interest bearing financial liabilities in the form of bank loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited.

The Company has taken the following loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited:

Loans from HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The bank loan of EUR 6,850,000 from HSBC Bank (Mauritius) Limited carried interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest was initially fixed at 3.45% and interest was payable at the end of every 6 months. Pursuant to board minutes dated August 02, 2019, the loan extension period was revised to August 04, 2022 and the margin rate modified to 1.10% per annum. During the year ended March 31, 2023, the loan was repaid.

Loan of EUR 10,000,000

As at March 31, 2021, the Company was sanctioned a bank loan of EUR 10,000,000 bearing interest at EUR Interest Rate EURIBOR 6 months plus a margin of 1.10% per annum on fixed basis (Note 12(ii)). It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. The tenure of the loan is 2.99 years from each drawdown. During the year ended March 31, 2023, the loan was repaid.

Loan of EUR 5,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on September 28, 2018 whereby the loan was repayable within 1 year from the date of each drawdown + rollover basis for 1 year tenure. The loan bore interest at EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, the loan sanction amount of EUR 5,000,000 was fully utilised by the Company. During the year ended March 31, 2023, the loan was repaid.

Loan of EUR 1,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on June 16, 2021 to borrow a loan facility up to EUR 3,000,000 whereby the loan was repayable within 0.99 year from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bore interest at EURIBOR plus a margin of 2.50% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, an amount of EUR 1,000,000 was disbursed. During the year ended March 31, 2023, the loan was repaid.

Loan of EUR 2,500,000

During the year ended March 31, 2022, the Company received an additional bank loan of EUR 2,500,000 from HSBC Bank (Mauritius) Limited bearing interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months and has a maturity date of February 24, 2025. During the year ended March 31, 2023, interest expense amounted to EUR 54,585.

Loan of EUR 40,000,000

Pursuant to agreement dated February 08, 2022, HSBC Bank (Mauritius) Limited sanctioned a loan of EUR 40,000,000 to the Company. The loan has a tenure period of 2.99 years from date of first disbursement and can be rolled over for another 0.99 year. The loan bears interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months. As at March 31, 2022, an amount of EUR 36,547,503 has been disbursed. During the year ended March 31, 2022, interest expense amounted to EUR 732,501.

Loans from AXIS Bank Limited

Loan of EUR 30,000,000

Pursuant to facility agreement dated February 17, 2022, AXIS Bank Limited granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum. As per the facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. The Company repaid an amount of EUR 2,000,000 on July 21, 2022 and during the year ended March 31, 2023, an additional amount of EUR 9,000,000 was disbursed. For the year ended March 31, 2023, interest expense amounted to EUR 486,793.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and shareholder's deficit to reasonably possible changes in interest rates of +/- 1% for the year ended March 31, 2023. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

A 1% increase in interest rate will have the following impact:

	Loss for the year	Shareholder's deficit
	EUR	EUR
At March 31, 2023	**964,273**	**964,273**

A 1% decrease in interest rate would have the reversed impact.

5.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised as follows:

	2023	2022
	EUR	EUR
ASSETS		
Non-current		
Loans	**6,061,867**	29,091,732
Current assets		
Loans	**56,216,394**	24,764,527
Other receivable	**–**	4,138
Cash and cash equivalents	**382,177**	2,366,339
	56,598,571	27,135,004
	62,660,438	56,226,736

The Company has sanctioned several loans to its Subsidiary. The terms and conditions of the loans are detailed in Note 11 of these financial statements. Other receivable pertains to amount due from subsidiary in respect of commission fee income (Note 13).

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default of the loans to subsidiary. The directors consider both historical analysis and forward-looking information in determining any ECL. Therefore, the directors consider the probability of default to be close to zero as the subsidiary has strong capacity to meet their contractual obligations and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

None of the Company's financial assets are secured by collateral or other credit enhancements. The borrowings taken are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited, the parent company.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at March 31, 2023, the company has contractual maturities which are summarised below:

	2023		2022	
	Less than 1 year	**More than 1 year**	Less than 1 year	More than 1 year
	EUR	**EUR**	EUR	EUR
Borrowings	**25,788,390**	**67,638,877**	19,811,520	63,868,930
Other payables and accruals	**251,774**	**–**	2,409,401	–
Total	**26,040,164**	**67,638,877**	22,220,921	63,868,930

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial assets and financial liabilities, and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended March 31, 2023 and March 31, 2022, the Company was fully geared since it relies on external borrowings to finance its operations.

8. TAXATION

(i) Income tax

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from January 1, 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before October 16, 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to June 30, 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to June 30, 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholder or in respect of redemptions or exchanges of shares.

Post June 30, 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

At March 31, 2023, the Company has accumulated tax losses of **EUR 1,660,698** (2022: EUR 1,823,551) which will be carried forward and available for set off against future taxable profit as follows:

	EUR
Up to the year ending March 31, 2024	**114,101**
Up to the year ending March 31, 2025	**165,327**
Up to the year ending March 31, 2026	**370,672**
Up to the year ending March 31, 2027	**342,363**
Up to the year ending March 31, 2028	**668,235**
	1,660,698

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At March 31, 2023, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2023	2022
	EUR	EUR
Loss for the year	**(1,156,006)**	(1,724,447)
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2023	2022
	EUR	EUR
(i) Unquoted investments at cost:		
At April 1 and March 31,	**23,182,500**	23,182,500

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	Country of incorporation	Type of investments	Number of shares	Cost 2023	Cost 2022
				EUR	EUR
Covington S.à.r.l	Luxembourg	Equity	**12,500**	**17,500**	17,500
Covington S.à.r.l	Luxembourg	Non-equity	**–**	**23,165,000**	23,165,000
			12,500	**23,182,500**	23,182,500

(iii) Pursuant to a Share Sale and Purchase Agreement dated July 17, 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, for a total consideration of EUR 17,500.

In addition, pursuant to Contribution Agreements dated July 31, 2014, November 10, 2014 and August 18, 2015 between the Company and Covington S.à.r.l (the "Receiver"), the Company contributed EUR 3,165,000, EUR 4,000,000, and EUR 16,000,000 respectively to the Receiver.

(iv) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.

(v) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly owned subsidiary of a company incorporated in the Republic of India.

(vi) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10. FINANCE INCOME AND FINANCE COSTS

	2023	2022
	EUR	EUR
10.1 Finance income		
Corporate Guarantee Commission income	**50,028**	54,856
Interest on loans	**1,422,002**	1,177,138
	1,472,030	1,231,994
10.2 Finance costs		
Interest on borrowings	**1,799,871**	1,505,467
Other legal expenses	**–**	6,498
Commissions on Corporate Guarantee	**454,525**	489,031
Loan expenses	**–**	407,171
Amortisation of transaction costs	**284,478**	485,913
Annual charges	**36,144**	–
	2,575,018	2,894,080

11 LOANS

	2023	2022
	EUR	EUR
Loans to subsidiary:		
Non-current		
Principal amounts	**6,000,000**	27,870,000
Interest receivable	**61,867**	1,221,732
	6,061,867	29,091,732
Current		
Principal amounts	**52,120,000**	23,250,000
Interest receivable	**4,096,394**	1,514,527
	56,216,394	24,764,527
Total	**62,278,261**	53,856,259

(i) The movements during the year on the loans as follows:

	2023	2022
	EUR	EUR
Opening balance	**53,856,259**	48,779,386
Loans given during the year	**7,000,000**	4,000,000
Interest income for the year	**1,422,002**	1,177,138
Interest received during the year	**–**	(100,265)
Closing balance	**62,278,261**	53,856,259

(ii) Pursuant to Loan Agreement dated February 9, 2022, the Company had disbursed a loan of EUR 4,000,000 to its subsidiary, Covington S.à.r.l, a private limited company incorporated in Luxembourg, to be used in the ordinary course of business. The loan amount carries an interest rate fixed at 2.20% per annum which is repayable along with the principal upon maturity. The loan is unsecured and is repayable after 2 years from disbursement date. The repayment date is extendable at the consent of the Company. During the year ended March 31, 2023, the Company has disbursed the remaining amount of EUR 1,000,000

(iii) Pursuant to Loan Agreement dated November 18, 2022, the Company has disbursed a loan of EUR 2,000,000 to its subsidiary, Covington S.à.r.l, a private limited company incorporated in Luxembourg, to be used in the ordinary course of business. The loan amount carries an interest rate fixed at 3.56% per annum which is repayable along with the principal upon maturity. The loan is unsecured and is repayable after 2 years from disbursement date. The repayment date is extendable at the consent of the Company.

(iv) Pursuant to Loan Agreement dated December 21, 2022, the Company has disbursed a loan of EUR 4,000,000 to its subsidiary, Covington S.à.r.l, a private limited company incorporated in Luxembourg, to be used in the ordinary course of business. The loan amount carries an interest rate fixed at 4.06% per annum which is repayable along with the principal upon maturity. The loan is unsecured and is repayable after 3 years from disbursement date. The repayment date is extendable at the consent of the Company.

(v) The directors have taken into consideration both historical analysis and forward-looking information in determining any ECL. Consequently, the directors consider the probability of default to be close to zero as the subsidiary has a strong capacity to meet the contractual obligations in the near term and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

12 BORROWINGS

	2023	2022
	EUR	EUR
Non-current		
Bank loans (Note 12 (ii))	**67,638,877**	63,868,930
Current		
Bank loans (Note 12(ii))	**261,400**	19,476,316
Loan from holding company (Note 12 (iii))	**25,526,990**	335,204
	25,788,390	19,811,520
Total	**93,427,267**	83,680,450

(i) The movement during the year on the borrowings is as follows:

	2023	2022
	EUR	EUR
At April 01	**83,680,450**	75,083,529
Loans taken during the year:		
Mahindra Holidays & Resorts India Limited ("MHRIL")	**25,000,000**	–
AXIS Bank Limited	**9,000,000**	22,000,000
HSBC Bank (Mauritius) Limited	**–**	40,047,503
Loan repaid during the year:		
AXIS BANK LIMITED	**(2,000,000)**	–
ICICI Bank Limited	**–**	(50,988,990)
HSBC Bank (Mauritius) Limited	**(22,850,000)**	(2,500,000)
Interest element for the year:		
Interest expense	**1,799,871**	1,505,467
Interest payment	**(1,487,532)**	(1,526,398)
Transaction costs incurred for the year:		
Amortisation of transaction costs	**284,478**	485,913
Early repayment fees	**–**	282,713
Processing fees	**–**	(709,287)
At March 31	**93,427,267**	83,680,450

(ii) Summary of bank borrowings arrangements are as follows:

HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on July 31, 2014 whereby the loan was repayable on August 4, 2019. The loan had interest rate at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest was initially fixed at 3.45%. Pursuant to board minutes dated August 2, 2019, the loan extension period was revised to August 4, 2022 and the margin rate was modified to 1.10% per annum. During the year ended March 31, 2023, the loan was fully repaid.

Loan of EUR 5,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on September 28, 2018 whereby the loan was repayable within 1 year from the date of each drawdown + rollover basis for 1 year tenure. The loan bore interest at EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, the loan sanctioned amount of EUR 5,000,000 was fully disbursed. During the year ended March 31, 2023, the loan was fully repaid.

Loan of EUR 10,000,000

The Company (the "Borrower") entered into a Term Loan Credit Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on October 29, 2019 for a loan of EUR 10,000,000 and repayable in 2.99 years. As at March 31, 2020, an amount of EUR 6,500,000 was disbursed. The loan bore interest at EURIBOR plus a margin of 1.10% per annum. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months.

During the year ended March 31, 2021, an additional loan of EUR 3,500,000 was disbursed to the Company out of the Term Loan Credit Facility Agreement of EUR 10,000,000. The additional amount was disbursed at the same conditions prevailing for the first tranche. During the year ended March 31, 2023, the loan was fully repaid.

Loan of EUR 1,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on June 16, 2021 to borrow a loan facility up to EUR 3,000,000 whereby the loan was repayable within 0.99 year from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bore interest at EURIBOR plus a margin of 2.50% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, an amount of EUR 1,000,000 was disbursed. During the year ended March 31, 2023, the loan was fully repaid.

Loan of EUR 40,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on February 8, 2022 to borrow a loan facility up to EUR 40,000,000 whereby the loan is repayable within 2.99 years from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bears interest at EURIBOR plus a margin of 1.20% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, an amount of EUR 36,547,503 was disbursed. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 144,013.

Loan of EUR 2,500,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on March 16, 2022 to borrow a loan facility up to EUR 2,500,000 whereby the loan has a maturity date of February 24, 2025. The loan bears interest at EURIBOR plus a margin of 1.20% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, the loan was fully disbursed. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. Then, the interest rate changed to 4.255% in the next 6 months. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 3,250.

AXIS Bank Limited

Loan of EUR 30,000,000

Pursuant to facility agreement dated February 17, 2022, AXIS Bank Limited has granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum. As per facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. As at March 31, 2022, the Term Loan Facility and Revolving Credit Facility 1 have been disbursed by the AXIS Bank Limited. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. The Company repaid an amount of EUR 2,000,000 on July 21, 2022 and during the year ended March 31, 2023, an additional amount of EUR 9,000,000 was disbursed. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 114,136.

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays & Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee should be paid to the Guarantor until the loans are fully repaid. During the year ended March 31, 2023, an amount of EUR 454,525 (2022: EUR 489,031) was charged as commission and an amount of EUR 212,171 (2022: EUR 2,345,415) remains payable as at March 31, 2023.

Since Holiday Club Resorts Oy ("HCR"), the indirect subsidiary incorporated in the Republic of Finland, is also benefiting from the loans borrowed by the Company in terms of the pledge provided, HCR therefore pays a commission to the Company which is then partly remitted to the Guarantor. During the year under review, an amount of EUR 50,028 (2021: EUR 54,856) was charged as commission and an amount of EUR Nil (2021: EUR 4,138) is receivable as at March 31, 2023.

(ii) During the year ended March 31, 2022, the Company borrowed a loan amounting to EUR 250,000 from MHRIL, the immediate holding company, bearing interest of 2.2% per annum and repayable on demand. During the year ended March 31, 2023, an additional amount of EUR 25,000,000 was disbursed to the Company with the same terms and conditions.

13. RECEIVABLE AND PREPAYMENTS

	2023	2022
	EUR	EUR
Receivable from a related party (Note 13(i))	**–**	4,138
Prepayments	**2,400**	2,918
	2,400	7,056

(i) The amount receivable from a related party was unsecured, interest free and was fully received during the year.

14. PROFESSIONAL FEES

	2023	2022
	EUR	EUR
Administration fees and disbursements	**32,627**	45,529
Directors' fees	**4,022**	2,785
Fees for tax filings	**2,014**	1,406
Secretarial fees	**1,685**	1,286
Professional fees	**–**	594
	40,348	51,600

15. OTHER PAYABLES AND ACCRUALS

	2023	2022
	EUR	EUR
Commission on Corporate Guarantee (Note 12 (ii))	**212,171**	2,345,415
Audit fees	**8,000**	7,231
Administration fees	**31,603**	13,569
Legal fees	**–**	34,858
Disbursements	**–**	8,328
	251,774	2,409,401

16. STATED CAPITAL

	2023	2022
	EUR	EUR
Issued and paid:		
145,000 Ordinary shares of EUR 1 each	**145,000**	145,000

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

17. CASH FLOW INFORMATION

Net debt reconciliation

	2023	2022
	EUR	EUR
Net debt		
Borrowings:		
- Repayable within one year	**25,788,390**	19,811,520
- Repayable after one year	**67,638,877**	63,868,930
	93,427,267	83,680,450

	Borrowings due within 1 year	**Borrowings due after 1 year**	**Total**
	EUR	**EUR**	**EUR**
Net debt as at April 1, 2022	**19,811,520**	**63,868,930**	**83,680,450**
Cash flows:			
- Additional loan from MHRIL	**25,000,000**	**–**	**25,000,000**
- Additional loan from Axis Bank Limited	**–**	**9,000,000**	**9,000,000**
- Repayment of loan from HSBC Bank (Mauritius) Limited	**(19,350,000)**	**(3,500,000)**	**(22,850,000)**
- Repayment of loan from Axis Bank Limited	**–**	**(2,000,000)**	**(2,000,000)**
- Interest paid	**(1,487,532)**	**–**	**(1,487,532)**
Non-cash movement:			
- Amortisation of loan	**–**	**284,478**	**284,478**
- Interest expense	**1,799,871**	**–**	**1,799,871**
- Reclassification of loans	**14,531**	**(14,531)**	**–**
Net debt as at March 31, 2023	**25,788,390**	**67,638,877**	**93,427,267**

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	EUR	EUR
Net debt as at April 1, 2021	3,013,167	72,070,362	75,083,529
Cash flows:			
- Additional loan from Axis Bank Limited	–	22,000,000	22,000,000
- Additional loan from HSBC Bank (Mauritius) Limited	1,000,000	39,047,503	40,047,503
- Repayment of loan from HSBC Bank (Mauritius) Limited	(2,500,000)	–	(2,500,000)

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	EUR	EUR
- Repayment of loan from ICICI Bank Limited	–	(50,988,990)	(50,988,990)
- Payment of processing fees	–	(674,428)	(674,428)
- Interest paid	(1,526,398)	–	(1,526,398)
Non-cash movement:			
- Transaction fees	–	247,854	247,854
- Amortisation of loan	–	485,913	485,913
- Interest expenses	1,505,467	–	1,505,467
- Reclassification of loans	18,319,284	(18,319,284)	–
Net debt as at March 31, 2022	19,811,520	63,868,930	83,680,450

18. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2023, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	**Nature of relationship**	**Nature of transactions**	**Volume of transactions**	**Debit/ (credit) balances at March 31, 2023**	Debit/ (credit) balances at March 31, 2022
			EUR	**EUR**	EUR
Covington S.à.r.l. (Note 11)	Subsidiary	Loans and interest receivable	**8,422,002**	**62,278,261**	53,856,259
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Loan	**25,191,786**	**(25,526,990)**	(335,203)
Holiday Club Resorts Oy (Note 13)	Indirect subsidiary	Other receivable	**4,138**	**–**	4,138
Mahindra Holidays and Resorts India Limited (Note 12(ii))	Holding company	Commission on Corporate Guarantee	**2,133,244**	**(212,171)**	(2,345,415)

The terms and conditions of the loans, other receivable from related party and payable to holding company are as disclosed in notes 11, 12 and 13 to the financial statements

19. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at March 31, 2023.

20. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses have increased over the years to reach EUR 7,978,703 as at March 31, 2023 (March 31, 2022: EUR 6,822,697) and has also a net liability position of EUR 7,833,703 (March 31, 2022: EUR 6,677,697). The directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

21. HOLDING COMPANIES

The directors consider Mahindra Holidays and Resorts India Limited, a quoted company incorporated in the Republic of India, as the Company's immediate holding company and Mahindra and Mahindra Limited, a quoted company incorporated in the Republic of India, as the Company's ultimate holding company.

22. EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: April 21, 2023

Ebene 72201, Republic of Mauritius

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Managers of Covington S.a.r.l.

Opinion

We have audited the annual accounts of Covington S.à r.l. (the "Company"), which comprise the balance sheet as at March 31, 2023, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at March 31, 2023 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession ("Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, April 21, 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé
S Yeo
Associate Partner

BALANCE SHEET AS AT MARCH 31, 2023
(expressed in EUR)

ASSETS	Notes	As at March 31, 2023 EUR	As at March 31, 2022 EUR
FIXED ASSETS			
Financial fixed assets	3		
Shares in affiliated undertakings		**67,884,594.23**	67,884,594.23
		67,884,594.23	67,884,594.23
CURRENT ASSETS			
Debtors	4		
Amounts owed by affiliated undertakings			
becoming due and payable within one year		**9,545,562.72**	–
becoming due and payable after more than one year		**4,038,702.47**	7,350,186.97
Other debtors			
becoming due and payable within one year		**2,407.15**	1,203.75
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		**829,863.55**	237,384.36
		14,416,535.89	75,88,775.08
Prepayments		**966.66**	5,997.71
TOTAL ASSETS		**82,302,096.78**	75,479,367.02
LIABILITIES			
CAPITAL AND RESERVES	5		
Subscribed capital		**12,500.00**	12,500.00
Share premium and similar premiums		**23,165,000.00**	23,165,000.00
Reserves			
Legal reserve		**1,250.00**	1,250.00
Profit or loss brought forward		**(1,917,940.96)**	(858,870.81)
Profit or loss for the financial year		**(1,293,765.99)**	(1,059,070.15)
		19,967,043.05	21,260,809.04
CREDITORS	6		
Trade Creditors			
becoming due and payable within one year		**51,976.93**	94,149.81
Amounts owed to affiliated undertakings			
becoming due and payable within one year		**56,216,394.93**	25,027,861.85
becoming due and payable after more than one year		**6,061,866.87**	29,091,731.32
Tax and social security debts			
Tax debts		**4,815.00**	4,815.00
		62,335,053.73	54,218,557.98
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		**82,302,096.78**	75,479,367.02

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2022 TO MARCH 31, 2023

(expressed in EUR)

	Notes	Period ended March 31, 2023 EUR	Period ended March 31, 2022 EUR
Raw materials and consumables and other external expenses	**7**	**(93,928.92)**	(115,616.12)
Other external expenses		**(93,928.92)**	(115,616.12)
Other operating expenses		**(7,096.66)**	–
Income from participating interests	**8**	**–**	161,616.00
Derived from affiliated undertakings		**–**	161,616.00
Other interest receivable and similar income	**9**	**234,078.22**	76,882.76
Derived from affiliated undertakings		**234,078.22**	76,632.76
Other interest and similar income		**–**	250.00
Interest payable and similar expenses	**10**	**(1,422,003.63)**	(1,177,137.79)
Concerning affiliated undertakings		**(1,422,003.63)**	(1,177,137.79)
Other interest and similar expenses		**–**	–
Tax on profit or loss	**11**	**–**	–
Profit or loss after taxation		**(1,288,950.99)**	(1,054,255.15)
Other taxes not shown under items 1 to 16	**11**	**(4,815.00)**	(4,815.00)
Profit or loss for the financial year		**(1,293,765.99)**	(1,059,070.15)

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

Covington S.à r.l., hereinafter the “Company”, was incorporated on November 27, 2013 as a “société à responsabilité limitée” for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 182 265.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

Based on the criteria defined by article 1711-7 of the Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidation management report for the year ended March 31, 2023.

The Company is included in the consolidated accounts of Mahindra Holidays & Resorts India Limited, forming the smallest and largest body of undertakings of which the Company forms a part as direct subsidiary undertakings. The registered office of that company is located at Mahindra Towers, 2nd floor, 17/18 Patullos Road, Chennai - 600 002, India and the consolidated financial statements are available at the registered adress.

The object of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the administration, management, control and development of such participations. The Company may in particular acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and/or other participation securities, bonds, debentures, certificates of deposit and/or other debt instruments and more generally any securities and/or financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further make direct or indirect real estate investments and invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

“During December 2019, a new virus (“Covid-19”) emerged in China and infections started to occur across Asia and latterly the rest of the world in the beginning of 2020. On March 11, 2020, the World Health Organisation (“WHO”) declared Covid-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy. The company’s operations have not been materially impacted by the Covid-19 pandemic and business continuity can be ensured.

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Additional sanctions have been made following military operations initiated by Russia on 24 February 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT. Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities. The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

Note 2 - Summary of significant accounting policies and valuation rules

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended law of December 19, 2002, (the “Law”), determined and applied by the managers of the Company (the “Board of Managers”) in conformity with the going concern basis.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Board of Managers believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although the current liabilities of the Company exceed the current assets as of March 31, 2023, the Board of Managers has prepared these annual accounts on a going concern basis. The Company has received positive indicators from its shareholder acting as creditor that they will not ask for repayment of the principal amount nor of the accrued but unpaid interests if this repayment would trigger an insolvency for the Company and its shareholder will provide a financial support if it is needed. The Board of Managers is not aware of anything that would prevent the Company from continuing as a going concern.

Significant accounting policies and valuation rules

The main accounting and valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings or participating interests are valued at acquisition cost including the expenses incidental thereto. Loans to these undertakings/ investment held as fixed assets and other loans are valued at nominal value.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Creditors

Creditors are stated at their reimbursement value.

Current tax liability

The tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption “Tax authorities”. The advance payments are shown in the assets of the balance sheet under the caption “Other Debtors”, if applicable.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long term non-monetary assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the exchange rate at the time of the transaction (the “historical exchange rate”).

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg (“Lux Gaap”), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently, both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account when realised only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised gains are not recognised.

Note 3 - Financial assets

a) The movements for the year are as follows:

	Shares in affiliated undertakings March 31, 2023 EUR	**Total March 31, 2023 EUR**	Total March 31, 2022 EUR
Gross book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Additions for the year	–	–	–
Gross book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23

b) Undertakings in which the Company holds at least 20% interests in their share capital as at March 31, 2023 are as follows:

Undertaking's name	**Registered office**	**Percentage of holding**	**Last balance sheet date**	**Net equity at the last balance sheet date (EUR)**	**Result for the last financial year (EUR)**	**Net book value March 31, 2023 EUR**	Net book value March 31, 2022 EUR
Holiday Club Resorts Oy	Finland	100.00%	March 31, 2023	45,505,619.00	(524,352.00)	**67,884,594.23**	64,084,712.84
HCR Management Oy	Finland	–	–	–	–	**–**	3,799,881.39
Total						**67,884,594.23**	67,884,594.23

On September 9, 2022, HCR Management Oy resolved to accept and sign a merger plan into its sister company Holiday Club Resorts Oy. The merger plan has been registered on November 2, 2022 and the merger was finalised on February 28, 2023.

Based on the assessment performed the management of the Company believes that there are no indicators of durable value adjustment regarding shares in affiliated undertakings.

Note 4 - Debtors

This caption is detailed as follows:

	Within one year	**After one year and within five years**	**Total March 31, 2023 EUR**	Total March 31, 2022 EUR
<u>Amounts owed to affiliated undertakings:</u>				
Loans to Holiday Club Resorts OY - Principal (*)	9,151,337.45	4,000,000.00	**13,151,337.45**	7,151,337.45
Loans to Holiday Club Resorts OY - Accrued interest	394,225.27	38,702.47	**432,927.74**	198,849.52
<u>Other debtors:</u>				
Net wealth tax - Advances	2,407.15	–	**2,407.15**	1,203.75
Total	**9,547,969.87**	**4,038,702.47**	**13,586,672.34**	7,351,390.72

(*) On September 1, 2017, the Company agreed to lend to Holiday Club Resorts Oy the sum of EUR 2,000,000.00 which bears interest at a nominal rate of 2.50% per annum. The tenure of the loan is one year, extendable with the consent of the Company. On August 20, 2018, EUR 1,318,662.55 has been repaid. On November 12, 2018, the remaining amount of EUR 681,337.45 together with the EUR 2,318,662.55 out of the remaining loan of EUR 2,470,000.00 from the second loan (below) has been converted into 200,000 new shares at the subscription price of EUR 15.00 per share for a total value of EUR 3,000,000.00.

On July 13, 2018, the Company entered into a second loan agreement with Holiday Club Resorts Oy for an amount up to EUR 3,000,000.00 with an interest rate of 2.50%. On July 23, 2018, the Company paid out an amount of EUR 2,470,000.00 to Holiday Club Resorts Oy. As stated above, on November 12, 2018, EUR 2,318,662.55 of the loan have been converted into equity. The initial maturity date of this loan was July 13, 2019 and has been extended for four additional years. On March 31, 2023, the outstanding amount of this loan is EUR 151,337.45 and the accrued interest amount to EUR 14,193.01.

On October 4, 2018, the Company entered into a third loan agreement of EUR 3,000,000.00 with Holiday Club Resorts Oy with an interest rate of 2.20% per annum. The initial maturity date of this loan was October 3, 2019 and has been extended for four additional years. On March 31, 2023, the accrued interest amount to EUR 247,590.61.

On March 1, 2022, the Company entered in a fourth loan agreement up to EUR 6,000,000.00 with Holiday Club Resorts Oy with an interest rate of 2.5% per annum. The maturity date of this loan is on March 1, 2024. On March 7, 2022, the Company transferred EUR 4,000,000.00 to Holiday Club Resorts Oy. On March 31, 2023, the accrued interest amount to EUR 106,849.32.

On December 1, 2022, the Company entered into a loan agreement of EUR 2,000,000.00 with Holiday Club Resorts with an interest rate of 3.86% per annum. The maturity date of this loan is on February 28, 2024. On March 31, 2023, the accrued interest amount to EUR 25,592.33.

On December 29, 2022, the Company entered into a loan agreement of EUR 4,000,000.00 with Holiday Club Resorts with an interest rate of 4.36% per annum. The maturity date of this loan is on December 28, 2025. On March 31, 2023, the accrued interest amount to EUR 38,702.47.

Note 5 - Capital and reserves

Subscribed capital and share premium (and similar premiums)

The share capital of the Company amounts to EUR 12,500.00 and is divided into 12,500 shares fully paid up to EUR 12,500.00 without nominal value.

The movements on the “Subscribed capital “ caption during the year are as follows:

	Share capital March 31, 2023 EUR	Total number of Shares March 31, 2023
Opening balance	**12,500.00**	**12,500**
Subscriptions for the year	**–**	**–**
Closing balance	**12,500.00**	**12,500**

Share premium account

The movements on the “Share premium account” caption during the year are as follows:

	Share premium March 31, 2023 EUR
Opening balance	**23,165,000.00**
Additions for the year	–
Closing balance	**23,165,000.00**

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5.00% of its annual net profit until this reserve equals 10.00% of the subscribed share capital. This reserve may not be distributed.

Movements for the year on the reserves and profit/ (loss) captions

	Legal reserve EUR	Other reserves EUR	Profit or loss brought forward EUR	Profit or loss for the financial year EUR
As at the beginning of the year	**1,250.00**	–	**(858,870.81)**	**(1,059,070.15)**
Allocation of the prior year's result:				
Allocation to the result brought forward	**–**	–	(1,059,070.15)	1,059,070.15
Profit or loss for the year		–	–	(1,293,765.99)
As at the end of the year	**1,250.00**	**–**	**(1,917,940.96)**	**(1,293,765.99)**

Note 6 - Creditors

Creditors as at March 31, 2023 are composed of the following:

	Within one year	After one year and within five years	Total March 31, 2023 EUR	Total March 31, 2022 EUR
Trade creditors	51,976.93	–	**51,976.93**	94,149.81
Amounts owed to affiliated undertakings:				
Loans from MHR Holdings (Mauritius) Ltd. - Principal (*)	52,120,000.00	6,000,000.00	**58,120,000.00**	51,120,000.00
Loans from MHR Holdings (Mauritius) Ltd. - Accrued interest	4,096,394.93	61,866.87	**4,158,261.80**	2,736,258.17
Mahindra Holidays & Resorts India Ltd. (*)	–	–	**–**	263,335.00
	56,216,394.93	**6,061,866.87**	**62,278,261.80**	54,119,593.17
Tax debts:				
Net wealth tax - estimated tax 2023	4,815.00	–	**4,815.00**	–
Net wealth tax - estimated tax 2022	–	–	**–**	4,815.00
	4,815.00	–	**4,815.00**	4,815.00
Total	**56,273,186.86**	**6,061,866.87**	**62,335,053.73**	54,218,557.98

(*) The loans owed to affiliated undertakings are as follows:

	Interest rate	Maturity	**Total March 31, 2023 EUR**	Total March 31, 2022 EUR
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	1.89%	30/07/2023	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.00%	21/08/2023	**16,700,000.00**	16,700,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.01%	21/09/2023	**1,750,000.00**	1,750,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	4.17%	26/12/2023	**6,000,000.00**	6,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.25%	03/04/2023	**1,100,000.00**	1,100,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	31/08/2023	**2,570,000.00**	2,570,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.02%	03/10/2023	**3,000,000.00**	3,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.52%	05/11/2023	**6,500,000.00**	6,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	4.75%	24/03/2024	**2,500,000.00**	2,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	21/08/2023	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	08/02/2024	**5,000,000.00**	4,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	4.06%	20/12/2025	**4,000,000.00**	–
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.56%	17/11/2024	**2,000,000.00**	–
Payable owed to Mahindra Holidays & Resorts India Ltd	0.00%	–	**–**	263,335.00
Total			**58,120,000.00**	51,383,335.00

EUR 3,500,000.00 loan which bears interest at a nominal rate of 1.89% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on July 30, 2023. The accrued interest as at March 31, 2023 amount to EUR 257,012.

EUR 16,700,000.00 loan which bears interest at a nominal rate of 3.00% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on August 21, 2023. The accrued interest as at March 31, 2023 amount to EUR 1,301,795.

EUR 1,750,000.00 which bears interest at a nominal rate of 3.01% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on September 21, 2023. The accrued interest as at March 31, 2023 amount to EUR 190,777.

EUR 6,000,000.00 loan which bears interest at a nominal rate of 4.17% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on December 26, 2023. The accrued interest as at March 31, 2023 amount to EUR 660,406.

EUR 1,100,000.00 loan which bears interest at a nominal rate of 2.25% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on April 3, 2023 and the accrued interest as at March 31, 2023 amount to EUR 117,579.

EUR 2,570,000.00 loan which bears interest at a nominal rate of 2.20% per annum (2.25% per annum between April 1, 2020 and August 31, 2020) has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on August 31, 2023. The accrued interest as at March 31, 2023 amount to EUR 255,421.

EUR 3,000,000.00 loan which bears interest at a nominal rate of 3.02% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on October 3, 2023. The accrued interest as at March 31, 2023 amount to EUR 308,499.

EUR 6,500,000.00 loan which bears interest at a nominal rate of 3.52% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on November 5, 2023. The accrued interest as at March 31, 2023 amount to EUR 521,380.

EUR 2,500,000.00 loan which bears interest at a nominal rate of 4.75% (2022: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on March 24, 2024. The accrued interest as at March 31, 2023 amount to EUR 167,299.

EUR 3,500,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on On August 21, 2023. The accrued interest as at March 31, 2023 amount to EUR 200,200.

EUR 4,000,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on February 9, 2024. The accrued interest as at March 31, 2023 amount to EUR 6,027.40. On March 1, 2022, an increase on this facility from up to EUR 5,000,000.00 to up to EUR 6,000,000.00 was decided.

EUR 5,000,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on On March 7, 2024. The accrued interest as at March 31, 2023 amount to EUR 116,027.

EUR 2,000,000.00 loan which bears interest at a nominal rate of 3.56% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on November 17, 2024. The accured interest as at March 31, 2023 amount to EUR 23,603.

EUR 4,000,000.00 loan which bears interest at a nominal rate of 4.06% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on December 20, 2025. The accured interest as at March 31, 2023 amount to EUR 38,264.

MHR Holdings (Mauritius) Ltd. considers to extend the repayment date of the loans for a period as mutually agreed upon. The necessary agreement for renewal of the loans will be executed on or before the due dates of the loans.

Note 7 - Other external charges

This caption is detailed as follows:

	For the year ended March 31, 2023 EUR	For the year ended March 31, 2022 EUR
Professional fees	**79,170.35**	105,000.84
Commission on Corporate Guarantee	**–**	3,060.00
Bank fees	**14,408.57**	7,205.28
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
	93,928.92	115,616.12

Note 8 - Income from participating interests

This caption is detailed as follows:

	For the year ended March 31, 2023 EUR	For the year ended March 31, 2022 EUR
Dividend from HCR Management Oy	–	161,616.00
	–	161,616.00

Note 9 - Other interest and similar financial income

This caption is detailed as follows:

	For the year ended March 31, 2023 EUR	For the year ended March 31, 2022 EUR
Concerning affiliated undertakings:		
Interest receivable from HCRO	**234,078.22**	76,632.76
Other interest and similar income:		
Other miscellaneous income	–	250.00
	234,078.22	76,882.76

Note 10 - Interest payable and similar charges

This caption is detailed as follows:

	For the year ended March 31, 2023 EUR	For the year ended March 31, 2022 EUR
Concerning affiliated undertakings:		
Interest charge on loan amounts owed to MHR Holdings (Mauritius) Ltd. (See Note 6)	**1,422,003.63**	1,177,137.79
	1,422,003.63	1,177,137.79

Note 11 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 12 - Staff

The company did not employ any staff during the financial year ended March 31, 2023 (2022: Nil).

Note 13 - Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

“The Company did not grant any emoluments and has no commitments in respect of retirement pensions to members of its management during the financial year ended March 31, 2023 (2022: EUR Nil).

During the financial year, the Company incurred directors’ fees for an amount of EUR 7,096.66 (2022: EUR 2,065.00).

Note 14 - Advances and loans granted to the members of the management and supervisory bodies

The Company did not grant any advances or loans to members of its management during the financial period ended March 31, 2023 (2022: Nil).

Note 15 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 16 - Subsequent events

No other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

Luxembourg, April 21, 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé
S Yeo
Associate Partner

INDEPENDENT AUDITOR'S REPORT

To The Members of Guestline Hospitality Management and Development Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Guestline Hospitality Management and Development Services Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management discussion and analysis (MD&A) (collectively referred to as "other information"), but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(1) of the Act, as amended.

The clause is not applicable to the company as there was no remuneration paid to its directors by the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 2" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M.B.KARADKAR & Co.**
Chartered Accountants
Firm's registration number: 111797W

M.B.KARADKAR
Proprietor
Membership number: 043643
UDIN: 23043643BGYJPM6095

Place: Mumbai
Date: April 18th, 2023

Annexure 1 to our report of even date on the standalone financial statements of Guestline Hospitality Management and Development Services Limited for the year ended 31st March 2023

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of the Guestline Hospitality Management and Development Services Limited as of March 31, 2022 and for the period from April 1, 2022 to March 31, 2023 we have audited the internal financial controls over financial reporting of Guestline Hospitality Management and Development Services Limited (hereinafter referred to as "the Company''), as of that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI''). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act'').

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note'') and the standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI'') and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls systems over financial reporting and the financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of conclusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Reporting issued by ICAI.

For **M.B.KARADKAR & Co.**
Chartered Accountants
Firm's registration number: 111797W

M.B.KARADKAR
Proprietor
Membership number: 043643
UDIN: 23043643BGYJPM6095

Place: Mumbai
Date: April 18th, 2023

Annexure 2 to the Auditor's Report referred to in our report of even date

1. The company does not own any immovable property and other property, plant and equipment. Therefore the provisions of clause 3(i) of the order are not applicable.

   Further, there are no proceedings pending/initiated under the Benami Transactions (Prohibition Act, 1988 against the Company.

2. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the order are not applicable to the Company.

3. During the year, the Company has not granted any loans to parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore clause 3(iii) (a) to (f) of the Order are not applicable to the company.

4. In our opinion and according to information and explanations give to us the Company has not granted any loans or made any investments, or provided any guarantees or securities to the parties covered under Section 185 & 186 of the Companies Act, 2013. Therefore the provisions of Clause 3(iv) of the said Order are not applicable to the company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. Therefore clause 3(v) of the Order is not applicable to the company.

6. In our opinion and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of services rendered by the Company.

7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance. Income tax, sales tax, service tax, cess and other statutory dues applicable to the company. There are no amounts payable in respect of these dues in arrears as at 31.3.2023 or a period of more than six months from the date they became payable. The provisions relating to customs duty, duty of excise, value added tax, are not applicable to the company.

   (b) According to the information and explanation given to us and records of Company examined by us, there are no dues of income tax or sales tax, Goods & Service Tax, wealth tax, service tax, duty of customs, duty of excise value added tax and cess which have not been deposited on account of any dispute.;

8. Based on our examination of the books of account and the information and explanations given to us, there are no transactions not recorded in the books of account but disclosed as income in the income tax proceedings/ assessments.

9. The company has neither borrowed from Banks/Financial Institutions nor issued debentures and therefore the provisions of clause 3(ix) of the Companies (Auditor's Report) Order are not applicable to the company.

10. On the basis of examination of relevant records and according to the information and explanations given to us, the company has neither raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year nor made any preferential allotment or private placement of shares or debentures during the year and accordingly, Para 3(x) of the Order is not applicable to the Company.

11. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing principles in India, we have neither come across any instances of frauds by or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management. No such report in Form No. ADT-4 has been filed by us. No whistle-blower complaint has been received by the Company during the year.

12. The Company is not a "Nidhi Company" therefore clause 3(xii) of the Order is not applicable to the Company.

13. Provisions of the Companies Act, 2013 relating to carrying out of internal audit are not applicable to the Company.

14. There is a no cash loss incurred by the Company during the current financial year and also in the preceding financial year.

15. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has complied with the provisions of section 177 and 188 of Companies Act, 2013 requiring disclosure of details of such transactions, where applicable in the Financial Statements as required by the Accounting standards.

16. There has been no resignation by the statutory auditors during the year and hence the clause (xviii) of the Order is not applicable to the Company.

17. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with directors or person connected with them.

18. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

19. The company is not required to obtain registration required under section 45-IA of the Reserve Bank of India.

20. The provisions related to Corporate Social Responsibility (CSR) are not applicable to the Company.

21. There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

For **M.B.KARADKAR & Co.**

Chartered Accountants

Firm's registration number: 111797W

M.B.KARADKAR

Proprietor

Membership number: 043643

UDIN: 23043643BGYJPM6095

Place: Mumbai

Date: April 18th, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
Financial Assets			
- Investments	3	**–**	1,701
Other non-current tax assets (Net)	4	**5,55,840**	–
		5,55,840	1,701
Current Assets			
Financial Assets			
- Cash and Cash Equivalents	5	**28,77,484**	13,50,042
- Other Bank Balances	6	**4,81,57,877**	5,68,88,403
Other Current Assets	7	**23,24,183**	57,30,136
		5,33,59,544	6,39,68,581
TOTAL ASSETS		**5,39,15,384**	6,39,70,282
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	**2,54,100**	2,54,100
Other Equity	9	**5,10,71,489**	2,15,27,760
Total Equity		**5,13,25,589**	2,17,81,860
Liabilities			
Non-current liabilities			
Other non-current liabilities	10	**–**	2,67,41,536
Total Non-Current Liabilities		**–**	2,67,41,536
Current Liabilities			
Financial Liabilities			
- Trade Payable	11	**–**	24,26,564
- Other Financial Liabilities	12	**25,63,781**	–
Other Current Liabilities	13	**26,014**	1,30,20,322
Total Current Liabilities		**25,89,795**	1,54,46,886
Total Liabilities		**25,89,795**	4,21,88,422
TOTAL EQUITY AND LIABILITIES		**5,39,15,384**	6,39,70,282
See accompanying notes to the financial statements	1-20		

In terms of our report attached

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April 18th, 2023

Sujit Vaidya
Director
DIN: 03287161

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 18th, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income			
Other Income	14	**4,40,16,991**	32,31,682
Total Income		**4,40,16,991**	32,31,682
Expenses			
Other Expenses	15	**47,33,665**	3,83,610
Total Expenses		**47,33,665**	3,83,610
Profit/ (loss) before tax		**3,92,83,326**	28,48,072
Tax expense			
a) Current tax		**97,39,597**	7,45,435
b) Deferred tax		**–**	–
Profit/ (loss) for the year		**2,95,43,729**	21,02,637
Earnings per equity share			
a) Basic	16	**1,163**	5,128
b) Diluted	16	**1,163**	5,128

See accompanying notes to the financial statements 1-20

In terms of our report attached

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April 18th, 2023

Sujit Vaidya
Director
DIN: 03287161

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 18th, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
OPERATING ACTIVITIES			
Profit before tax		**3,92,83,326**	28,48,072
Adjustments to reconcile profit before tax to net cash flows:			
Interest on Fixed Deposits		**(39,78,734)**	(32,31,682)
Gain on Sale of Long Term Investment		**(4,99,899)**	–
Write Back of Excess Provision		**(3,95,38,358)**	–
Operating profit before Working Capital changes		**(47,33,665)**	(3,83,610)
Adjustments for :			
(Increase)/Decrease in Other Current Assets		**34,05,952**	1,70,832
Increase/(Decrease) in Other Current Liabilities		**(1,98,911)**	(32,23,416)
Cash Generated from/(used in) operations			
Tax Paid		**1,02,95,437**	7,45,435
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	(A)	**(1,18,22,061)**	(41,81,629)
INVESTING ACTIVITIES			
Interest on Fixed Deposits		**41,34,876**	32,31,682
(Placement)/Proceeds of Fixed Deposits		**87,30,526**	15,00,000
Sale of Investment in subsidary company		**5,01,600**	–
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	(B)	**1,33,67,002**	47,31,682
FINANCING ACTIVITIES			
Dividend Paid to Preference Share Holders		**(17,500)**	–
Redemption of preference shares		**–**	(2,46,500)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	(C)	**(17,500)**	(2,46,500)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C)	**15,27,442**	3,03,552
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**13,50,042**	10,46,490
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		**28,77,484**	13,50,042

Figures for previous year have been regrouped/rearranged whereever necessary.

This is the Cash Flow Statement referred to in our report of even date.

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April 18th, 2023

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : April 18th, 2023

Dhanraj Mulki
Director
DIN: 08321516

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

Particulars	No. of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1st April 2021	410	4,100
Issue of share capital	–	–
At 31st March 2022	**410**	**4,100**
Total Equity Share Capital	**410**	**4,100**
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1st April 2022	**410**	**4,100**
Issue of share capital	25,000	–
At 31st March 2023	**25,410**	**4,100**
Total Equity Share Capital	**25,410**	**4,100**

B. Other Equity

Particulars	Retained Earnings	Total
At 1st April 2021	1,94,42,623	1,94,42,623
Profit/(loss) for the year	21,02,637	21,02,637
Dividend Paid to Preference shareholders	(17,500)	(17,500)
At 31st March 2022	**2,15,27,760**	**2,15,27,760**
At 1st April 2022	2,15,27,760	2,15,27,760
Profit/(loss) for the year	2,95,43,729	2,95,43,729
At 31st March 2023	**5,10,71,489**	**5,10,71,489**

See accompanying notes to the financial statements 1-20

As per our report of even date

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April 18th, 2023

For and on behalf of the Board

Sujit Vaidya
Director
DIN: 03287161

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 18th, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2023

1. Corporate information

The Company at present do not have any business activity. The company will in future enter into business venture permitted by the Object Clause of the MOA after taking into consideration all the materials required.

2. Significant accounting policies

i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies are set out below.

iii) Cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iv) Revenue recognition

Other income

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

v) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company’s current tax is calculated using tax rates that have been enacted by the end of the reporting period.

vi) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

vii) Earnings per share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2023

Note 3 Financial Assets

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Non-Current Investments		
Unquoted Equity Shares		
Investment carried at cost		
-Investment in Equity Instruments		
Nil Equity Shares of Mahindra Hotels and Resorts Limited (P.Y.50,160)	**–**	1,701
	–	1,701
Aggregate amount of unquoted investments	**–**	1,701
Aggregate amount of impairment in value of investments	**–**	–

Note 4 Other Non-Current Tax Assets

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Other Non-Current Tax Assets		
(Net of provisions up to the reporting date)	**5,55,840**	–
Total	**5,55,840**	–

Note 5 Cash and Cash Equivalents

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Balances with Banks:		
- in current accounts	**28,77,484**	13,50,042
Total	**28,77,484**	13,50,042

Note 6 Other Bank Balances

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Balances with Banks:		
- deposits with original maturity of less than 12 months	**4,81,57,877**	5,68,88,403
Total	**4,81,57,877**	5,68,88,403

Note 7 Other Current Assets

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
- Deposits - NSDL	**10,000**	10,000
- Interest Accured but not Due	**23,14,183**	56,90,265
- Balances with Revenue Authorities (net)	**–**	29,870
Total	**23,24,183**	57,30,135

Note 8

Share Capital

a) Authorised share capital

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
2,50,000 Equity Shares of Rs. 10/- each	**25,00,000**	25,00,000
2,50,000 Preference shares of Rs. 10/- each	**25,00,000**	25,00,000
Total	**50,00,000**	50,00,000

b) Issued, Subscribed and Paid up capital

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
25,410 Equity shares of Re. 10/- each	**2,54,100**	4,100
7% Non Cumulative Redeemable participating optionally convertible preference shares of '10 each	**–**	2,50,000
Total	**2,54,100**	2,54,100

c) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2023		As at 31st March, 2022	
Name of the shareholdrers	**No. of shares**	**% Holding**	No. of shares	% Holding
Equity shares of INR 10/- each fully paid				
M/s Mahindra Holidays & Resorts India Limited	**25,000**	**98.39%**	–	0.00%
M/s Prudential Management & Services private	**–**	**0.00%**	150	36.59%
Mr. Zhooben Bhiwandiwala	**–**	**0.00%**	50	12.20%
Mr. Narayan Shankar	**–**	**0.00%**	50	12.20%
Mr. Vajifdar	**–**	**0.00%**	50	12.20%
Mr. Appadurai Ramesh	**–**	**0.00%**	50	12.20%

Redeemable Preference shares

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
7% Non Cumulative Redeemable participating optionally convertible preference shares of '10 each	**–**	2,50,000
Total	**–**	2,50,000

	As at 31st March, 2023		As at 31st March, 2022	
Name of the shareholders	**No. of shares**	**% Holding**	No. of shares	% Holding
7% Non Cumulative Redeemable participating optionally convertible preference shares of '10 each				
M/s Mahindra Holidays & Resorts India Limited	**–**	**100.00%**	25,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2023

Note 9

Other Equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings	**5,10,71,489**	2,15,27,760
Total	**5,10,71,489**	2,15,27,760

Note 10 Other Non-Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term Loans		
From Mahindra Ugine Steel Limited	**–**	2,67,41,536
Total	**–**	2,67,41,536

Note 11 Trade Payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
From Others	**–**	24,26,564
Total	**–**	24,26,564

Trade Payables aging Schedule

As at 31st March, 2022	Outstanding for following periods from due date of payment < 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	–	–	–	24,26,564	24,26,564
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
Total	–	–	–	24,26,564	24,26,564

Note 12 Other Financial Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other payables	**25,63,781**	–
Total	**25,63,781**	–

Note 13 Other Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Taxes (excluding income taxes) and other statutory dues	**26,014**	1,30,02,822
Dividend payable on Preference shares	**–**	17,500
Total	**26,014**	1,30,20,322

Note 14 Other Income

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Income		
- Interest on Fixed Deposits	**39,78,734**	32,31,682
Gain on Sale of Long Term Investment	**4,99,899**	–
Write Back of Excess Provision	**3,95,38,358**	–
Total	**4,40,16,991**	32,31,682

Note 15 Other expenses

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Payment to Auditor		
- As audit fees	**47,200**	47,200
Legal & Professional Fees	**46,66,844**	1,72,000
Bank Charges	**1,180**	649
Other Misc Expenses	**18,441**	1,63,761
Total	**47,33,665**	3,83,610

Note No. 16 - Earnings Per Share

In Rs.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Basic and Diluted Earnings per share	**1,163**	5,128

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profits used in the calculation of basic earnings per share and diluted earnings per share	**2,95,43,729**	21,02,637
Weighted average number of equity shares	**25,410**	410
Earnings per share - Basic and Diluted	**1,163**	5,128

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2023

Note No. 17 - Ratios

Particulars	Ratios	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Ratio	Current Assets/Current Liabilities	**20.60**	4.91
Debt-Equity Ratio	Total Debt/Shareholders equity	**–**	1.23
Debt Service Coverage Ratio	Net operating income/Debt (principal + Interest)	**–**	0.11
Return on Equity Ratio	Net income / Average total shareholders Equity	**0.81**	0.10
Trade payable turnover ratio	Turnover /Average Trade Payables	**NA**	NA
Net Capital turnover ratio	Turnover/Net Capital	**NA**	NA
Net Profit ratio	PAT/ Turnover	**NA**	NA
Return on Capital employed	Earning before Interest and tax/Capital employed	**0.58**	0.06

Note No. 18 - Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahidra Holidays & Resort India Ltd (from 2nd December, 2022)
Subsdiary Company	Mahindra Hotels and Resorts Limited (till 30th November, 2022)

(ii) Related Party Transactions and balances

In Rs.

Particulars	31st March, 2023	31st March, 2022
Subsidiary Company		
Transactions during the year:		
Trade Payables Paid	**23,79,364**	–
Subsidiary Company		
Balances as at:		
Trade Payables	**–**	23,79,364

Note No 19:

Pursuant to the conversion of 25,000 7% Non- cumulative redeemable participating optionally convertible preference shares of Rs. 10 each held by Mahidra Holidays & Resort India Ltd. (“MHRIL”) into 25,000 equity shares of Rs. 10 each on December 2, 2022, the company has become a subsidiary of MHRIL post this conversion.

Note No 20:

During the year, the company has sold 50,160 equity shares of Mahindra Hotels and Resorts Limited (MHRL) at consideration of Rs. 10 each. Pursuant to the sale of this investment, MHRL ceased to become subsidray company w.e.f 30th November, 2022.

As per our report of even date

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April 18th, 2023

Sujit Vaidya
Director
DIN: 03287161

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April 18th, 2023

INDEPENDENT AUDITORS' REPORT

To the members of Mahindra Holidays & Resorts Harihareshwar Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Holidays & Resorts Harihareshwar Limited ("the Company"),which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. This report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.

2. (A) As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which will impact its financial positions.

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(V) The Company has not declared/ paid/ declared and paid any dividend during the year.

(VI) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) The Company has not paid/ provided for managerial remuneration for the year ended March 31,2023.

For **Shah Valera & Associates LLP.**
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXT3948

Place: Mumbai
Date: April 22, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of **Mahindra Holidays and Resorts Harihareshwar Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Shah Valera & Associates LLP.**
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXT3948

Place: Mumbai
Date: April 22, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under **'Report on Other Legal and Regulatory Requirements' section** of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs.1.13 lakhs during the current financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For **Shah Valera & Associates LLP.**
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 23149028BGWHXT3948

Place: Mumbai
Date: April 22, 2023

BALANCE SHEET AS AT MARCH 31, 2023

₹ in Lakhs

Particulars	Notes	As at March 31, 2023
ASSETS		
Non-Current Assets		
Financial assets		
–Other financial assets	2	**0.10**
		0.10
Current Assets		
Financial assets		
–Cash and cash equivalents	3	**4.60**
		4.60
TOTAL ASSETS		**4.70**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4	**5.00**
Other equity	5	**(1.13)**
Total Equity		**3.87**
Liabilities		
Non-current liabilities		
Current liabilities		
Other current liabilities		**0.83**
Total Liabilities		**0.83**
TOTAL EQUITY AND LIABILITIES		**4.70**

See accompanying notes to the financial statements **1-11**

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : April 22, 2023

Sujit Vaidya
Director
DIN- 03287161

Place : Mumbai
Date : April 22, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particular	Notes	For the year ended March 31, 2023
CONTINUING OPERATIONS		
REVENUE		
Other income		–
EXPENSES		
Other expenses	7	**1.13**
Total Expenses		**1.13**
Profit/ (loss) before tax		**(1.13)**
Tax expense		
a) Current tax		–
b) Deferred tax		–
Profit/ (loss) after tax		**(1.13)**
Earnings per equity share (for continuing operations)	8	
a) Basic (in ₹)		**(3.75)**
b) Diluted (in ₹)		**(3.75)**
See accompanying notes to the financial statements.	**1-11**	

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : April 22, 2023

Sujit Vaidya
Director
DIN- 03287161

Place : Mumbai
Date : April 22, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	**Year ended March 31, 2023**
OPERATING ACTIVITIES	
Profit before tax	**(1.13)**
Adjustments to reconcile profit before tax to net cash flows:	**–**
Operating profit before working capital changes	**(1.13)**
Adjustments for :	
(Increase)/ Decrease in Other Current Assets	**(0.10)**
Increase/ (Decrease) in Other Current Liabilities	**0.83**
Cash Generated from/ (used in) operations	
Tax paid	**–**
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	**(0.40)**
INVESTING ACTIVITIES	
NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	**–**
FINANCING ACTIVITIES	
Issue of share capital	**5.00**
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	**5.00**
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	**4.60**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**–**
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**4.60**

The notes referred to above are an integral part of the Standalone Financial Statements.

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : April 22, 2023

Sujit Vaidya
Director
DIN- 03287161

Place : Mumbai
Date : April 22, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	Share Capital Equity Share Capital	Other Equity Reserves & Surplus Retained Earnings	Total
Balance at the beginning of reporting year April 1, 2022	–	–	–
Additions during the year	**5.00**	–	**5.00**
Loss for the year	–	**(1.13)**	**(1.13)**
Balance at the end of reporting year March 31, 2023	**5.00**	**(1.13)**	**3.87**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place : Mumbai
Date : April 22, 2023

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : April 22, 2023

Sujit Vaidya
Director
DIN- 03287161

Place : Mumbai
Date : April 22, 2023

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2023

1(A) Corporate information

The Company was incorporated on August 23, 2022 and has not yet started to generate revenue.

1(B) Significant accounting policies

i Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

ii Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies are set out below.

iii Cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iv Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

v Earnings per share

Basic/ Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

₹ in Lakhs

Note 2	As at March 31, 2023
Other Financial Assets	
– Deposits – NSDL	**0.10**
	0.10

₹ in Lakhs

Note 3	As at March 31, 2023
Cash and Cash Equivalents	
Current Assets	–
Balances with Banks:	–
– in current accounts	**4.60**
	4.60

Note 4

Share Capital

a) Authorised share capital ₹ in Lakhs

Particulars	As at March 31, 2023
50,000 Equity Shares of Re. 10/- each	**5.00**
	5.00

b) Issued, Subscribed and Paid up capital ₹ in Lakhs

Particulars	As at March 31, 2023
50,000 Equity shares of Re. 10/- each	**5.00**
	5.00

c) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2023	
	No. of shares	Percentage
Equity shares of INR 10/- each fully paid		
Mahindra Holidays & Resorts India Limited	**49,994**	**99.99%**

d) Shareholding of promoters in the company

Shares held by promoters at the end of 31st March,2023

Promoter name	No of shares	% of total shares	% change during the year
Mahindra Holidays & Resorts India limited	**49,994**	**99.99%**	**99.99%**

Note 5

Other Equity ₹ in Lakhs

Particulars	As at March 31, 2023
Retained Earnings	**(1.13)**
TOTAL	**(1.13)**

₹ in Lakhs

Note 6	As at March 31, 2023
Other Current Liabilities	
– Financial Liabilities	
Trade Payable	**0.58**
– Other current Liability	**0.25**
	0.83

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in Lakhs

Note 7	As at March 31, 2023
Other expenses	
Payment to Auditor	
– As audit fees	**0.15**
Legal & Professional Fees	**0.98**
Bank Charges	**0.00**
	1.13

Note 8	As at March 31, 2023
Basic and Diluted Earnings per share	**(3.75)**

Earnings per share	As at March 31, 2023
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**(1.13)**
Weighted average number of equity shares(In Lakhs)	**0.30**
Earnings per share from continuing operations - Basic and Diluted (in ₹)	**(3.75)**

₹ in Lakhs

Note 9	As at March 31, 2023
Categories of financial assets and financial liabilities	
Other Financial Assets	**0.10**
Cash and Cash Equivalents	**4.60**
	4.70

₹ in Lakhs

Note 10	As at March 31, 2023	
	Carrying amount	Fair value
Fair Value Measurement		
Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.		
Other Financial Assets	**0.10**	**0.10**
Cash and Cash Equivalents	**4.60**	**4.60**
	4.70	**4.70**

₹ in Lakhs

Note 11		As at March 31, 2023
Related Party Transactions		
(i) Names of related parties and nature of relationship where control exists:		
Nature of Relationship	**Name of the Related Party**	
Holding Company	Mahindra Holidays & Resorts India Limited	
(ii) Related Party Transactions and balances		
Transactions during the year:		
Investment made by Mahindra Holidays & Resorts India Limited in the company		**5.00**
Balances as at:		
Equity Share Capital		**5.00**

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

For and on behalf of the Board of Directors

Priten B Shah
Partner
Membership Number: 149028

Place : Mumbai
Date : April 22, 2023

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : April 22, 2023

Sujit Vaidya
Director
DIN- 03287161

Place : Mumbai
Date : April 22, 2023

AUDITOR'S REPORT

To the Annual General Meeting of Holiday Club Resorts Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Holiday Club Resorts Oy (business identity code 2033337-1) for the year ended March 31, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on lhe audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertaJnty e,xists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, April 20, 2023

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET OF THE GROUP AS AT MARCH 31, 2023

Particular	Note	Eur As at March 31, 2023	Eur As at March 31, 2022
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**7,031,411**	6,398,872
Group goodwill	10	**740,176**	915,433
Tangible assets	11	**26,933,248**	29,728,076
Investments	12	**6,550,676**	6,462,238
TOTAL NON CURRENT ASSETS		**41,255,510**	43,504,619
CURRENT ASSETS			
Inventories	14	**56,712,477**	56,482,737
Long-term receivables	15	**513,859**	584,721
Deferred tax receivables	18	**4,527,073**	4,578,308
Short-term receivables	16	**12,632,697**	12,897,214
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**9,138,755**	2,501,880
TOTAL CURRENT ASSETS		**83,528,419**	77,048,418
TOTAL ASSETS		**124,783,929**	120,553,038
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Other reserves		**42,395,175**	42,395,175
Profit/ (Loss) from previous years		**(8,324,348)**	(2,716,365)
Profit/ (Loss) for the financial year		**(524,353)**	(5,311,444)
TOTAL EQUITY		**45,505,620**	46,326,512
STATUTORY PROVISIONS	19	**798,416**	1,104,842
LIABILITIES			
Deferred tax liabilities	18	**627**	18,915
Long-term liabilities	20	**14,946,886**	17,587,508
Short-term liabilities	21	**63,532,381**	55,515,261
TOTAL LIABILITIES		**78,479,893**	73,121,684
TOTAL EQUITY AND LIABILITIES		**124,783,929**	120,553,038

INCOME STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2023

Particular	Note	Eur Year ended March 31, 2023	Eur Year ended March 31, 2022
REVENUE	1	**136,661,591**	110,914,385
Other operating income	2	**7,520,432**	11,039,727
Share of Associated Company Profit (Loss)		**(5,334)**	2,198
Materials and services	3	**(36,687,458)**	(30,303,218)
Personnel expenses	4	**(40,414,202)**	(34,296,531)
Depreciations and impairments	5	**(4,256,923)**	(4,573,035)
Other operating expenses	6	**(61,913,886)**	(57,726,641)
PROFIT/ (LOSS)		**904,220**	(4,943,114)
Financial income and expenses	7	**(1,421,277)**	(935,987)
PROFIT/ (LOSS) BEFORE APPROPRIATIONS AND TAXES		**(517,057)**	(5,879,101)
Income taxes	9	**(7,296)**	567,657
Minority share		**–**	–
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		**(524,353)**	(5,311,444)

CASH FLOW STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2023

Particular	Eur Year ended March 31, 2023	Eur Year ended March 31, 2022
Cash flow from operating activities		
Profit/ (Loss) before appropriations and taxes	**(517,057)**	(5,879,101)
Adjustments:		
Depreciations	**4,256,923**	4,573,035
Other non-cash items	**350,973**	(407,877)
Financial income and expenses	**1,135,138**	877,460
Cash generated from operations before net working capital	**5,225,978**	(836,483)
Change in net working capital		
Change in non-interest-bearing receivables	**183,141**	(3,173,628)
Change in inventories	**(594,251)**	961,086
Change in non-interest-bearing liabilities	**7,322,222**	3,101,073
Change in provisions	**(306,005)**	179,059
Cash generated from operations before financial items and taxes	**11,831,085**	231,107
Interest expenses paid and other financial expenses	**(876,178)**	(797,775)
Income taxes paid	**(5,922)**	2,804
Net cash flow from operating activities	**10,948,985**	(563,864)
Cash flow from investments activities		
Investments in tangible and intangible assets	**(2,790,944)**	(2,949,702)
Proceeds from sale of tangible and intangible assets	**516,203**	544,152
Investments in other investments	**(8,000)**	(126,000)
Proceeds from disposals of other investments	**11,826**	–
Net cash flow from investing activities	**(2,270,915)**	(2,531,550)
Cash flow from financing activities		
Proceeds from short-term borrowings	**7,152,493**	5,540,322
Repayments in short-term borrowngs	**(8,723,760)**	(9,847,778)
Proceeds from long-term borrowing	**6,000,000**	4,000,000
Net cash used in financing activities	**(1,879,154)**	(307,455)
Net increase/decrease in cash and cash equivalents	**6,798,916**	(3,402,870)
Cash and cash equivalents at the beginning of period	**2,505,438**	5,942,592
Effects of exchange rate fluctuations on cash held	**(162,043)**	(34,285)
Cash and cash equivalents at the end of period	**9,142,313**	2,505,438
Change in net cash	**6,798,916**	(3,402,870)

PARENT COMPANY BALANCE SHEET AS AT MARCH 31, 2023

Particular	Note	Eur As at March 31, 2023	Eur As at March 31, 2022
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**7,031,411**	6,398,872
Tangible assets	11	**9,937,690**	8,908,502
Investments			
Shares of the group companies	12	**1,110,005**	7,458,347
Shares of the associated companies	12	**1,551,500**	1,543,500
Receivables from group companies	12	**10,792,961**	11,778,079
Other shares	12	**4,838,243**	4,846,069
Other receivables	12	**64,549**	64,549
TOTAL NON CURRENT ASSETS		**35,326,358**	40,997,918
CURRENT ASSETS			
Inventories	14	**44,059,073**	43,636,450
Long-term receivables	15	**11,224,204**	11,202,574
Short-term receivables	16	**13,294,836**	13,150,085
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**4,555,337**	175,412
TOTAL CURRENT ASSETS		**73,137,007**	68,168,079
TOTAL ASSETS		**108,463,365**	109,165,997
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Reserve for invested non-restricted equity		**42,395,175**	42,395,175
Profit/(Loss) from previous years		**(15,490,898)**	(7,687,310)
Profit/(Loss) for the financial year		**(5,670,021)**	(7,803,587)
TOTAL EQUITY		**33,193,402**	38,863,423
ACCUMULATED DEPRECIATION		**3,114**	3,114
STATUTORY PROVISIONS	19	**149,214**	344,424
LIABILITIES			
Long-term liabilities	20	**20,474,138**	22,430,596
Short-term liabilities	21	**54,643,498**	47,524,441
TOTAL LIABILITIES		**75,117,636**	69,955,037
TOTAL EQUITY AND LIABILITIES		**108,463,365**	109,165,997

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particular	Note	Eur Year ended March 31, 2023	Eur Year ended March 31, 2022
REVENUE	1	**112,341,738**	91,309,135
OTHER OPERATING INCOME	2	**6,789,022**	7,155,851
Materials and services	3	**(32,712,501)**	(26,828,020)
Personnel expenses	4	**(32,863,543)**	(27,662,696)
Depreciations and impairments	5	**(3,132,013)**	(3,095,661)
Other operating expenses	6	**(55,282,138)**	(48,036,918)
PROFIT/ (LOSS)		**(4,859,436)**	(7,158,308)
Financial income and expenses	7	**(810,585)**	(642,166)
PROFIT/ (LOSS) BEFORE APPROPRIATIONS AND TAXES		**(5,670,021)**	(7,800,474)
Appropriations	8	**–**	(3,114)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		**(5,670,021)**	(7,803,587)

CASH FLOW STATEMENT OF THE PARENT COMPANY FOR THE YEAR ENDED MARCH 31, 2023

Particular	**Eur** **Year ended March 31, 2023**	Eur Year ended March 31, 2022
Cash flow from operating activities		
Profit/ (Loss) before appropriations and taxes	**(5,670,021)**	(7,800,474)
Adjustments:		
Amortizations and depreciations	**3,132,013**	3,095,661
Sales Profit / Loss from the Sales of Non-Current Assets	**51,300**	(73,604)
Unrealized foreign exchange gains and losses	**40,838**	(3,251)
Other non-cash items	**2,875,876**	185,054
Financial income and expenses	**769,747**	645,417
Cash generated from operations before net working capital	**1,199,754**	(3,951,197)
Change in working capital		
Change in non-interest-bearing receivables	**127,331**	(2,800,115)
Change in inventories	**(422,623)**	1,284,343
Change in non-interest-bearing liabilities	**6,950,616**	5,062,844
Cash generated from operations before financial items and taxes	**7,855,077**	(404,124)
Interest expenses paid and other financial expenses	**(884,256)**	(821,038)
Income taxes paid	**2,316**	–
Net cash flow from operating activities	**6,973,137**	(1,225,163)
Cash flow from investments activities		
Investments in tangible and intangible assets	**(2,612,645)**	(2,799,978)
Proceeds from sale of tangible and intangible assets	**516,204**	544,152
Investments in equity investments	**(8,000)**	(126,000)
Proceeds from loan receivables	**–**	2,000,000
Proceeds from other investments	**11,826**	–
Interest received from investments	**46,704**	625,893
Dividends received from investments	**1,162**	3,523
Net cash flow from investing activities	**(2,044,750)**	373,590
Cash flow from financing activities		
Proceeds from short-term borrowings	**7,079,520**	5,368,718
Repayments of short-term borrowings	**(8,650,787)**	(8,969,085)
Proceeds from long-term borrowings	**6,000,000**	4,000,000
Repayments of long-term borrowings	**(4,994,448)**	–
Loans given	**–**	(31,500)
Net cash used in financing activities	**(565,715)**	368,132
Net increase/decrease in cash and cash equivalents	**4,362,673**	(609,440)
Cash and cash equivalents at the beginning of period	**178,970**	784,050
Cash received from group internal rearrangements	**17,252**	4,361
Cash and cash equivalents at the end of period	**4,558,895**	178,970
Change in net cash	**4,379,924**	(609,440)

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information of the Group

The Group's main branch of business is to sell and rent the timeshare weeks and Villas apartments constructed by the Group. The Group also operates in the Spa hotel business. Group has activities in four countries: Finland, Sweden, Spain and Russia.

Holiday Club Resorts Oy is a parent company for the Group, having its registered domicile in Helsinki at Konepajankuja 5 C, FI-00510 Helsinki.

Holiday Club Resorts Oy is a subsidiary of Covington S.a.r.l. The Company's registered domicile is in Luxembourg. Covington S.a.r.l owns 100% of the company's shares. Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

Consolidation principles

Intragroup ownership

Subsidiaries are consolidated using the acquisition method. The subsidiaries' acquisition cost and the corresponding share of the difference in shareholder's equity has been allocated partly to fixed assets, partially presented as goodwill and as group reserve. The acquired subsidiaries are consolidated from the moment the control has been obtained and divested subsidiaries until the day that the control has ceased to exist.

The consolidated financial statements include the parent company, Holiday Club Resorts Oy and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. This does not include timeshare and Villas apartment companies as they are represented in the current assets. Also, according to the Finnish Accounting Act's chapter six, companies which do not have a material impact on the group's result and financial position, have been left out of the consolidated financial statements.

Intra-group transactions, unrealized internal margin, receivables, liabilities and dividends between group companies are eliminated in consolidation.

The subsidiaries' financial statements are prepared in correspondence of the accounting principles used by the group.

Associated companies and joint ventures

Associated companies and joint ventures are consolidated using the equity method in accordance with the instructions of the Finnish Accounting Board. The group's share of the results of the associated companies are shown under other operating income.

All timeshare and Villas apartment companies, including the ones of which the group owns more than 20%, are presented in the current assets as they are actively traded.

Foreign Currency Translation

Transactions in foreign currencies

Items in the subsidiaries' financial statements are valued in the currency, which is used in each subsidiary's main operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the group. Assets and liabilities are translated into euros at the closing rate of the balance sheet date. Exchange differences resulting from sales and purchases are recorded as adjustments to the corresponding items above the operating profit. At the company level, exchange gains from foreign currency denominated loans are presented in the accrued expenses according to the principle of prudence. Exchange losses are recognized through profit and loss. At the group level, exchange gains and losses are recognized in equity as retained earnings.

Foreign subsidiaries

Foreign subsidiaries' income statements are translated into euros using the average exchange rates for the period. All balance sheet items, except profit for the period, are translated into euros using the closing exchange rates. The translation differences arising from the translation of income statement and balance sheet at different exchange rates and from eliminating the foreign subsidiaries equity is recognized in the group's equity. When a subsidiary is divested entirely or partially, the cumulative translation difference is recognized in the income statement as a part of the gain or loss from the sale.

Valuation and depreciation of non-current assets

Non-current assets

Goodwill

Goodwill represents the excess of the acquisition cost and the acquired company's net assets at the fair value at the date of the acquisition. Goodwill is allocated to cash-generating units, if such can be designated. As a main rule, goodwill is amortized and if the expected future operating cash flow is lower than the carrying amount of the goodwill, an impairment loss is recognized as an expense in the income statement.

Other intangible assets

Intangible assets are recorded in the balance sheet at their original acquisition cost, if the cost can be measured reliably and if it is probable that the expected benefits of the asset will benefit the company. Significant renovations are capitalized and amortized over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company.

Intangible assets mainly include software licenses and renovation investments

Tangible assets

The subsidiaries' tangible assets have been valued in the balance sheet at historical cost less accumulated, straight-line depreciations and possible impairment losses. Land areas are not depreciated.

Residual values and useful lifetimes are reviewed at each balance sheet date and, if necessary, adjusted to reflect the changes of expected economic benefits.

Additional investments are capitalized and depreciated over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company. Capital gains are presented in other operating income and losses under other operating expenses. The interest expenses related to the acquisition of the asset are expensed.

Fixed asset amortization and depreciation periods

The useful lives of the different asset categories are as follows:

Intangible rights	5-10 years
Goodwill and group goodwill	5-10 years
Long-term expenses	5-10 years
Buildings	50-60 years
Other constructions	10 years
Machinery and equipment	5-10 years
Renovations	5-10 years
Other tangible assets	10 years

Investments

Investments have been valued with original acquisition cost less possible impairments in the balance sheet.

Group reserve

The group reserve is allocated, in accordance with the share of ownership, to those assets and liabilities of the subsidiary that the group reserve is considered to derive from. The unallocated portion is recognized in the group's balance sheet as a separate item before liabilities. The group reserve is recognized as income when the corresponding expenditure or loss is recorded as an expense in the income statement of the subsidiary or where it corresponds to a realized return. The unallocated group reserve is recognized as income over time. These procedures are in accordance with the Finnish Accounting Act.

Received grants

Grants received by the company are recorded as other operating income in the income statement during the periods in which the related expenses are incurring. Investment grant for the acquisition of fixed assets is recorded in the balance sheet as accrued expense and recognized in the income statement as revenue over the asset's systematical depreciation period.

Inventory

Inventory is valued at the original acquisition cost or the lower net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and selling in the ordinary course of business. The cost of finished and unfinished products comprises of raw materials, direct labour costs and other direct costs. The costs of selling and financing are not allocated to the acquisition cost.

Receivables

Receivables are valued at the nominal value or the lower probable value.

Financial assets

The group's cash and cash equivalents consist of cash, bank deposits and other short-term highly liquid investments. Cash and cash equivalents have a maximum maturity of three months from the acquisition date. Financial assets are recognized on the settlement date and derecognized when the group has lost its contractual rights to the cash flows or when it has transferred substantial part of all the risks and rewards of ownership to parties outside the group.

Liabilities

Liabilities are valued at the nominal value. Transaction costs are expensed as incurred.

Deferred tax assets and liabilities

Deferred tax assets and liabilities of the Group are calculated with a current tax rate as temporary differences between taxation and financial statements. Deferred tax assets are recognized at the probable amount in the balance sheet. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Deferred taxes are not recognized in parent company income statement nor balances sheet.

Ordinary repair and maintenance

Ordinary repair and maintenance costs are expensed as they incur.

External services

External services include among other things expenses from rented personnel and expenses from cleaning and laundry services used by the hotel.

Pensions

Payments for defined contribution plans are made to a pension insurance company. Payments made for defined contribution plans are recognized as expenses in the income statement for the financial period to which the debit relates.

Direct taxes

Taxes based on taxable income for the period are calculated on taxable income using the tax rate that is in force in the country in which the particular subsidiary is based. The amount of tax is adjusted for any taxes concerning previous periods.

Revenue recognition

Revenue from services is recognized as income when the service is rendered to the customer. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. At that time, the group has no longer any supervision or control power over the good sold.

Rental income from holiday homes and revenue from hotels are recognized when the customer has accommodated. Income from restaurants and from other services related to hotel activities are recognized as revenue when the service is rendered. Rental income from retail premises are recognized on a straight-line basis over the rental period.

Income from Villas apartments, and starting end of financial year 2020-2021, also income from Timeshare apartments, is recognized by using the stage of completion method in accordance with the guidelines of the Confederation of Finnish Construction Industries and the Finnish Accounting Board. The percentage of completion is defined based on the percentage of the completion of the construction project and the percentage of the shares sold.

At the closing of the Timeshare deal, the company will record a so-called cancellation provision in case of future cancellation of deals. This is done based on previous experience and statistics on customer behavior. Statutory cancellation time is 14 days from the moment the deal was signed.

Use of estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions regarding future events. Actual results may differ from these estimates and assumptions. In addition, management must exercise judgment in applying accounting principles. Estimates are based on management's best knowledge at the time. Possible changes in estimates and assumptions are recognized during the period in which the estimates or assumptions are adjusted and in all subsequent financial periods.

The key assumptions and uncertainties concerning the future, which may cause significant changes in the carrying values of assets and liabilities within the next financial year are as follows:

Impairment losses

The group reviews fixed assets and inventory annually and evaluates indications of impairment as set out above in the accounting policies. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Revenue recognition

Timeshare weeks have a 14-day cancellation right stated by the Consumer Protection Act. The cancellation policy is taken into account in profit recognition by taking advantage of the experience and statistics on customer behavior.

Receivables

From uncertain loans and any permanent impairments, the group recognizes a credit loss in accordance with the principle of prudence.

Significant events during the financial year

Continued pandemic had no longer major impact on the turnover. However, consequences of the situation in Ukraine caused some indirect adverse impacts on the turnover development. Most important factors have been sudden inflation hike as well as risen interest rates that have impacted consumer confidence and thus general demand. In addition, inflation has had an impact on costs, but the company has been able to keep them rather limited. Group turnover grew 25,7 m€ (23%) also attributable to rather weak comparison period of last financial year, which was affected by the pandemic. Almost all the business units recovered strongly and grew significantly from the comparison period.

Profitability development corresponded the respective turnover development and improved significantly. The company profited from the operative developments taken during the pandemic and effectively capitalized the improved demand and realized it in strong profitability recovery. The Group operating profit turned positive, landing at 0,9 m€, an improvement of 5,8 m€ compared to prior year. Variable costs were effectively adapted to improve operational efficiency, but high fixed costs especially in the Spa Hotel business put significant pressure on profitability.

Company’s business in Canary Islands improved according to expectations. The Spa hotel operation in Sweden (Åre) developed very strongly through high event sales, introduction of new concepts and strong cost management.

Support received

The Group has received various subsidies during financial year totaling EUR 1,002,042 (01-04-2021 to 31-03-2022 EUR 5,249,207). The amount includes EUR 1,000,000 received from the state to the parent company Holiday Club Resorts Oy due to the Covid-19 pandemic (01-04-2021 to 31-03-2022 EUR 2,755,188). The subsidies received by the company are recognized in the income statement for the financial year in other operating income.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

TURNOVER BY BUSINESS AREAS

Eur

Business area review	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Timeshare	**36,725,979**	27,819,603	**35,597,515**	26,758,336
Service sector	**75,784,655**	58,995,049	**64,089,101**	50,267,383
Renting	**11,490,113**	10,939,997	**7,269,434**	7,711,109
Real Estate Management	**6,206,797**	5,984,383	**3,154,385**	3,000,637
Villas	**2,487,866**	3,552,540	**2,414,864**	3,552,540
Other Sales	**3,966,180**	3,622,814	**(183,561)**	19,130
Total	**136,661,591**	110,914,385	**112,341,738**	91,309,135

Eur

Partial revenue recognition	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Share of turnover recorded as revenue according to the percentage of completion method	**1,540,047**	3,508,019	**1,540,047**	3,508,019
Amount of revenue recognised in the current and previous financial years for construction projects in progress according to the percentage of completion method	**–**	3,348,992	**–**	3,348,992
Revenue not recognised of construction in progress	**–**	1,540,047	**–**	1,540,047

TURNOVER BY MARKET AREAS

Eur

Geographical review	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Finland	**112,190,527**	91,236,047	**112,341,738**	91,309,135
Sweden	**15,815,733**	13,155,983	**–**	–
Spain	**8,655,332**	6,522,356	**–**	–
Total	**136,661,591**	110,914,385	**112,341,738**	91,309,135

2. OTHER OPERATING INCOME

Eur

	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Profit from the sales of fixed assets	**1,667**	465,862	**1,667**	75,260
Rental income	**1,389,775**	898,281	**1,238,571**	775,996
Commissions	**1,043,323**	960,644	**1,038,049**	958,287
Service income	**734,360**	755,124	**154,627**	141,343
Other income	**4,351,307**	7,959,816	**4,256,380**	5,204,965
Profit from mergers	**–**	–	**99,727**	–
Total	**7,520,432**	11,039,727	**6,789,022**	7,155,851

Other income includes subsidies related to the Covid-19 pandemic amounting to EUR 1,000,000 (FY21-22 EUR 5,249,207). The total amount EUR 1,000,000 (FY21-22 EUR 2,755,188) was received by the parent company.

3. MATERIALS AND SERVICES

Eur

Materials and supplies	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Purchases during the financial year	**26,088,607**	21,211,051	**23,729,025**	19,071,920
Change in inventory	**(346,428)**	102,993	**(180,263)**	403,589
Total	**25,742,179**	21,314,044	**23,548,762**	19,475,509
External services	**10,945,279**	8,989,173	**9,163,739**	7,352,511
Materials and services total	**36,687,458**	30,303,218	**32,712,501**	26,828,020

4. PERSONNEL AND MEMBERS OF THE BOARD

PERSONNEL EXPENSES

Eur

	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Salaries, wages, comissions	**33,314,214**	28,332,854	**27,040,951**	22,921,401
Pension expenses	**4,903,611**	4,086,946	**4,725,935**	3,919,444
Other indirect employee expenses	**2,196,377**	1,876,732	**1,096,656**	821,851
Total	**40,414,202**	34,296,531	**32,863,543**	27,662,696

EXECUTIVE REMUNERATION

Eur

	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Management board	**1,582,852**	1,666,196	**1,582,852**	1,666,196
Members of the board of directors	**76,667**	34,340	**76,667**	34,340
Total	**1,659,519**	1,700,536	**1,659,519**	1,700,536

THE AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

	Group March 31, 2023	Group March 31, 2022	Parent March 31, 2023	Parent March 31, 2022
Employees	**936**	882	**667**	625
Total	**936**	882	**667**	625

NOTES TO THE BALANCE SHEET

5. AMORTIZATIONS, DEPRECIATIONS AND IMPAIRMENTS

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Intangible assets	**921,958**	733,585	**921,958**	730,966
Goodwill	**–**	43,207	**–**	417
Other long-term expenses	**1,005,734**	995,341	**1,005,734**	995,341
Buildings and structures	**844,858**	907,527	**94,730**	85,417
Machinery and equipment	**1,267,718**	1,670,006	**1,001,442**	1,175,371
Other tangible assets	**113,649**	113,649	**108,149**	108,149
Total	**4,153,917**	4,463,315	**3,132,013**	3,095,661
Group goodwill	**103,007**	109,720	**–**	–
Total	**4,256,923**	4,573,035	**3,132,013**	3,095,661

6. OTHER OPERATING EXPENSES

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Voluntary employee expenses	**699,909**	677,849	**673,730**	638,353
Rents	**20,902,996**	19,009,170	**16,757,617**	15,221,159
Maintenance fees	**7,397,537**	7,357,677	**7,148,405**	7,109,352
Marketing expenses	**6,966,923**	6,108,962	**6,343,714**	5,506,685
Travel and entertainment expenses	**647,624**	564,356	**639,693**	558,294
Maintenance expenses	**6,223,844**	5,794,618	**5,493,926**	5,202,569
Real estate expenses	**9,690,443**	8,767,979	**8,060,035**	6,941,033
Consulting and other services	**2,951,541**	3,497,876	**2,449,178**	2,892,173
Other operating expenses	**6,433,070**	5,948,155	**7,715,840**	3,967,301
Total	**61,913,886**	57,726,641	**55,282,138**	48,036,918

AUDITING FEES

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Auditing services	**206,709**	344,861	**138,029**	234,009
Tax consultancy	**43,241**	26,859	**19,235**	2,859
Other fees	**7,562**	152,780	**7,562**	131,152
Total	**257,511**	**524,500**	**164,826**	**368,019**

7. FINANCIAL INCOME AND EXPENSE

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Dividends	**1,162**	3,523	**1,162**	3,523
Other interest and financial income				
Interest income				
Group companies	**–**	–	**515,754**	371,284
Others	**74,292**	102,081	**39,720**	39,533
Financial income				
Others	**1,739,033**	1,797,595	**–**	360
Total interest and financial income	**1,814,486**	1,903,199	**556,635**	414,700
Interest expenses and other financial expenses				
Interest expenses				
Group companies	**–**	–	**220,684**	165,138
Others	**581,327**	571,911	**499,387**	477,171
Other financial expenses				
Reversal of impairment losses from financial securities	**(4,000)**	–	**(4,000)**	–
Foreign exchange loss (other items), unrealised	**2,021,335**	1,838,346	**40,838**	(3,251)
Others	**637,101**	428,928	**610,311**	417,807
Total interest expenses and other financial expenses	**3,235,763**	2,839,186	**1,367,220**	1,056,866
Financial income and expense	**(1,421,277)**	(935,987)	**(810,585)**	(642,166)

8. APPROPRIATIONS

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Change in accumulated depreciation	**–**	–	**–**	(3,114)
Total	**–**	–	**–**	(3,114)

9. INCOME TAXES

Eur

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Income taxes from operating activities	**(17,410)**	(2,109)	**–**	–
Income taxes, previous financial year	**–**	1	**–**	–
Change in deferred tax receivables	**(8,174)**	577,941	**–**	–
Change in deferred tax liabilities	**18,288**	(8,176)	**–**	–
Total	**(7,296)**	567,657	**–**	–

FIXED ASSETS

10. INTANGIBLE ASSETS AND GROUP GOODWILL, GROUP

March 31, 2022

Eur

	Intangible assets	Other long-term expenses	Goodwill	Group goodwill	Total
Acquisition cost April 1, 2021	7,039,496	15,384,906	6,822,827	1,557,745	30,804,974
Translation difference	(167)	–	(5,856)	(10,382)	(16,406)
Additions	791,296	237,535	–	–	1,028,831
Deductions	(4,424)	(801,991)	–	–	(806,415)
Transfers between items	108,217	–	–	–	108,217
Acquisition cost March 31, 2022	7,934,417	14,820,450	6,816,971	1,547,363	31,119,202
Accumulated amortizations April 1, 2021	(5,157,707)	(10,275,945)	(6,779,621)	(523,800)	(22,737,073)
Translation difference	168	–	5,856	1,590	7,614
Accumulated amortizations from transfers/deductions	4,424	801,991	–	–	806,415
Amortizations	(731,408)	(997,518)	(43,207)	(109,720)	(1,881,853)
Accumulated amortizations March 31, 2022	(5,884,523)	(10,471,473)	(6,816,971)	(631,929)	(23,804,897)
Book value March 31, 2022	2,049,894	4,348,977	–	915,433	7,314,305

March 31, 2023

Eur

	Intangible assets	Other long-term expenses	Goodwill	Group goodwill	Total
Acquisition cost April 1, 2022	7,934,417	14,820,450	6,816,971	1,547,363	31,119,202
Translation difference	(757)	–	(26,461)	(90,079)	(117,296)
Additions	228,417	558,895	–	–	1,993,724
Deductions	(118,017)	(22,469)	(580,992)	–	(761,912)
Transfers between items	156,808	45,109	–	–	606,941
Acquisition cost March 31, 2022	**8,200,868**	**15,401,985**	**6,209,518**	**1,457,284**	**32,840,658**
Accumulated amortizations April 1, 2022	(5,884,523)	(10,471,473)	(6,816,971)	(631,929)	(23,804,897)
Translation difference	757	–	26,461	17,828	45,046
Accumulated amortizations from transfers/deductions	118,017	22,470	580,992	–	721,479
Amortizations	(921,958)	(1,005,734)	–	(103,007)	(2,030,699)
Accumulated amortizations March 31, 2023	**(6,687,708)**	**(11,454,737)**	**(6,209,518)**	**(717,108)**	**(25,069,071)**
Book value March 31, 2023	**1,513,160**	**3,947,248**	**–**	**740,176**	**7,771,587**

10. INTANGIBLE ASSETS, PARENT COMPANY

March 31, 2022

Eur

	Intangible assets	Other long-term expenses	Goodwill	Total
Acquisition cost April 1, 2021	7,021,960	15,335,984	2,701,524	25,059,468
Additions	791,296	237,535	–	1,028,831
Transfers between items	108,217	–	–	108,217
Acquisition cost March 31, 2022	7,917,048	14,771,529	2,701,524	25,390,101
Accumulated amortizations April 1, 2021	(5,140,612)	(10,229,201)	(2,701,107)	(18,070,920)
Amortizations	(730,966)	(995,341)	(417)	(1,726,723)
Accumulated amortizations March 31, 2022	(5,867,154)	(10,422,551)	(2,701,524)	(18,991,229)
Book value March 31, 2022	2,049,894	4,348,978	–	6,398,872

March 31, 2023

	Intangible assets	Other long-term expenses	Goodwill	Total
				Eur
Acquisition cost April 1, 2022	7,917,048	14,771,529	2,701,524	25,390,101
Additions	228,417	558,895	–	1,993,724
Deductions	(101,405)	(2,775)	–	(144,613)
Transfers between items	156,808	45,109	–	606,941
Acquisition cost March 31, 2023	**8,200,868**	**15,372,758**	**2,701,524**	**27,846,152**
Accumulated amortizations April 1, 2022	(5,867,154)	(10,422,551)	(2,701,524)	(18,991,229)
Accumulated amortizations from transfers/deductions	101,405	2,775	–	104,180
Amortizations	(921,958)	(1,005,734)	–	(1,927,692)
Accumulated amortizations March 31, 2023	**(6,687,708)**	**(11,425,510)**	**(2,701,524)**	**(20,814,741)**
Book value March 31, 2023	**1,513,160**	**3,947,248**	**–**	**7,031,411**

11. TANGIBLE ASSETS, GROUP

March 31, 2022

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2021	13,172,236	21,871,262	24,693,167	3,345,627	303,316	63,385,609
Translation difference	(2,075)	(40,902)	(11,291)	–	–	(54,268)
Additions	662,599	1,000	607,318	–	649,954	1,920,871
Deductions	(515,545)	–	(223,137)	–	(10,418)	(749,099)
Transfers between items	–	–	16,620	–	(124,837)	(108,217)
Acquisition cost March 31, 2022	13,317,216	21,831,361	25,082,678	3,345,627	818,015	64,394,897
Accumulated amortizations April 1, 2021	(2,895,129)	(7,217,524)	(20,654,763)	(1,454,386)	–	(32,221,801)
Translation difference	–	17,136	10,422	–	–	27,558
Accumulated amortizations from transfers/ deductions	–	–	218,606	–	–	218,606
Amortizations	–	(907,527)	(1,670,007)	(113,649)	–	(2,691,183)
Accumulated amortizations March 31, 2022	(2,895,129)	(8,107,914)	(22,095,743)	(1,568,035)	–	(34,666,821)
Book value March 31, 2022	10,422,087	13,723,446	2,986,935	1,777,593	818,015	29,728,076

March 31, 2023

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2022	13,317,216	21,831,361	25,082,678	3,345,627	818,015	64,394,897
Translation difference	(18,161)	(354,188)	(93,509)	–	–	(465,858)
Additions	–	(–)	797,221	–	(–)	797,221
Deductions	(527,400)	(16,192)	(433,271)	(1,619)	–	(978,481)
Transfers between items	–	–	120,013	–	(726,953)	(606,941)
Acquisition cost March 31, 2023	**12,771,655**	**21,460,981**	**25,473,131**	**3,344,009**	**91,062**	**63,140,837**
Accumulated amortizations April 1, 2022	(2,895,129)	(8,107,914)	(22,095,743)	(1,568,035)	–	(34,666,821)
Translation difference	–	159,424	82,822	–	–	242,246
Accumulated amortizations from transfers/ deductions	–	11,874	429,718	1,619	–	443,210
Amortizations	–	(844,859)	(1,267,718)	(113,649)	–	(2,226,226)
Accumulated amortizations March 31, 2023	**(2,895,129)**	**(8,781,475)**	**(22,850,921)**	**(1,680,065)**	–	**(36,207,590)**
Book value March 31, 2023	**9,876,526**	**12,679,506**	**2,622,210**	**1,663,944**	**91,062**	**26,933,248**

11. TANGIBLE ASSETS, PARENT COMPANY

March 31, 2022

Eur

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2021	3,439,373	2,338,680	18,312,679	3,179,009	292,483	27,562,224
Additions	662,599	1,000	457,594	–	649,954	1,771,147
Deductions	(455,599)	–	(223,137)	–	(10,418)	(689,154)
Transfers between items	–	–	16,620	–	(124,837)	(108,217)
Acquisition cost March 31, 2022	3,646,373	2,339,680	18,563,756	3,179,009	807,182	28,536,001
Accumulated depreciations and impairments April 1, 2021	(583,298)	(774,100)	(15,709,626)	(1,410,142)	–	(18,477,166)
Accumulated depreciations from deductions and transfers	–	–	218,606	–	–	218,606
Depreciations for the financial year	–	(85,417)	(1,175,372)	(108,149)	–	(1,368,938)
Accumulated depreciations and impairments March 31, 2022	(583,298)	(859,517)	(16,666,392)	(1,518,291)	–	(19,627,498)
Book value March 31, 2022	3,063,075	1,480,164	1,897,364	1,660,718	807,182	8,908,502

March 31, 2023

Eur

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2022	3,646,373	2,339,680	18,563,756	3,179,009	807,182	28,536,001
Additions	–	–	618,922	–	–	618,922
Deductions	(527,070)	–	(4,817)	–	–	(531,887)
Transfers between items	3,041,525	321,796	125,013	–	(726,953)	2,761,381
Acquisition cost March 31, 2023	**6,160,828**	**2,661,477**	**19,302,873**	**3,179,009**	**80,229**	**31,384,416**
Accumulated depreciations and impairments April 1, 2022	(583,298)	(859,517)	(16,666,392)	(1,518,291)	–	(19,627,498)
Accumulated depreciations from deductions and transfers	(577,229)	(42,495)	4,817	–	–	(614,907)
Depreciations for the financial year	–	(94,730)	(1,001,442)	(108,149)	–	(1,204,321)
Accumulated depreciations and impairments March 31, 2023	**(1,160,527)**	**(996,742)**	**(17,663,017)**	**(1,626,440)**	**–**	**(21,446,726)**
Book value March 31, 2023	**5,000,301**	**1,664,734**	**1,639,856**	**1,552,569**	**80,229**	**9,937,690**

12. INVESTMENTS, GROUP

March 31, 2022

Eur

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost April 1, 2021	5,053,347	223,358	64,549	–	5,341,254
Additions	–	1,326,000	–	–	1,326,000
Share of associated companies' results	–	2,198	–	–	2,198
Exchange rate differences	(481)	–	–	–	(481)
Acquisition cost March 31, 2022	5,052,866	1,551,556	64,549	–	6,668,971
Accumulated impairments April 1, 2021	(207,278)	–	–	–	(207,278)
Exchange rate differences	481	–	–	–	481
Accumulated impairments March 31, 2022	(206,797)	–	–	–	(206,797)
Book value March 31, 2022	4,846,069	1,551,556	64,549	–	6,462,174

March 31, 2023

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
					Eur
Acquisition cost April 1, 2022	5,052,866	1,551,556	64,549	–	6,668,971
Additions	–	8,000	–	–	8,000
Deductions	(11,826)	–	–	–	(11,826)
Share of associated companies' results	–	(5,334)	–	–	(5,334)
Transfers between items	–	–	93,603	–	93,603
Exchange rate differences	(4,175)	–	–	–	(4,175)
Acquisition cost March 31, 2023	**5,036,865**	**1,554,222**	**158,152**	**–**	**6,749,239**
Accumulated impairments April 1, 2022	(206,797)	–	–	–	(206,797)
Reversal of impairments	4,000	–	–	–	4,000
Exchange rate differences	4,175	–	–	–	4,175
Accumulated impairments March 31, 2023	**(198,621)**	–	**–**	**–**	**(198,621)**
Book value March 31, 2023	**4,838,243**	**1,554,222**	**158,152**	**–**	**6,550,617**

12. INVESTMENTS, PARENT COMPANY

March 31, 2022

	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
							Eur
Acquisition cost April 1, 2021	9,187,956	1,096,725	5,002,914	11,891,623	18,000	103,190	27,300,408
Deductions	–	1,326,000	–	–	–	–	1,326,000
Deductions from group internal rearrangements	(200,000)	–	–	–	–	–	(200,000)
Exchange rate differences	–	–	–	(113,544)	–	–	(113,544)
Acquisition cost March 31, 2022	8,987,956	2,422,725	5,002,914	11,778,079	18,000	103,190	28,312,865
Accumulated depreciations and impairments April 1, 2021	(1,529,608)	(879,225)	(156,845)	–	(18,000)	(38,642)	(2,622,320)
Accumulated depreciations and impairments March 31, 2022	(1,529,608)	(879,225)	(156,845)	–	(18,000)	(38,642)	(2,622,320)
Book value March 31, 2022	7,458,348	1,543,500	4,846,069	11,778,079	–	64,549	25,690,545

March 31, 2023

	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
							Eur
Acquisition cost April 1, 2022	8,987,956	2,422,725	5,002,914	11,778,079	18,000	103,190	28,312,865
Additions	–	8,000	–	–	–	–	8,000
Deductions	–	–	(11,826)	–	–	–	(11,826)
Deductions from group internal rearrangements	(7,574,508)	–	–	–	–	–	(7,574,508)
Exchange rate differences	–	–	–	(985,117)	–	–	(985,117)
Acquisition cost March 31, 2023	**1,413,448**	**2,430,725**	**4,991,088**	**10,792,961**	**18,000**	**103,190**	**19,749,413**
Accumulated depreciations and impairments April 1, 2022	(1,529,608)	(879,225)	(156,845)	–	(18,000)	(38,642)	(2,622,320)
Cumulative impairment on disposal	1,226,166	–	–	–	–	–	1,226,166
Reversal of impairments	–	–	4,000	–	–	–	4,000
Accumulated depreciations and impairments March 31, 2023	**(303,442)**	**(879,225)**	**(152,845)**	**–**	**(18,000)**	**(38,642)**	**(1,392,154)**
Book value March 31, 2023	**1,110,006**	**1,551,500**	**4,838,243**	**10,792,961**	**–**	**64,549**	**18,357,259**

13. GROUP COMPANIES

Consolidated		Domicile	Group ownership %	Parent ownership %
Holiday Club Canarias Investment S.L.		Las Palmas	100.00	0.00
Holiday Club Canarias Resort Management S.L.		Las Palmas	100.00	0.00
Holiday Club Canarias Sales & Marketing S.L.		Las Palmas	100.00	0.00
Holiday Club CanariasVacation Club S.L.		Las Palmas	100.00	0.00
Holiday Club Rus LLC		Pietari	100.00	100.00
Holiday Club Sweden AB		Åre	100.00	100.00
Ownership Services AB		Åre	100.00	0.00
Åre Villas 3 AB		Åre	100.00	0.00
Holiday Club Sport and Spa Hotels AB		Åre	100.00	0.00
Kiinteistö Oy Rauhan Liikekiinteistöt (former Supermarket Capri Oy)		Lappeenranta	100.00	100.00
Kiinteistö Oy Himos Gardens	*	Helsinki	100.00	100.00
Kiinteistö Oy Kuusamon Pulkkajärvi 1	*	Kuusamo	100.00	100.00
Kiinteistö Oy Rauhanranta 1	*	Helsinki	100.00	100.00
Kiinteistö Oy Rauhanranta 2	*	Helsinki	100.00	100.00
Kiinteistö Oy Katinnurkka	*	Helsinki	100.00	100.00
Kiinteistö Oy Tiurunniemi	*	Helsinki	100.00	100.00
Kiinteistö Oy Tenetinlahti	*	Helsinki	100.00	100.00
Kiinteistö Oy Vanha Ykköstii	*	Helsinki	100.00	100.00
Kiinteistö Oy Kylpyläntorni 1	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Spa Lofts 2	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Spa Lofts 3	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Mällösniemi	*	Sotkamo	100.00	100.00
Kiinteistö Oy Rauhan Liikekiinteistöt 1	**	Lappeenranta	100.00	100.00

The companies marked with * have been merged with their parent company Holiday Club Resorts Oy on April 01, 2022
The company marked with ** has been merged with its' sister company Supermarket Capri Oy on April 08, 2022

Associated companies and joint ventures	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Seniori-Saimaa	Lappeenranta	31.15	31.15
Tropiikin Rantasauna Oy	Kuusamo	50.00	50.00
Kiinteistö Oy Vierumäen Kaari	Vierumäki	100.00	100.00

All associated companies have been consolidated into the group financial statements.

14. INVENTORY

Eur

	Group	Group	**Parent**	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Materials and supplies	**773,906**	831,665	**612,086**	691,464
Timeshare	**47,829,930**	46,491,953	**35,671,919**	34,194,538
Unfinished construction projects	**976,155**	1,046,048	**693,293**	743,083
Other inventory	**2,576,100**	2,885,504	**2,562,803**	2,870,993
Villas apartments	**4,556,387**	5,227,567	**4,518,972**	5,136,372
Total	**56,712,477**	56,482,737	**44,059,073**	43,636,450

RECEIVABLES

15. LONG-TERM RECEIVABLES

Eur

	Group	Group	**Parent**	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Sales receivables	**513,859**	491,118	**418,473**	396,843
Loan receivables from group companies	**–**	–	**10,805,730**	10,805,730
Other receivables	**–**	93,603	**–**	–
Deferred tax receivable	**4,527,073**	4,578,308	**–**	–
Total	**5,040,931**	5,163,030	**11,224,204**	11,202,574

16. SHORT-TERM RECEIVABLES

	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
				Eur
Sales receivables	**8,936,316**	9,089,525	**6,265,578**	6,608,837
Receivables from group companies				
Sales receivables	**–**	–	**11,293**	19,111
Loan receivables	**–**	–	**2,957,060**	3,164,281
Accrued income	**–**	–	**1,502,514**	1,003,270
Receivables from group companies, total	**–**	–	**4,470,867**	4,186,663
Receivables from others				
Loan receivables	**148,827**	127,730	**148,827**	127,730
Accrued income	**2,342,807**	2,505,756	**2,023,169**	2,177,473
Other receivables	**1,204,747**	1,174,202	**386,395**	49,382
Total	**12,632,697**	12,897,214	**13,294,836**	13,150,085

RELEVANT ACCRUED INCOME (excluding receivables from group and associated companies)

	Group	Group	Parent	Parent
	Year ended March 31, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
				Eur
Accrued expenses	**1,549,900**	1,186,174	**1,500,429**	1,122,357
Accrued income	**508,457**	898,520	**442,101**	796,752
Tax receivables	**116,398**	63,621	–	–
Social security receivables	**56,932**	68,120	**56,932**	68,120
Others	**111,119**	289,320	**23,706**	190,244
Total	**2,342,807**	2,505,756	**2,023,169**	2,177,473

17. EQUITY

	Group	Group	Parent	Parent
	Year ended March 31, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
				Eur
RESTRICTED SHAREHOLDERS' EQUITY				
Share capital at the beginning of the financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
Share capital at the end of financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**11,959,146**	11,959,146	**11,959,146**	11,959,146
NON-RESTRICTED SHAREHOLDERS' EQUITY				
Reserve for invested non-restricted equity at the beginning of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Reserve for invested non-restricted equity at the end of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Profit from previous financial years at the beginning of the financial year	**(8,027,809)**	(2,686,537)	**(15,490,898)**	(7,687,310)
Translation differences	**(296,539)**	(29,828)	**–**	–
Profit from previous financial years at the end of financial year	**(8,324,348)**	(2,716,365)	**(15,490,898)**	(7,687,310)
Profit for the period	**(524,353)**	(5,311,444)	**(5,670,021)**	(7,803,587)
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**33,546,474**	34,367,366	**21,234,256**	26,904,277
SHAREHOLDERS' EQUITY TOTAL	**45,505,620**	46,326,512	**33,193,402**	38,863,423

The Shareholders' equity of the Group includes EUR 2,507 (FY 21-22 EUR 75,660) from appropriations and other voluntary provisions.

CALCULATION FOR DISTRIBUTABLE FUNDS

	Parent	Parent
	Year ended March 31, 2023	Year ended March 31, 2022
		Eur
Reserve for invested non-restricted equity	**42,395,175**	42,395,175
Profit from the previous financial years	**(15,490,898)**	(7,687,310)
+ Profit for the period	**(5,670,021)**	(7,803,587)
- Compensation received from the government during the restriction period April 4, 2020 - May 31, 2020	**–**	–
- Received grant from the government for re-employment	**–**	–
- Received business cost support from the government for the period November 1, 2020 - February 28, 2022	**(1,000,000)**	(1,000,000)
- Received closure compensation from the government for the period March 8, 2021 - April 23, 2021	**–**	(755,188)
- Received support for uncovered fixed expenses from the government for the period March 1, 2021 - May 31, 2021	**–**	(1,000,000)
Total	**20,234,256**	24,149,089

18. DEFERRED TAX RECEIVABLES AND LIABILITIES

	Group	Group	**Parent**	Parent
	Year ended March 31, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
				Eur
Deferred tax receivables:				
from unused losses in taxation	**3,809,327**	3,855,706	**–**	–
from other temporary differences	**717,746**	722,603	**–**	–
Total	**4,527,073**	4,578,308	**–**	–
Deferred tax liabilities:				
from appropriations	**627**	18,915	**–**	–
Total	**627**	18,915	**–**	–
Deferred not booked tax receivables:				
from unused losses in taxation	**6,467,767**	6,780,269	**–**	–
from other temporary differences	**1,545,846**	1,549,846	**–**	–
Total	**8,013,613**	8,330,115	**–**	–

19. STATUTORY PROVISIONS, GROUP

Year ended March 31, 2022	**Litigation provision**	**Other provisions**	**Total**
			Eur
Opening balance April 1, 2021	691,416	234,452	925,868
Additional provisions recognised	180,000	3,772,202	3,952,202
Amounts used during the period	(88,290)	(2,911,297)	(2,999,587)
Unused amounts reversed during the period	(47,000)	(726,557)	(773,556)
Translation differences	–	(86)	(86)
Book value March 31, 2022	736,127	368,715	1,104,842

Year ended March 31, 2023	**Litigation provision**	**Other provisions**	**Total**
			Eur
Opening balance April 1, 2022	**736,127**	**368,715**	**1,104,842**
Additional provisions recognised	**90,000**	**4,176,431**	**4,266,431**
Amounts used during the period	**(203,696)**	**(4,802,034)**	**(5,005,730)**
Unused amounts reversed during the period	**–**	**429,043**	**429,043**
Translation differences	**–**	**(421)**	**(421)**
Book value March 31, 2023	**626,682**	**171,734**	**798,416**

Holiday Club Canarias Sales & Marketing company has received claims from time share customers arguing that the contracts are null and void. Total amount of received claims is EUR 6.8 million. Claims are related to different interpretations of changing timeshare legislation in Spain. The company has received 157 claims, out of which 85 have a ruling from first instance and 49 also have a ruling from second instance, for the amount of EUR 3.0 million. The amount to pay for the rulings can be the money received for the company minus the enjoyment of the weeks or a bigger amount. All the rulings been appealed and are expected to get a favourable outcome for the contracts signed after July 2012, which constitute the majority. Based on these rulings the company has made a provision that is estimated to cover possible future liabilities.

19. STATUTORY PROVISIONS, PARENT COMPANY

Year ended March 31, 2022	Litigation provision	Other provisions	Total
			Eur
Opening balance April 1, 2021	–	199,333	199,333
Additional provisions recognised	–	3,432,621	3,432,621
Amounts used during the period	–	(2,874,597)	(2,874,597)
Unused amounts reversed during the period	–	(412,933)	(412,933)
Book value March 31, 2022	–	344,424	344,424

Year ended March 31, 2023	**Litigation provision**	**Other provisions**	**Total**
			Eur
Opening balance April 1, 2022	**–**	**344,424**	**344,424**
Additional provisions recognised	**–**	**3,811,390**	**3,811,390**
Amounts used during the period	**–**	**(4,717,239)**	**(4,717,239)**
Unused amounts reversed during the period	**–**	**710,639**	**710,639**
Book value March 31, 2023	**–**	**149,214**	**149,214**

20. LONG-TERM LIABILITIES

	Group	Group	**Parent**	Parent
				Eur
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Loans from financial institutions	**4,937,682**	10,418,557	**3,788,739**	7,974,851
Other long-term loans	**9,204**	17,614	**7,064**	16,514
Loans from group companies	**10,000,000**	7,151,337	**16,678,335**	14,439,231
Total	**14,946,886**	17,587,508	**20,474,138**	22,430,596

Holiday Club Resort Oy has five loans from its parent company Covington S.a.r.l, amounting to EUR 13,151,337, in total. The loans are unsecured and their interest rates are 2.2%, 2.5% and 3.9% p.a.

Secured loans include covenant terms. In the financial year 2022-2023 covenant conditions were met.
The covenant conditions were not met in comparision period 2021-2022.
According to the funding agreement, a breach of the covenants could lead to a change in the terms of the funding.

In the financial year 2021-2022 the company obtained the consent of the creditors not to invoke their right of termination.
For this reason, the company was able to continue to operate in accordance with the going concern principle.

The Group and the parent company have no loans from financial institutions maturing in more than five years.

21. SHORT-TERM LIABILITIES

	Group	Group	**Parent**	Parent
				Eur
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Loans from financial institutions	**5,480,875**	7,879,154	**4,186,112**	6,565,715
Pension loans	**–**	–	**–**	–
Received advance payments	**11,329,979**	12,095,300	**10,331,778**	11,219,537
Accounts payable	**12,568,786**	8,905,948	**11,130,591**	7,443,178
Loans from group companies				
Accounts payable	**–**	–	**208,084**	326,210
Unsecured loans	**3,151,337**	–	**3,151,337**	–
Other loans	**–**	–	**–**	750,781
Group contributions payable	**–**	–	**–**	100,985
Accrued liabilities	**–**	–	**666,072**	570,821
Total	**3,151,337**	–	**4,025,493**	1,748,797
Other loans	**9,037,792**	7,805,301	**6,837,230**	5,185,191
Accrued liabilities	**21,963,612**	18,829,558	**18,132,294**	15,362,023
Short-term liabilities, total	**63,532,381**	55,515,261	**54,643,498**	47,524,441

RELEVANT ACCRUED LIABILITIES (excluding receivables from group and associated companies)

	Group	Group	Parent	Parent
Eur	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Personnel and social expenses	**7,412,148**	6,909,226	**6,795,428**	6,204,525
Accrued interests	**460,942**	229,481	**444,920**	212,493
Sales commission	**544,677**	279,046	**498,798**	255,951
Taxes	**69,484**	(38)	**–**	–
Deferred discounts related to TS and Villas sales	**3,539,523**	2,284,520	**3,539,523**	2,284,520
Deferred revenue	**2,161,585**	2,161,585	**–**	–
Real estate tax accrual	**1,622,555**	1,181,766	**1,567,768**	1,002,558
Exchange rate differences	**–**	–	**–**	294,020
Leases	**2,310,072**	2,117,757	**2,310,072**	2,117,757
Other	**3,842,625**	3,666,215	**2,975,784**	2,990,200
Total	**21,963,612**	18,829,558	**18,132,294**	15,362,023

OTHER NOTES TO THE FINANCIAL STATEMENTS

COMMITMENTS AND CONTINGENT LIABILITIES

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loans from financial institutions	**9,974,851**	10,430,837	**7,974,851**	7,430,837
Total	**9,974,851**	10,430,837	**7,974,851**	7,430,837
Property under mortgages	**19,050,000**	16,100,000	**9,050,000**	6,100,000
Mortgage on company assets	**28,445,638**	28,445,638	**28,445,638**	28,445,638
Pledged assets	**40,726,766**	48,109,064	**40,726,766**	48,109,064
Total	**88,222,404**	92,654,702	**78,222,404**	82,654,702

OTHER COLLATERAL FOR OWN COMMITMENTS

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deposits, rent guarantees	**1,546,936**	1,821,860	**1,546,936**	1,821,860
Total	**1,546,936**	1,821,860	**1,546,936**	1,821,860

COLLATERAL FOR GROUP COMPANIES' LIABILITIES

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Mortgage on company assets	**–**	1,838,057	**–**	–
Guarantees given	**2,000,000**	3,100,000	**2,000,000**	3,100,000
Pledged assets	**–**	4,167,259	**–**	–
Total	**2,000,000**	9,105,317	**2,000,000**	3,100,000

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

LEASING CONTRACT COMMITMENTS

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Due during the next financial year	**978,169**	998,723	**806,203**	813,902
Due thereafter	**1,109,824**	1,422,715	**773,755**	750,383
Total	**2,087,993**	2,421,437	**1,579,957**	1,564,285

RENTAL COMMITMENTS

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Due during the next financial year	**18,296,543**	16,957,248	**14,154,320**	12,900,801
Due thereafter	**196,393,063**	183,836,799	**190,285,235**	173,794,037
Total	**214,689,606**	200,794,047	**204,439,556**	186,694,838

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Eur	Group	Group	Parent	Parent
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investing commitments	**1,996,780**	1,996,780	**1,996,780**	1,996,780
Responsibility to review tax deduction related to real estate investments	**1,289,630**	1,886,604	**1,059,476**	1,349,267
Purchase and sales commitments	**1,800,377**	2,548,515	**1,800,377**	2,548,515
Other liabilities and guarantees	**4,090,862**	4,005,087	**4,090,862**	4,005,087

Investing commitments

Holiday Club Resorts Oy has given completion commitments to Fennia in relation to the land areas sold. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been build on the plots.

Responsibility to review tax deductions related to real estate investments

Holiday Club Resorts Oy and Koy Rauhan Liikekiinteistöt 1 are responsible to annually review vat deductions made from the real estate investments and from renovation costs made to leased properties. Responsibility is for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year period.

Purchase and sales commitments

According to the agreement made between Holiday Club Resorts Oy, Sunborn Oy and Sunborn Saga Oy, Holiday Club Resorts Oy is obliged to sell annually 75 Sunborn timeshares. If Holiday Club Resorts Oy doesn't achieve its yearly target, Holiday Club is obliged to purchase the missing amount of timeshares with a price related to the agreement.

Holiday Club Resorts Oy has committed to purchase back the shares of Kiinteistö Oy Salla Star -named company from the buyer no later than June 30, 2025. The new date was agreed upon on in August 2020.

In the course of the Holiday Club Åre asset deal the commitment given by Holiday Club Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport And Spa Hotels AB. Holiday Club Resorts Oy and Holiday Club Sport And Spa Hotels AB are jointly responsible for the sales price of the arena towards Åre Kongress AB. The commitment is continued until September 2024.

Other liabilities and guarantees

Other liabilities and guarantees contain a surety that the parent has given regarding the lease obligations of Holiday Club Sport and Spa Hotels AB. The surety equates the lease obligation of 12 months.

Liabilities from customer finance agreements

Holiday Club Resorts Oy has agreed in the customer financing agreement made in 2022 between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing) the following:

In secured finance, the Property will be pledged with OP in security for finance and HCR will sign the pledge agreement for the Property with customers on OP’s account. If, due to the customer’s delinquency or other breach of the agreement, OP has the right to demand repayment of the customer’s remaining loan or cancel the customer’s financing agreement, HCR, upon OP’s demand, undertakes to redeem the price of said Property, which equals 50% of the sale price of the Property under the deed of sale based on the sale price and to remit the redemption price to OP.

In loan applications where OP is not prepared to take credit risk, a 100% repurchase commitment for the entire loan amount is required of HCR to receive an approved loan decision, in other words HCR will sign a separate repurchase commitment of the debt receivable and OP will have the right to transfer the debt receivable to HCR.

In loan applications where the customer has existing finance and OP is not prepared to increase credit risk arising from the additional purchase, a repurchase commitment in euros is required of HCR to receive an approved loan decision. In such a situation, HCR will sign a separate repurchase commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj the following:

If Danske Bank terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Danske Bank claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement. The purchase price is 30% of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100% buyback commitment is applied.

RELATED PARTY TRANSACTIONS

Eur

	Group	Group	**Parent**	Parent
	Year ended March 31, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
MHR Holdings Mauritius Ltd. (Parent company of Covington S.a.r.l.)				
Financial expenses	**50,027**	54,874	**50,027**	54,874
Accrued expenses	**–**	4,138	**–**	4,138
Received Guarantee	**3,166,136**	3,166,136	**3,166,136**	3,166,136
Covington S.a.r.l. (parent company of Holiday Club Resorts Oy)				
Interest expenses	**234,078**	76,633	**234,078**	76,633
Interest liabilities	**432,928**	198,850	**432,928**	198,850
Loans	**13,151,337**	7,151,337	**13,151,337**	7,151,337
Subsidiaries				
Sales of Services / Materials	**–**	–	**338,793**	279,382
Purchases of Services / Materials	**–**	–	**76,273**	16,380
Rental income	**–**	–	**–**	1,074
Rent expenses	**–**	–	**818,768**	785,969
Interest income	**–**	–	**515,754**	377,677
Interest expenses	**–**	–	**220,684**	165,138
Associated companies				
Rental expenses	**62,636**	47,644	**62,636**	47,644

List of ledgers, materials and corresponding safekeeping methods

Financial statements

The financial statements will be saved as PDF files and kept in the root folder.

List of ledgers and balances lists

The ledger-specific income statements, balance sheets and list of ledgers will be saved as PDF files and kept in the root folder.

Ledgers, voucher types and corresponding safekeeping methods

The daily and main ledgers of the Hansa accounting system will be saved as PDF files and kept in the root folder.

Summary of subsidiary ledgers

Subsidiary ledgers	System	Voucher types	Voucher series	Safekeeping method
Accounts receivables, share and other business areas	Hansa	Sales invoices	multiple, based on the sale type	Electronic
Accounts receivables, SPA business area	Hotellinx Cloud	Sales invoices, SPA	multiple for each spa	Electronic
Accounts receivables, renting	Cabinlinx Cloud	Sales invoices, renting	multiple for each resort	Electronic
Accounts receivables, shares and other business areas	Hansa	Sales invoice payments	SUOR.23000000-SUOR.23010664	Electronic
Accounts receivables, SPA and renting	Hansa	Sales invoice payments	bank receipts	Electronic
Accounts payables	Basware/Palette	Purchase invoices	OL.22300001-OL.22385411	Electronic
	Hansa	Purchase payments	MAKS.202300001-MAKS.202303642	Electronic
Payroll accounting	Mepco	Summary of payroll system	2023.940000-2023.940232	Electronic
Travel invoices accounting	M2	Travel invoice	2023.950000-2023.950050	Electronic
Cash book	Excel	Memo voucher	–	As PDF files in the root folder
Hotels' stock records	Hotellinx and excel	Memo voucher	–	Electronic
Share sales' stock records	SPI	Memo voucher	–	Printed

Other voucher types	Voucher series	Storage method
Memo vouchers	multiple	Electronic
Bank receipts	2023.100000 -2023.128732	Electronic
Notes vouchers	LTT01-	As PDF files in the root folder

A more detailed description of the methods used for the safekeeping of accounting records and backup procedures is provided in a separate company document. This document also contains a listing of all voucher types.

DATE AND SIGNATURES

Signatures of the financial statements and annual report

Helsinki, April 20, 2023

Arunkumar Nanda
Chairman of the Board

Kavinder Singh
Member of the Board

Harri Pärssinen
Member of the Board

Diwakar Gupta
Member of the Board

Maisa Romanainen
Member of the Board, CEO

AUDITOR’S NOTE

Auditor’s report has been issued today.

Helsinki, April 20, 2023

KPMG Oy Ab

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Liikekiinteistöt 1

Opinion

We have audited the financial statements of Kiinteistö Oy Rauhan Liikekiinteistöt 1 (business identity code 2535232-8) for the year ended March 31, 2023. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 17, 2023

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2023

	Appendix	Eur As at March 31, 2023	Eur As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	7		
Land areas		**329,375.58**	–
Buildings		**6,993,999.06**	–
Machines and equipment		**243.10**	–
Other tangible assets		**111,375.00**	–
Total tangible assets		**7,434,992.74**	–
Other receivables	8	**93,603.26**	–
NON-CURRENT ASSETS TOTAL		**7,528,596.00**	–
CURRENT ASSETS			
Short-term receivables	9		
Receivables from companies in the same group		**177,283.60**	173,753.01
Other receivables		**–**	120.00
Accrued income		**2,338.28**	–
Total short-term receivables		**179,621.88**	173,873.01
Cash and cash equivalents			
Cash at bank		**1,464.57**	4,704.24
Total cash and cash equivalents		**1,464.57**	4,704.24
TOTAL CURRENT ASSETS		**181,086.45**	178,577.25
TOTAL ASSETS		**7,709,682.45**	178,577.25
LIABILITIES			
EQUITY	10		
Share capital		**100,000.00**	100,000.00
Invested unrestricted equity fund		**2,850,825.84**	1,023,860.96
Profit(loss) from previous years		**(947,283.71)**	(947,091.74)
Profit(loss) for the financial year		**119,946.14**	(191.97)
TOTAL EQUITY		**2,123,488.27**	176,577.25
Appropriations	11		
Cumulative accelerated depreciation		**20.05**	–

BALANCE SHEET AS AT MARCH 31, 2023

	Appendix	Eur **As at March 31, 2023**	Eur As at March 31, 2022
CREDITORS			
Liabilities to credit institutions			
Long term	**12**	**1,000,000.00**	–
Short term		**1,000,000.00**	–
Total liabilities to credit institutions		**2,000,000.00**	–
Short-term borrowed capital	**13**		
Trade creditors		**248.68**	–
Liabilities for companies in the same group		**3,510,895.33**	–
Other liabilities		**27,542.69**	–
Accruals and deferred income		**47,487.43**	2,000.00
		4,586,174.13	2,000.00
TOTAL BORROWED CAPITAL		**5,586,174.13**	2,000.00
TOTAL LIABILITIES		**7,709,682.45**	178,577.25

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Appendix	**Eur** **Year ended March 31, 2023**	Eur Year ended March 31, 2022
TURNOVER	**1**	**818,390.00**	–
Other operating income		**–**	555.66
Total turnover		**818,390.00**	555.66
Materials and services	**2**	**(3,014.34)**	–
		(3,014.34)	–
Depreciation and impairments	**3**		
Planned depreciation		**(368,479.92)**	–
Other operating expenses	**4**		
Other operating expenses		**(234,308.21)**	(10,904.79)
		(602,788.13)	(10,904.79)
Profit/ (loss)		**212,587.53**	(10,349.13)
Financial income and expenses	**5**		
Interest income			
Other interest income		**–**	0.16
Interest income in the same group		**527.61**	3,157.00
Interest charges			
For companies in the same group		**(111,431.93)**	–
For others		**(73,054.52)**	–
Tax increases and increases, non-deductible		**(124.00)**	–
Total financial income and expenses		**(184,082.84)**	3,157.16
Profit/ (loss) Profit/loss before extraordinary items		**28,504.69**	(7,191.97)
Profit before appropriations and taxes		**28,504.69**	(7,191.97)
Appropriations	**6**		
Change in cumulative accelerated depreciation			
Store and warehouse buildings		**(46,933.54)**	–
Building elements		**(43,535.51)**	–
Machines and equipment		**(972.40)**	–
Total change in cumulative accelerated depreciation		**(91,441.45)**	–
Group contribution		**–**	7,000.00
Profit/ (loss) for the financial year		**119,946.14**	(191.97)

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Konepajankuja 5 C, 00510 Helsinki. The business operations of the company have ceased in spring 2020. Koy Rauhan Liikekiinteistöt 1 (2384842-6) has merged to Supermarket Capri Oy April 8, 2022 and the new name of the company is Kiinteistö Oy Rauhan Liikekiinteistöt 1.

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

– buildings	20-30 years
– machines and equipment	5-10 years
– other tangible assets	30 years

Current assets

Receivables and liabilities have been valued at the nominal value.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that the profit of 119,946.14 EUR be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

	Eur	Eur
1. TURNOVER BY SECTOR	**Year ended March 31, 2023**	Year ended March 31, 2022
Rent revenues	**818,390.00**	–
Other revenues	**–**	555.66
2. MATERIALS AND SERVICES		
Outsourced services	**3,014.34**	–
Other personnel expenses	**–**	–
Total	**3,014.34**	–

3. DEPRECIATION AND OTHER IMPAIRMENTS	**Eur**	Eur
	March 31, 2023	March 31, 2022
Store and warehouse buildings	**314,372.01**	–
Civil defence shelters	**4,100.00**	–
Building elements	**43,535.51**	–
Machines and equipment	**972.40**	–
Other tangible assets	**5,500.00**	–
	368,479.92	–

4. OTHER OPERATING EXPENSES	**Eur**	Eur
	March 31, 2023	March 31, 2022
Operating expenses	**(1,242.74)**	(1,241.00)
Maintenance expenses	**(216,240.14)**	–
Other expenses	**(16,825.33)**	(9,663.79)
Total	**(234,308.21)**	(10,904.79)

5. FINANCIAL INCOME AND EXPENSES	**Eur**	Eur
	March 31, 2023	March 31, 2022
Other interest income	**–**	0.16
Interest income in the same group	**527.61**	3,157.00
Total	**527.61**	3,157.16
Interest expenses to companies in the same group	**(111,431.93)**	–
Other interest expenses	**(73,054.52)**	–
Tax increase and increases, non-deductible	**(124.00)**	–
Total interest expenses	**(184,610.45)**	–
Total financial income and expenses	**(184,082.84)**	3,157.16

6. APPROPRIATIONS	**Eur**	Eur
	March 31, 2023	March 31, 2022
Change in cumulative accelerated depreciation		
Building elements	**(43,535.51)**	–
Machines and equipment	**(972.40)**	–
Store and warehouse buildings	**(46,933.54)**	–
Total	**(91,441.45)**	–

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

7. TANGIBLE ASSETS

Eur

	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost April 1, 2022	–	–	–	–	–
Additions, merge April 8, 2022	329,375.58	10,542,489.36	111,741.31	165,000.00	11,148,606.25
Acquisition cost March 31, 2023	**329,375.58**	**10,542,489.36**	**111,741.31**	**165,000.00**	**11,148,606.25**
Depreciation for the financial year	–	(3,548,490.30)	(111,498.21)	(53,625.00)	(3,713,613.51)
Impairments	–	–	–	–	–
Accumulated depreciation March 31, 2023	**–**	**(3,548,490.30)**	**(111,498.21)**	**(53,625.00)**	**(3,713,613.51)**
Book value March 31, 2023	**329,375.58**	**6,993,999.06**	**243.10**	**111,375.00**	**7,434,992.74**

8. OTHER RECEIVABLES

	Eur **March 31, 2023**	Eur March 31, 2022
Acquisition cost April 1	**–**	–
Additions	**93,603.26**	–
Acquisition cost March 31	**93,603.26**	–
Book value March 31	**93,603.26**	–

9. SHORT-TERM RECEIVABLES

	Eur **March 31, 2023**	Eur March 31, 2022
Receivables from companies in the same group	**177,283.60**	173,753.01
Other receivables	**–**	120.00
Accrued income	**2,338.28**	–
Total	**179,621.88**	173,873.01

LIABILITIES

10. EQUITY

	Eur **March 31, 2023**	Eur March 31, 2022
Share capital April 1	**100,000.00**	100,000.00
Share capital March 31	**100,000.00**	100,000.00
Reserve for invested unrestricted equity April 1	**2,850,825.84**	1,023,860.96
Reserve for invested unrestricted equity March 31	**2,850,825.84**	1,023,860.96
Profit/ loss from prev. financial period April 1	**(947,283.71)**	(947,091.74)
Profit/ loss for the financial year	**119,946.14**	(191.97)
Total equity	**2,123,488.27**	176,577.25

CALCULATION OF DISTRIBUTABLE FUNDS	**Eur**	Eur
	March 31, 2023	March 31, 2022
Profit/ (loss) from prev. financial period April 1	**(947,283.71)**	(947,091.74)
Profit/ (loss) from prev. financial period March 31	**(947,283.71)**	(947,091.74)
Profit/ (loss) for the financial year	**119,946.14**	(191.97)
Total	**(827,337.57)**	(947,283.71)

11. ACCUMULATED APPROPRIATIONS	**Eur**	Eur
	March 31, 2023	March 31, 2022
Depreciation difference retail and warehouse buildings	**(20,569.00)**	–
Depreciation difference on building elements	**75,779.97**	–
Depreciation difference on machines and equipment	**(55,190.92)**	–
Total accumulated depreciation difference	**20.05**	–

12. LONG-TERM BORROWED CAPITAL	**Eur**	Eur
	March 31, 2023	March 31, 2022
Loans from financial institutions	**1,000,000.00**	–
Total long-term borrowed capital	**1,000,000.00**	–

13. SHORT-TERM BORROWED CAPITAL	**Eur**	Eur
	March 31, 2023	March 31, 2022
Loans from financial institutions	**1,000,000.00**	–
Trade payables	**248.68**	–
Liabilities for companies in the same group	**3,510,895.33**	–
Other liabilities	**27,542.69**	–
Accruals and deferred income	**47,487.43**	2,000.00
Total short-term borrowed capital	**4,586,174.13**	2,000.00

ESSENTIAL ITEMS OF ACCRUALS AND DEFERRED INCOME	**Eur**	Eur
	March 31, 2023	March 31, 2022
Accrued interest expense	**16,022.22**	–
Reserve for missing purchase invoices	**31,465.21**	2,000.00
Total	**47,487.43**	2,000.00

GUARANTEES GIVEN

LOANS FOR WHICH MORTGAGE ON PROPERTY HAS BEEN GIVEN AS A GUARANTEE

	Eur	Eur
	March 31, 2023	March 31, 2022
Loans from financial institutions	**2,000,000.00**	–
Total	**2,000,000.00**	–
Mortgages	**10,000,000.00**	10,000,000.00
Total	**10,000,000.00**	10,000,000.00

OTHER NOTES

The company is obligated to audit VAT deductions made on its property investments every year for 10 years after completion of the investment, to the extent that the value added taxable use of the property decreases during the period under review.

The maximum liability is EUR 230,154.77 as of March 31, 2023.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 119,946.14. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 17, 2023

Puntala Pauli
Chair of the Board of Directors

Valtanen Ville
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 17, 2023

KPMG OY AB

Esa Kailiala
KHT

AUDITOR'S REPORT

To the general meeting of the shareholders of Ownership Service Sweden AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Ownership Service Sweden AB for the financial year April 1, 2022 to March 31, 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ownership Service Sweden AB as of March 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Ownership Service Sweden AB for the financial year April 1, 2022 to March 31, 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 17, 2023

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	**Note**	**March 31, 2023 SEK**	March 31, 2022 SEK
Assets			
Current assets			
Current receivables			
Other receivables		**2,372,954**	2,075,542
Receivables from Group Companies		**2,167,396**	2,372,954
Total current receivables		**4,540,350**	4,448,496
Cash and bank balances			
Cash and bank balances		**10,033,910**	8,331,883
Total cash and bank balances		**10,033,910**	8,331,883
Total current assets		**14,574,259**	12,780,379
Total assets		**14,574,259**	12,780,379
Equity and liabilities			
Equity			
Restricted equity			
Share capital		**100,000**	100,000
Total restricted equity		**100,000**	100,000
Non-restricted equity			
Profit bought forward		**1,853,947**	1,862,772
Profit/ (Loss) for the year		**(8,863)**	(8,825)
Total non-restricted equity		**1,845,084**	1,853,947
Total equity		**1,945,084**	1,953,947
Current liabilities			
Other liabilities		**12,629,175**	10,826,432
Accrued expenses and deferred income		**–**	–
Total current liabilities		**12,629,175**	10,826,432
Total equity and liabilities		**14,574,259**	12,780,379

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note	**Year ended March 31, 2023 SEK**	Year ended March 31, 2022 SEK
Operating expenses			
Other external expenses		**(8,863)**	(8,825)
Total operating expenses		**(8,863)**	(8,825)
Operating profit/ (loss)		**(8,863)**	(8,825)
Financial items			
Other interest income and similar profit/loss items		**–**	–
Total financial items		**–**	–
Profit/ (Loss) after financial items		**(8,863)**	(8,825)
Profit/ (Loss) before tax		**(8,863)**	(8,825)
Profit/ (Loss) for the year		**(8,863)**	(8,825)

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent-och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2023

Åre April 17, 2023

Pauli Puntala

Joonas Mäkipeska

Our auditor’s report has been submitted 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Åre Villa 3 AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Åre Villa 3 AB for the financial year April 1, 2022 to March 31, 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 3 AB as at March 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Åre Villa 3 AB for the financial year April 1, 2022 to March 31, 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor’s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company’s profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 17, 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2023

	Note	As at March 31, 2023 SEK	As at March 31, 2022 SEK
Assets			
Non-current assets			
Financial non-current assets			
Other non-current receivables	3	–	4,611,434
Total non-current assets		–	4,611,434
Current assets			
Current receivables			
Other receivables		–	–
Total current receivables		–	–
Cash and bank balances			
Cash and bank balances		**4,653,984**	44,100
Total cash and bank balances		**4,653,984**	44,100
Total current assets		**4,653,984**	44,100
Total assets		**4,653,984**	4,655,534
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 50,000 shares		**50,000**	50,000
Total restricted equity		**50,000**	50,000
Non-restricted equity			
Retained earnings		**4,555,534**	4,557,084
Profit/ (Loss) for the year		**(1,550)**	(1,550)
Total non-restricted equity		**4,553,984**	4,555,534
Total equity		**4,603,984**	4,605,534
Current liabilities			
Other liabilities		**50,000**	50,000
Total current liabilities		**50,000**	50,000
Total equity and liabilities		**4,653,984**	4,655,534

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Note	**Year ended March 31, 2023 SEK**	Year ended March 31, 2022 SEK
Operating income, changes in inventory, etc.			
Net sales		**–**	–
Total operating income, changes in inventory, etc.		**–**	–
Operating expenses			
Raw materials and consumables		**–**	–
Other external expenses		**(1,550)**	(1,550)
Total operating expenses		**(1,550)**	(1,550)
Operating Profit/ (Loss)		**(1,550)**	(1,550)
Profit from shares in group companies		**–**	–
Profit/ (Loss) after financial items		**(1,550)**	(1,550)
Profit/ (Loss) before tax		**(1,550)**	(1,550)
Profit/ (Loss) for the year		**(1,550)**	(1,550)

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company shall own and manage shares in subsidiaries and thus compatible business. The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.9339 = FC 1 wich is the Bloomberg rate as at March 31, 2023.

	2022/23	2021/22
Multi-year review	**kSEK**	kSEK
Net sales	**0**	0
Profit/ (Loss) after financial items	**(2)**	(2)
Equity/ assets ratio	**98.9%**	98.9%

Proposed appropriation of profits	SEK
The following profits are at the disposal of the Annual General Meeting:	
Profit bought forward	4,555,534
Profit/ (Loss) for the year	(1,550)
Total	4,553,984

Changes in equity

	Share capital	**Profit/loss brought forward**	**Net profit/ loss**	**Total**
Share capital	50,000SEK	4,557,084SEK	(1,550SEK)	4,605,534SEK
Appropriation of profits as resolved by the AGM	–	–	–	–
Dividends	–	–	–	–
To be carried forward	–	(1,550SEK)	1,550SEK	–
Received unconditional shareholders' contributions	–	–	–	–
Net profit/loss for the year	–	–	(1,550SEK)	(1,550SEK)
Balance at year-end	50,000SEK	4,555,534SEK	(1,550SEK)	4,603,984SEK

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/ assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 3 Other non-current receivables

	March 31, 2023 SEK	March 31, 2022 SEK
Additional receivables	**4,611,434**	4,611,434
- Deductible receivables	**(4,611,434)**	–
Carrying amount	**–**	4,611,434

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2023- -

Åre 2023- -

Pauli Puntala

Our auditor’s report has been submitted 2023- -
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sweden AB, corporate identity number 556683-0385

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sweden AB for the financial year April 1, 2022 to March 31, 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sweden AB as on March 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sweden AB for the financial year April 1, 2022 to March 31, 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 17, 2023

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	March 31, 2023 kSEK	March 31, 2022 kSEK
Non-current assets			
Property, plant and equipment			
Land and buildings	5	**3,838**	3,949
Equipment and tools	6	**–**	17
Current new developements	7	**3,191**	3,132
Total property, plant and equipment		**7,029**	7,098
Financial non-current assets			
Participations in Group companies	8,9	**60,773**	60,773
Receivables from Group companies	10	**77,100**	80,651
Other non-current receivables		**–**	–
Total financial assets		**137,873**	141,424
Total non-current assets		**144,902**	148,522
Current assets			
Inventories etc.			
Raw materials and consumables		**39,945**	41,549
Other inventory assets		**–**	–
Total inventories		**39,945**	41,549
Current receivables			
Trade receivables		**725**	388
Receivables from Group companies		**16,611**	6,103
Other receivables		**360**	346
Prepaid expenses and accrued income		**275**	341
Total current receivables		**17,970**	7,178
Cash and bank balances			
Cash and bank balances		**4,001**	4,308
Total cash and bank balances		**4,001**	4,308
Total current assets		**61,916**	53,035
Total assets		**206,818**	201,558

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	March 31, 2023 kSEK	March 31, 2022 kSEK
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 1000 shares		**100**	100
Total restricted equity		**100**	100
Non-restricted equity			
Profit/ (Loss) brought forward		**120,391**	127,024
Profit/ (Loss) for the year		**(4,588)**	(6,633)
Total Non-restricted equity		**115,802**	120,391
Total equity		**115,902**	120,491
Non-current liabilities	11		
Liabilities to Group companies		**88,142**	78,013
Other liabilities		**–**	–
Total non-current liabilities		**88,142**	78,013
Current liabilities			
Advances from customers		**–**	–
Trade creditors		**436**	297
Liabilities to Group companies		**–**	68
Other liabilities		**1,338**	1,697
Accrued expenses and deferred income		**1,000**	991
Total current liabilities		**2,773**	3,054
Total equity and liabilities		**206,818**	201,558

INCOME STATEMENT

Particulars	Note	Year ended March 31, 2023 kSEK	Year ended March 31, 2022 kSEK
Operating income, changes in inventory, etc.			
Net sales		12,074	15,859
Other operating income		6,262	8,606
Total operating income, changes in inventory, etc.		18,336	24,465
Operating expenses			
Raw materials and consumables		(4,417)	(6,267)
Other external expenses		(11,374)	(19,584)
Personnel costs	2	(4,367)	(5,449)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(128)	(127)
Total operating expenses		(20,286)	(31,426)
Operating Profit/ (Loss)		(1,950)	(6,961)
Financial items			
Share of profits from interests in associates		–	–
Other interest income and similar Profit/ (Loss) items	3	5,433	3,891
Interest and similar expenses	4	(8,072)	(3,562)
Total financial items		(2,638)	328
Profit/ (Loss) after financial items		(4,588)	(6,633)
Profit/ (Loss) before tax		(4,588)	(6,633)
Profit/ (Loss) for the year		(4,588)	(6,633)

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the main rule.

Amortisation

Land and buildings	30 years
Equipment and tools	5 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Personnel

	March 31, 2023	March 31, 2022
Average number of employees	**8**	11

Note 3 Other interest income and similar profit/loss items

	Year ended March 31, 2023 kSEK	Year ended March 31, 2022 kSEK
Of which from Group companies	**5, 432**	3,891

Note 4 Interest expense and similar profit/loss items

	Year ended March 31, 2023 kSEK	Year ended March 31, 2022 kSEK
Of which from Group companies	**4,537**	3,005

Note 5 Land and buildings

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost of acquisition	**5,571**	5,571
Sales	**–**	–
Closing cost of acquisition	**5,571**	5,571
Opening depreciation/amortisation	**(1,622)**	(1,511)
- Depreciation for the year	**(111)**	(111)
Closing depreciation	**(1,733)**	(1,622)
Carrying amount	**3,838**	3,949

Note 6 Equipment and tools

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost of acquisition	**80**	80
Purchase	**–**	–
Closing cost of acquisition	**80**	80
Opening depreciation/amortisation	**(63)**	(47)
- Depreciation for the year	**(17)**	(16)
Closing depreciation	**(80)**	(63)
Carrying amount	**–**	17

Note 7 Current new developements

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost of acquisition	**3,132**	2,900
Purchase	**59**	232
Sales	**–**	–
	3,191	3,132
- Depreciation for the year	**–**	–
Closing depreciation	**–**	–
Carrying amount	**3,191**	**3,132**

Note 8 Participations in Group companies

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost of acquisition	**60,773**	15,773
- Purchases	**–**	–
- Provided shareholder contribution	**–**	45,000
- Sales	**–**	–
Carrying amount	**60,773**	60,773

Note 9 Specification participations in Group companies

Name	March 31, 2023 kSEK Equity kSEK	March 31, 2023 kSEK Net profit/loss kSEK
Ownership Service AB 556676-0327 Åre	**1,945**	**(9)**
HC Canarias Investment S.L B-76081603 Las Palmas	**16**	**(17)**
HC Sport and Spahotels AB 559032-5733 Åre	**44,497**	**20,138**
Åre Villa 3 AB 559137-7659 Åre	**4,604**	**(2)**
Total	**51,062**	**20,111**

Name	Number of shares	Share of equity, %	Carrying amount, March 31, 2023 SEK
Ownership Service AB	**1,000**	**100**	**100**
HC Canarias Investment	**1**	**100**	**129**
Holiday Club Sport and Spa Hotels AB	**1,000,000**	**100**	**60,494**
Åre Villa 3 AB	**50,000**	**100**	**50**
			60,773

Note 10 Receivables from Group companies

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost of acquisition	**80,651**	93,113
- Deductible receivables	**–**	(12,462)
- Reclassification	**(10,000)**	–
Carrying amount	**77,100**	80,651

Note 11 Non-current liabilities

	March 31, 2023 kSEK	March 31, 2022 kSEK
Non-current liabilities maturing more than five years after the balance sheet date:		
Liabilities to Group companies	**88,142**	78,013
Total	**88,142**	78,013

Note 12 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 13 Pledged assets

	March 31, 2023 kSEK	**March 31, 2022 kSEK**
Mortgages	**–**	**–**
Guarantee commitments subsidiary	**–**	**–**
Other pledged assets	**39,424**	**40,508**
Total pledged assets	**39,424**	**40,508**

Stockholm April 17, 2023

Maisa Romanainen

Joonas Mäkipeska

Pauli Puntala

Satu-Maarit Andersson
Managing Director

Our auditor's report has been submitted 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sport and Spa Hotels AB, corporate identity number 559032-5733

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2022 to March 31, 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sport and Spa Hotels AB as of March 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2022 to March 31, 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 17, 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET

	Note	**March 31, 2023 kSEK**	March 31, 2022 kSEK
Fixed assets			
Intangible fixed assets			
Goodwill		**–**	–
Software	8	**–**	–
Total intangible fixed assets		**–**	–
Tangible assets			
Equipment, tools, fixtures and fittings	9	**20,955**	23,121
Improvement fees on the property of others	10	**1,583**	1,708
Total tangible fixed assets		**22,538**	24,829
Financial fixed assets			
Receivables group companies		**40,000**	40,000
Total financial fixed assets		**40,000**	40,000
Total fixed assets		**62,538**	64,829
Current assets			
Inventories etc.			
Raw materials and consumables		**1,375**	873
Finished goods and goods for resale		**310**	377
Total inventories		**1,685**	1,250
Current receivables			
Accounts receivable		**7,640**	5,503
Receivables group companies		**–**	–
Current tax assets	11	**283**	230
Other receivables		**638**	3,455
Prepaid expenses and accrued income	12	**3,915**	3,293
Total current receivables		**12,475**	12,489
Cash and bank balances			
Cash and bank balances		**24,552**	6,801
Total cash and bank balances		**24,552**	6,801
Total current assets		**38,712**	20,540
Total assets		**101,250**	85,369

BALANCE SHEET

	Note	**March 31, 2023 kSEK**	March 31, 2022 kSEK
Equity and liabilities			
Equity	13,14		
Restricted equity			
Share capital		**1,000**	1,000
Total restricted equity		**1,000**	1,000
Non-restricted equity			
Share premium reserve		**12,000**	12,000
Retained earnings		**11,358**	(4,944)
Profit/ (Loss) for the year		**20,138**	16,302
Total Non-restricted equity		**43,497**	23,358
Total equity		**44,497**	24,358
Non-current liabilities			
Liabilities to Group companies		**–**	10,000
Other liabilities	15	**4,418**	–
Total non-current liabilities		**4,418**	10,000
Current liabilities			
Liabilities to credit institutions		**–**	–
Advances from customers		**10,724**	9,379
Accounts payable		**12,408**	12,051
Liabilities to Group companies		**11,030**	1,210
Other liabilities		**7,704**	15,860
Accrued expenses and deferred income	16	**10,469**	12,510
Total current liabilities		**52,336**	51,010
Total equity and liabilities		**101,250**	85,369

INCOME STATEMENT

	Note	**March 31, 2023 kSEK**	March 31, 2022 kSEK
Operating income			
Net sales	3,4	**159,464**	120,044
Other operating income		**4,710**	25,822
Total operating income		**164,174**	145,866
Operating expenses			
Raw materials and consumables		**(17,885)**	(12,935)
Other external expenses	5,6	**(85,472)**	(78,409)
Personnel costs	7	**(36,540)**	(33,532)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		**(3,483)**	(4,285)
Other operating expenses		**(85)**	–
Total operating expenses		**(143,465)**	(129,161)
Operating Profit/ (Loss)		**20,709**	16,706
Financial items			
Interest expenses to Group companies		**(384)**	(325)
Interest income		**1**	1
Interest expenses and similar Profit/ (Loss) items		**(187)**	(79)
Total financial items		**(570)**	(403)
Profit/ (Loss) after financial items		**20,138**	16,302
Profit/ (Loss) before tax		**20,138**	16,302
Profit/ (Loss) for the year		**20,138**	16,302

CASH-FLOW STATEMENT

	Note	**March 31, 2023 kSEK**	March 31, 2022 kSEK
Operating activities			
Profit/ (Loss) after financial items		**20,138**	16,302
Adjustments for items not included in cash flow	17	**3,568**	4,285
Income tax paid		**(53)**	23
Cash flow from operating activities before changes in working capital		**23,654**	20,610
Cash flow before changes in working capital			
Change in inventories		**(435)**	(17)
Change in accounts receivable		**(2,130)**	(3,780)
Change in current receivables		**2,195**	(2,658)
Change in accounts payable		**357**	(22,601)
Change in current liabilities		**(4,614)**	9,337
Cash flow from operating activities		**19,028**	891
Investing activities			
Net investments in tangible assets		**(1,277)**	(128)
Cash flow from investing activities		**(1,277)**	(128)
Financing activities			
Shareholder contribution		**–**	5,000
Repayment of debt		**–**	(3,557)
Cash flow from financing activities		**–**	1,443
Cash flow for the year		**17,751**	2,206
Cash and cash equivalents at beginning of the year			
Opening cash and cash equivalents		**6,801**	4,595
Closing cash and cash equivalents		**24,552**	6,801

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

General information

This annual report has been prepared in accordance with the Swedish Annual Accounts and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting policies remain unchanged as compared to the previous year.

Revenue recognition

Revenue has been measured at the fair value of consideration received or receivable. The Company therefore recognises revenue at nominal value (invoice amount) of remuneration received in cash and cash equivalents directly upon delivery. Deduction is made for discounts granted.

Fixed assets

Intangible and tangible assets are recognised at cost less accumulated amortisation/depreciation and any impariment.

Amortisation/depreciation takes place on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following periods of depreciation/amortisation are applied:

Intangible fixed assets	
Software	20%
Tangible assets	
Improvement fees on the property of others	5%
Equipment, tools, fixtures and fittings	5-20%

Accounts receivable/ current receivables

Accounts receivable and current receivables are recognised as current assets at the amount expected to be paid after deduction of individually assessed doubtful receivables.

Leases

The Company recognises all leases, both financial and operating, as operating leases. Operating leases are recognised as a cost straight-line over the leasing period.

Inventories

Inventories are valued at the lower of cost and net realisable value on the balance sheet date. The net realisable value refers to the calculated sales price of the products less selling costs. The selected valuation method means that the inventory obsolescence has been taken into consideration.

Income tax

Current tax

Current tax refers to income tax for the current financial year and the portion of previous income tax which has not yet been recognised. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Definitions of key performance indicators

Equity/assets ratio (%)
Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

Note 2 Significant events after the end of the financial year

The company predicts that with a continued weak Swedish crown and a high interest in Swedish mountain holidays, there is a possibility to increase the business and widen the target groups. Those factors together with a more stable Swedish economy and our own product development will increase turnover and demand.

Note 3 Distribution of sales

	March 31, 2023 kSEK	March 31, 2022 kSEK
Net sales by business segment		
Hotel operations	**159,464**	120,044
	159,464	120,044

Note 4 Intra-Group purchases and sales

	1 Apr 2022 – 31 Mar 2023	1 Apr 2021 – 31 Mar 2022
Percentage of total purchases during the year from other companies in the Group	**0.30%**	0.48%
Percentage of total sales during the year from other companies in the Group	**0.96%**	1.36%

Note 5 Leases - Operating leases lessee

Lease costs for the year amounted to SEK 43,607,480

Future lease payments, for non-cancellable leases, fall due for payment as follows:

	1 Apr 2022 – 31 Mar 2023 kSEK	1 Apr 2021 – 31 Mar 2022 kSEK
Within one year	**41,290**	41,304
Between one and five years	**170,358**	163,889
Later than five years	**42,587**	40,417
	254,235	245,610

Note 6 Auditors' fees

The audit assignment relates to the review of the annual report and accounts as well as the administration by the Board of Directors, other duties to be performed by the Company's auditor and advisory services or other assistance in response to observations during such examination or implementation or such other duties. Other services are such services as are not included in the audit assignment, auditing activities or tax advisory services.

	March 31, 2023 kSEK	March 31, 2022 kSEK
PwC		
Audit assignment	**170**	229
Tax advisory	**–**	–
Other services	**–**	242
	170	471

Note 7 Employees and personnel costs

	March 31, 2023	March 31, 2022
Average number of employees		
Women	**33**	37
Men	**25**	27
	58	64
Salaries and other remuneration		
Board of Directors and Managing Director	**1,521**	1,238
Other employees	**24,998**	22,473
	26,519	23,711
Social security expenses		
Pension costs for Board and Managing Director	**463**	393
Pension costs for other employees	**1,210**	1,053
Statutory and contractual other social security contributions	7,834	6,946
	9,507	8,391
Total salaries, remuneration, social security expenses and pension costs	**36,026**	32,103

Note 8 Software

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost	**180**	180
Disposal	**(180)**	–
Closing accumulated cost	**–**	180
Opening amortisation	**(180)**	(175)
Disposal	**180**	
- Amortisation for the year	**–**	(5)
Closing accumulated amortisation	**–**	(180)
Closing carrying amount	**–**	–

Note 9 Equipment, tools, fixtures and fittings

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost	**50,054**	49,926
Purchase	**1,277**	128
Disposal	**(2,592)**	–
Closing accumulated cost	**48,739**	50,054
Opening depreciation	**(26,934)**	(22,778)
Disposal	**2,507**	–
- Depreciation for the year	**(3,358)**	(4,156)
Closing accumulated depreciation	**(27,785)**	(26,934)
Closing carrying amount	**20,955**	23,121

Note 10 Improvement fees on the property of others

	March 31, 2023 kSEK	March 31, 2022 kSEK
Opening cost	**2,500**	2,500
	2,500	2,500
Opening depreciation	**(792)**	(667)
- Depreciation for the year	**(125)**	(125)
Closing depreciation	**(917)**	(792)
Carrying amount	**1,583**	1,708

Note 11 Tax loss carry forward

No tax is found in the company due to a rolling tax loss carry forward.

	March 31, 2023 kSEK	March 31, 2022 kSEK
Tax loss carryforward	**15,267**	35,629
	15,267	35,629

Note 12 Prepaid expenses and accrued income

	March 31, 2023 kSEK	March 31, 2022 kSEK
Property rental	**–**	–
Other	**3,915**	3,293
Carrying amount	**3,915**	3,293

Note 13 Number of shares and quotient value

	Number of shares	Quotient value
Number of Class A shares	1,000,000	1
	1,000,000	

Note 14 Appropriation of profit or loss

The Board of Directors proposes that the profit available for distribution:

	31 Mar 2023 kSEK
accumulated loss	**11,358**
share premium	**12,000**
shareholder contribution	**–**
loss for the year	**20,138**
Total pledged assets	**43,497**

Note 15 Liabilities recognised in several items

Temporary payment defferals of kSEK 10.049 are recognised under the following items in the balance sheet.

	March 31, 2023 kSEK	March 31, 2022 kSEK
Non-current liabilities		
Other liabilities to the tax authority	**4,418**	–
Total pledged assets	**4,418**	–
Current liabilities		
Other liabilities to the tax authority	**5,632**	13,129
Total pledged assets	**5,632**	13,129

Note 16 Accrued expenses and deferred income

	March 31, 2023 kSEK	March 31, 2022 kSEK
Personnel-related items	**6,824**	6,872
Other	**3,645**	5,638
Total pledged assets	**10,469**	12,510

Note 17 Adjustments for non-cash items

	March 31, 2023 kSEK	March 31, 2022 kSEK
Depreciation	**3,483**	4,285
Loss on disposal of fixed assets	**85**	–
Total pledged assets	**3,568**	4,285

Note 18 Pledged assets

	March 31, 2023 kSEK	March 31, 2022 kSEK
Liabilities to credit institutions:		
Chattel mortgages	19,000	19,000
Total pledged assets	**19,000**	19,000
Liabilities for which security is provided		
Chattel mortgages	–	–
Total pledged assets	**–**	–

Åre April 17, 2023

Maisa Romanainen
Chairman

Joonas Mäkipeska

Pauli Puntala

Satu-Maarit Andersson
Managing Director

Our auditor's report has been submitted 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

INDEPENDENT AUDITOR'S REPORT

To: Members of Holiday Club Resort Rus, LLC

Opinion

We have audited the accompanying annual financial statements of Holiday Club Resort Rus, LLC (Primary State Registration Number (OGRN) 5067847052301), which comprise the balance sheet as on December 31, 2022, the statement of financial results for 2022, the appendices to the balance sheet and the statement of financial results, including the statement of changes in equity for 2022 and the statement of cash flows for 2022, and notes to the balance sheet and the statement of financial results for 2022, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of Holiday Club Resort Rus, LLC as of December 31, 2022, and its financial performance and its cash flows for 2022 in accordance with the Russian financial reporting rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Annual Financial Statements* section of our report. We are independent of the auditee in accordance with the Rules of Independence for Auditors and Auditing Firms and the Code of Professional Ethics for Auditors that is in compliance with the International Code of Ethics for Professional Accountants (including the international standards of independence) established by the International Ethics Standards Board for Accountants and have fulfilled our other responsibilities in accordance with these professional ethics requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related To Going Concern

We draw attention to the Section 16 'Material Uncertainty Related To Going Concern' in the notes to the balance sheet and to the statement of financial results for 2022, which indicates that the net assets are less than the minimum share capital and have been negative over the last three years:

– RUB 42,667 thousand as of December 31, 2022;

– RUB 45,190 thousand as of December 31, 2021;

– RUB 47,114 thousand as of December 31, 2020.

In 2020 and 2021, the declaration of the coronavirus pandemic and the measures taken in this connection resulted in the reduced economic activity of organizations and individuals. The border between the Republic of Finland and the Russian Federation was closed in 2021, which made it impossible to carry on activities. In 2021, Holiday Club Resort Rus, LLC suspended its activities until the situation would improve.

The geopolitical developments in 2022 and the restrictions and sanctions imposed by Western countries indicate that it is impossible to resume the operating activities of Holiday Club Resort Rus, LLC in the short term. Members of Holiday Club Resort Rus, LLC have not adopted a resolution on the initiation of a liquidation procedure. A member will provide a loan to finance the Company's current expenses in 2023.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on Holiday Club Resort Rus, LLC ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Auditee's Management and Those Charged with Governance for the Annual

Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Russian financial reporting rules and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the auditee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the auditee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the auditee's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the auditee's management.

d) Conclude on the appropriateness of the auditee's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the auditee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the auditee to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We exchange information with those charged with governance of the audited company, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the audit process.

Ekaterina Aleksandrovna Vostokova (Principal Registration Number of Entry (ORNZ) 22006156228)
Head of the Audit Department, LLC P&B GROUP
Ekaterina Aleksandrovna Vostokova (Principal Registration
Number of Entry (ORNZ) 22006156228)
Auditor in charge of the audit resulting in this auditor's report

Audit Firm

P & B Group, Limited Liability Company

Primary State Registration Number (OGRN): 1167746808305

6 (Bldg. 2) Presnenskaya Embankment, Floor 16, Suite 1, Room 20, Office 22, Moscow, Russia, 123112

A member of the Sodruzhestvo Association (Self-Regulatory Organization of Auditors), Principal Registration Number of Entry (ORNZ) 12006145405

March 31, 2023

BALANCE SHEET AS OF DECEMBER 31, 2022

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Rendering of intermediary services in purchasing, selling and renting of residential real estates**
Form of incorporation/Form of ownership **Limited liability company/ ownership of a foreign entity**	
Unit of measurement: **thousand RUR**	
Location (address) **196006, Saint-Petersburg. Ligovskiy pr., 266. str.1, pom.2.1-N.50 working place 19**	

Item	Code	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
ASSETS				
I. NON-CURRENT ASSETS				
Intangible assets	1110	**–**	–	–
Results of research and development	1120	**–**	–	–
Intangible development assets	1130	**–**	–	–
Tangible development assets	1140	**–**	–	–
Fixed assets	1150	**–**	–	–
Income-bearing investments in tangible assets	1160	**–**	–	–
Financial investments	1170	**–**	–	–
Deferred tax assets	1180	**–**	–	–
Other non-current assets	1190	**–**	–	–
Total section I	1100	**–**	–	–
II. CURRENT ASSETS				
Inventories	1210	**–**	–	–
Value-added tax on acquired assets	1220	**444**	–	–
Receivables	1230	**18**	245	337
Including:				
Suppliers and contractors	12301	**18**	14	8
Buyers and customers	12302	**–**	–	–
Tax and due payments	12303	**–**	231	329
Financial investments (except for monetary equivalents)	1240	**–**	–	–
Cash and cash equivalents	1250	**585**	231	774
Other current assets	1260	**–**	–	–
Total section II	1200	**1,047**	476	1,111
BALANCE (I + II)	1600	**1,047**	476	1,111

Item	Code	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
LIABILITIES				
III. EQUITY AND RESERVES				
Authorized capital	1310	**300**	300	300
Treasury stock	1320	**–**	–	–
Non-current asset revaluation	1340	**–**	–	–
Capital surplus (without revaluation)	1350	**–**	–	–
Reserve capital	1360	**–**	–	–
Retained earnings	1370	**(42,967)**	(45,490)	(47,414)
Total section III	1300	**(42,667)**	(45,190)	(47,114)
IV. LONG-TERM LIABILITIES				
Loans	1410	**5,598**	4,203	3,627
Deferred tax liabilities	1420	**972**	–	–
Estimated liabilities	1430	**–**	–	–
Other liabilities	1450	**–**	–	–
Total section IV	1400	**6,570**	4,203	3,627
V. SHORT-TERM LIABILITIES				
Loans	1510	**–**	167	60
Payables	1520	**37,144**	41,296	44,538
Including:				
Suppliers and contractors	15201	**–**	2	19
Buyers and customers	15202	**–**	21	20
Tax and due payments	15203	**–**	20	–
Settlements with various debtors and creditors	15207	**37,144**	41,253	44,498
Prepaid income	1530	**–**	–	–
Estimated liabilities	1540	**–**	–	–
Other liabilities	1550	**–**	–	–
Total section V	1500	**37,144**	41,463	44,598
BALANCE (III + IV + V)	1700	**1,047**	476	1,111

Kovalev Dmitriy Vladimirovich
Director

March 31, 2023

FINANCIAL RESULTS STATEMENT FOR JANUARY - DECEMBER 2022

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Rendering of intermediary services in purchasing, selling and renting of residential real estates**
Form of incorporation/Form of ownership **Limited liability company/ownership of a foreign entity**	
Unit of measurement: **Thousand RUR**	

Item	**Code**	**Year ended December 31, 2022**	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	2110	**2**	2	–
Cost of sales	2120	**–**	–	–
Gross Profit/ (Loss)	2100	**2**	2	–
Commercial expenses	2210	**–**	–	–
Administrative expenses	2220	**–**	–	–
Sales Profit/ (Loss)	2200	**–**	–	–
Income from participation in other organizations	2310	**–**	–	–
Interest receivable	2320	**–**	–	–
Interest payable	2330	**(140)**	(125)	(116)
Other income	2340	**26 842**	23 916	10 765
Other expenses	2350	**(23 209)**	(20 679)	(8 494)
Profit/ (Loss) before taxation	2300	**3,495**	3,114	2,155
Profit tax	2410	**(972)**	(866)	(231)
Including :			–	–
Current profit tax	2411	**–**	–	(231)
Deferred profit tax	2412	**(972)**	(866)	–
Other	2460	**–**	–	–
Including :		**–**	–	–
Write–off deferred tax assets		**–**	–	–
Net Profit/ (Loss)	2400	**2,523**	2,248	1,924
FOR REFERENCE				
Revaluation of non-current assets not included in net profit/ (loss) for the period	2510	**–**	**–**	**–**
Result of other transactions not included in net profit/ (loss) for the period	2520	**–**	**–**	**–**
Comprehensive financial result for the period	2500	**2,523**	2,248	1,924
Basic earnings/ (loss) per common share	2900	**–**	**–**	**–**
Diluted earnings/ (loss) per common share	2910	**–**	**–**	**–**

Kovalev Dmitriy Vladimirovich
Director

March 31, 2023

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Shareholders of Holiday Club Canarias Investment, S.L.U:

Report on the Financial Statements

We have audited the financial statements of Holiday Club Canarias Investment , S.L.U (the Company) which comprise the balance sheet as at March 31, 2023, the Income statement and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2023 and of Its results for the year then ended, in accordance with the regulatory financial reporting framework that Is applicable (Identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "*Responsibilities of the auditor in connection with the audit of the financial statements*",

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. in this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Balances with related parties

As shown in the balance sheet, the items of assets and liabilities with the highest amount correspond to "Short term Investments in Group, Multigroup and Associate companies", amounting to 2,582,005 euros, and "short term debts with group and associated companies", amounting to 2,573,748 euros, respectively (see note10 of the report). These items represent practically the total assets and liabilities of the balance sheet. Due to the monetary relevance of said Items and the balance connection, the valuation of said credits has been considered a relevant aspect, especially the collectability of the asset figure.

Our procedures included the analysis of the reconciliation of the balances with the group companies, as well as the collectability of the asset's item. To this end. the Annual Accounts of the group companies have been audited.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such Internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

in the preparation of the financial statements, the Director Is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except If the Director Intends to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance Is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to Influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Furthermore:

- We Identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud Is higher than in the case of a material misstatement due to error, since fraud may Involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of Internal control.

- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's Internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern Is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there Is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those Issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(n° ROAC S2158)

JAVIER ALVAREZ CABRERA
(n° ROAC 16092)

Las Palmas de Gran Canaria,
on April 14, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	(Euros) March 31, 2023	(Euros) March 31, 2022
ASSET			
NON CURRENT ASSET			
Long-Term investments in group companies and associates	**5**	**6,203**	6,203
TOTAL		**6,203**	6,203
CURRENT ASSETS			
Trade and other receivables		**56,704**	781
3. Other debtors	**5**	**56,704**	781
Short-term investments in group, multigroup and associate companies	**5-10**	**2,582,005**	2,345,642
Cash and equivalent liquid assets	**5**	**149**	5,740
TOTAL		**2,638,858**	2,352,163
TOTAL ASSET		**2,645,061**	2,358,366
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Capital			
Share Capital	**7**	**3,100**	3,100
Reserves		**1,901**	1,901
Profit & loss from previous periods		**(12,040)**	(14,137)
Partner Contributions		**10,033**	10,033
Result for the period	**3-8**	**(1,164)**	2,097
TOTAL		**1,830**	2,994
CURRIENT LIABILITIES			
Short term debts with group and associated companies	**6-10**	**2,573,578**	2,354,573
Trade Creditors and other Accounts payable			
2. Sundry Creditors	**6**	**69,654**	800
TOTAL		**2,643,232**	2,355,373
TOTAL EQUITY AND LIABILITIES		**2,645,061**	2,358,366

PROFIT AND LOSS ACCOUNT AT MARCH 31, 2023

Particulars	Notes	(Euros) March 31, 2023	(Euros) March 31, 2022
CONCEPTS			
Revenue	**10**	**–**	5,800
Other operating expenses	**9**	**(1,308)**	(3,003)
Other results		**(226)**	–
OPERATING INCOME		**(1,534)**	2,796
PROFIT BEFORE TAXES		**(1,534)**	2,796
Corporate income Tax	**8**	**370**	(699)
PROFIT & LOSS IN THE PERIOD		**(1,164)**	2,097

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING ON MARCH 31, 2023

1. THE COMPANY'S BUSINESS

1.1. Holday Club Canarias Investment , S.L.U was set up as a limited corporation on December 9, 2010, before the Notary Public Valentín Concejo Arranz, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Maspalomas, under his Protocol Number 1525.

On March 3, 2011, it acquired its current status as a Sole Proprietor Limited Liability Company and on July 22, 2011, a corporate decision was notarised in which the accounting year initially established in the Corporate By-Laws from October 1 to September 30 was changed. However, in February 1, 2016 the General Meeting of the company decided to modify the beginning and the end of the financial period in the Company By-Laws and now is from April 1 till March 31 every year.

1.2. The main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use.

1.3. The Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.4. The Company is dominant in the Holiday Club Canarias group under the terms of the article 42 of the Commercial Code. However, it does not prepare consolidated annual accounts because it does not exceed the limits set forth in the Capital Companies Law, so the following annual accounts refer exclusively to Holiday Club Canarias Investment, S.L.U. Furthermore, the company is a member of a group whose parent company is Holiday Club Resort OY, located in an EU Member State, Finland, that presents consolidated Financial Statements in that country. in addition, Holiday Club Resort OY is a member of a group whose holding company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- Holday Club Canarias Investment , S.L.U
- Holday Club Canarias Sales & Marketing, SLU
- Holiday Club Canarias Resort Management, SLU
- Holiday Club Canarias Vacation Club ,SL

1.5 Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Non-Mandatory Accounting Principles Applied

During this financial year, only those Accounting Principles mandatory according to the spanish business code and the small & medium companies general accounting plan have been applied.

The administrative body has formulated these annual accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3 Critical Aspects in the Valuation and Judgement of Uncertainty

Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31, 2023 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period ending on March 31, 2022.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2023 which the administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2022, is as follows:

	Euros	
Distribution Balance	**2023**	2022
Financial period Losses	**(1,164)**	2,097
Total	**(1,164)**	2,097
Distribution		
Losses accumulated from previous Financial Periods	**(1,164)**	2,097
Total	**(1,164)**	2,097

4. RECOGNITION AND MEASUREMENT

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Equity instruments acquired from other companies: shares, participations in institutions of collective investment and other equity instruments

Long and short-term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

• Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

• Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.

- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors

- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

  Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.2. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27 of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

A deferred tax asset has been recognized on negative tax bases.

4.3. Income and Expenses

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.4. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. FINANCIAL ASSETS

5.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

Euros

Particulars	Equity Instruments		Debt Securities		Credits/Derivatives/ Others	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Short-term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**2,582,005**	2,345,814
Liquid Assets	**–**	–	**–**	–	**149**	5,740
Totals	**–**	–	**–**	–	**2,582,154**	2,351,555

5.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short term and all the loans and receivables with companies of the group and associated, for the amount of 2,582,005 Euros.

5.3. Companies of the group, multigroup and associated:

a) The information of companies of the group and associated referred to March 31, 2023 is detailed below:

Euros

Particulars	GROUP COMPANIES									
	Balance as at March 31, 2023							Participation value		
	%	Share Capital	Reserves	Profit & loss from previous periods	Result for the period	Grants	Participatory loan	Theoretical	Accountant	Deterioration
Holiday Club Canarias Sales & Marketing , S L U. Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the sale of use rights per shift of properties of the complexes Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma.	100	3,100	5,396,060	(6,878,068)	(130,915)	72,944	2,000,000	463,122	3,100	–

Euros

Particulars	GROUP COMPANIES									
	Balance as at March 31, 2023							Participation value		
	%	Share Capital	Reserves	Profit & loss from previous periods	Result for the period	Grants	Participatory loan	Theoretical	Accountant	Deterioration
Holiday Club Canarias Resort Management, SLU Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores y Puerto Calma)	100	3,100	6,888,354	–	538,363	–	–	7,429,817	3,100	–
Holiday Club Canarias Vacation Club ,S.L Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is that of tourist accommodation and other short-stay accommodation	100	3,000	1,292,257	–	337,865	–	–	1,633,122	3	–
TOTAL GROUP COMPANIES									6.203	

b) There are not movements during 2022/23 and 2021/22 in equity instruments in companies of the Group and associated.

6. FINANCIAL LIABILITIES

6.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros

Particulars	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Short-term Financial Liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**2,573,748**	2,354,573
Totals	**–**	–	**–**	–	**2,573,748**	2,354,573

6.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to "Debts with companies of the Group and associates in the short term" for the amount of 2,573,748 Euros and creditors for the amount of 170 Euros.

7. EQUITY

7.1. The Share Capital comes to 3,100 Euros, divided into thirty-one shares at face value of 100 Euros each.

7.2. The Company has the sole proprietorship status, being its unique partner the entity Holiday Club Sweden AB.

8. FISCAL POSITION

8.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27 of the profit tax, which approved the revised text from the Law of Corporate Tax.

The tax group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.

8.2. Individual tax base

The reconciliation of the net amount of incomes and expenses with the taxable base of the corporate tax is as follows:

	Euros	
Particulars	**Profit and Loss account**	**Expenses and income directly attributed to equity**
Balance of income and expenses for the year	**(1,164)**	–
Tax revenue	**(370)**	–
Non-deductible expenses	**54**	–
Tax base (tax result)	**(1,481)**	–
Full fee (25% of tax result)	**(370)**	–

Notwithstanding the aforesaid, the Company is taxed within a group in which it is the parent company, subject to the special tax system of consolidated taxation. The generated taxable income that would be offset in future periods is compensated with positive taxable bases generated in the Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 707,571 Euros. This base is reduced by the application of the BINs generated in previous years by Holiday Club Canarias Sales & Marketing SLU for the amount of 274,963 Euros, therefore the final tax base of the group amounts 432,607 Euros on March 31, 2023.

As per current legislation, taxes cannot be considered to have been settled until the returns presented have been inspected by the Revenue Service or the four-year statute of limitations has passed.

Therefore, at the date of closing, the Company has all taxes applicable corresponding to the last four years, including its Corporate Tax for the period 2022/2023 available for inspection.

The Administrative body of the Company considers that the abovementioned taxes have all been adequately settled, for which, even in the event of discrepancies in the interpretation of current regulations in the fiscal treatment practised on the operations, possible resulting liabilities, in the event they should materialise, would not significantly affect the attached abridged annual accounts.

8.3 Profits or Tax Incentives

In the settlement of Corporate Taxes corresponding to the period 2022/2023, the Company has not applied any tax incentives.

9. INCOME AND EXPENSES

The Company has carried out the following operations in this period, which are reflected in the corresponding heading in the Profit and Loss Account:

a) External services:

		Euros
Particulars	**March 31, 2023**	March 31, 2022
Professional services	**234**	1,794
Banking services	**–**	136
Local Tax	**1,074**	1,074
Totals	**1,308**	3,003

10. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2023 and March 31, 2022 with related companies are as follows:

				Euros
Particulars	**2023**		2022	
	Debit Balances	**Credit Balances**	Debit Balances	Credit Balances
Company				
Holiday Club Canarias Sales & Marketing, SLU	**–**	**2,573,578**	–	2,354,573
Holiday Club Canarias Resort Management, SLU	**2,030,465**	**–**	1,915,057	–
Holiday Club Canarias Vacation Club, SL	**551,540**	**–**	430,585	–
Totals	**2,582,005**	**2,573,578**	2,345,642	2,354,573

During the financial year 2021-2022, services have been provided to the companies of the group Holiday Club Canarias Sales & Marketing, S.L.U. and Holiday Club Canarias Resort Management, S.L.U. for 2,900 euros respectively. During the period 2022-2023 there have not been services between group companies.

The company provided a guarantee to the group company Holiday Club Canarias Resort Management to face a loan from a financial entity. The pending amount is 169,155 euros on March 31, 2023.

11. OTHER INFORMATION

11.1. Average number of Employees

The Company has not had employees during this period or the period before.

11.2. Information about the Environment and Greenhouse Gas Emission Rights.

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results.Therefore, no specific breakdowns are included in this report.

Mogán
April 14, 2023

Calvin Stuart Lucock
Joint and Several Administrator and
Holiday Club Resorts Oy Representative

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of Holiday Club Canarias Sales & Marketing, SLU:

Report on the Financial Statements

We have audited the financial statements of Holiday Club Canarias Sales & Marketing, SLU, (the Company) which comprise the balance sheet as at March 31, 2023 the Income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2023 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "responsibilities of the auditor in connection with the audit of the flnanclal statements."

We are Independent from the Company in accordance with the requirements on ethics, includlng those of Independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgement, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Client claims

As explained by the Company in note 14.1, the Entity has received 96 customer claims, which request the nullity of the contract and an economic compensation. 85 of these claims have had first instance rulings and 49 second instance ones. In the other hand, as of the date of issuance of this report, other 61different cases have been closed, in which, despite the Company disagreement with the rulings, they decided to pay the amounts of the claims or of the rulings because they considered the amounts to be non-relevant. The entity has estimated a risk amount of 626,682 euros at the year end. For the calculation of that risk, the entity analyses, along with the legal advisor, case by case, since not all the judgement follow the same criteria. Due to the high volume of demands regarding the number and amounts, the diversity of Judgements received since the conclusion on the estimation of risk is subject to significant judgement and estimates by the Company's Management. It has been considered a relevant aspect in our audit the correct accounting estimate of the existing risk and Its correct explanation In the annual accounts.

Our audit procedures consisted, among others, in a meeting with the Company's legal counsel, analysing the type of judgement on a case-by-case basis, verifying the cases in which there has been recourse by the Company and analysing the criteria followed by the Company to determine the risk of each of them. Finally, it has been verified that notes 4.8 and 14.1 of the report include the information required by the applicable financial reporting framework.

Inventories

As shown in the liquid assets In the balance sheet, the Company has registered inventories for the net of 7.7 million euros. In note 10 is shown that 99% of the stocks are made up of the weeks not sold in time share regime for each of the complexes and type of room. The valuation of the unsold weeks can be of two types: The valuation of few weeks is the cost of the original acquisition that it had for the Company In Aprll 2011(see note1.4). Other weeks, which were sold at the time and the Company had them back at rest due to contractual breach by customers, are valued at the cost of their repossession. The entity maintains inventory control at the close of the fiscal year, both for the weeks acquired at the origin, as well as for the weeks repossessed. Due to the large number of none sold weeks, the diversity of room types by the complex and the results for which these weeks are activated in stock, the proof of the laborious work is correct and the units of the stocks, the Integrity and the valuation of the Inventories has been considered to be subject to significant risk.

Our procedures Included, among others, the verification of the inventory of weeks not sold and the costs associated to each one of them, validating the possible types of valuation, based on the reason for registration in stock. In addition, it has carried out verifications in weeks sold in the year to verify that they have not been sold below cost and that they do not appear in the Company's stock at the end of the year.

Directors' responslbllltles

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such Internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the director intends to liquidate the Company or cease operations, or if there Is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the fInancial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We Identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud Is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectIveness of the entity's internal control.
- We evaluate whether the accounting policies applled are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the director.
- We conclude on whether the use, by the director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 14, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	(Euros) As at March 31, 2023	(Euros) As at March 31, 2022
ASSETS			
Non-current assets			
Intangible assets	**5**	**542,398**	723,198
Fixed assets	**6**	**558,115**	655,496
Long-term financial investments	**7**	**479,410**	572,814
Deferred tax assets	**12**	**23,010**	32,134
		1,602,933	1,983,642
Current assets			
Inventories	**10**	**7,727,519**	7,624,620
Commercial debtors and other accounts receivables		**600,383**	401,201
Trade receivables	**7**	**492,786**	320,616
Trade receivables / long term		**40,884**	94,274
Trade receivables / short term		**451,903**	226,342
Trade receivable from group and associated	**7-18**	**30,800**	–
Other debtors		**76,797**	80,585
Short-term Investments in affiliated group and associated companies	**7-18**	**7,786,444**	5,563,312
Short-term financial investments	**7**	**4,872**	–
Short term accruals	**7**	**1,614,679**	1,372,633
Cash and other equivalent liquid assets	**7**	**36,529**	46,235
		17,770,425	15,008,002
TOTAL ASSETS		**19,373,358**	16,991,644

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	(Euros) As at March 31, 2023	(Euros) As at March 31, 2022
EQUITY AND LIABILITIES			
Equity			
Capital			
Shared capital	9	3,100	3,100
Reserves	9	5,396,060	5,396,060
Profit & loss from previous periods		(6,878,068)	(5,977,633)
Losses for the period	3	(178,312)	(900,434)
Grants, donations and legacies received	16	72,944	83,242
		(1,584,276)	(1,395,665)
Non-current liabilities			
Long-term provisions	14	626,682	736,127
Long-term debts with group and associated companies	8-18	6,834,764	6,834,764
Deferred tax liabilities	12-16	419,863	340,144
		7,881,309	7,911,035
Current liabilities			
Short-term provisions	14	66,766	34,937
Short-term debts			
Other financial liabilities	8	5,443	6,467
Short-term debts with group and associated companies	8-18	12,824,896	10,301,178
Trade Creditors and other accounts payable			
Suppliers, group companies and associates	8-18	11,293	–
Other payables		167,926	133,692
		13,076,325	10,476,274
TOTAL EQUITY AND LIABILITIES		19,373,358	16,991,644

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Notes	(Euros) Year ended March 31, 2023	(Euros) Year ended March 31, 2022
Continuing operations			
Turnover		**4,264,074**	2,882,217
Variation in inventories of products finished and being manufactured	10	**110,490**	131,024
Supplies	13	**(348,336)**	(178,776)
Other operations income	13	**–**	112,850
Personnel expenses		**(966,145)**	(760,385)
Other operating expenses	13	**(2,730,641)**	(2,575,806)
Depreciation of fixed assets	5-6	**(327,904)**	(527,670)
Allocation of subsidies for non-financial fixed assets and others	16	**13,731**	51,108
Other incomes and expenses	13	**(101,650)**	(180,308)
Operating Income (Loss)		**(86,382)**	(1,045,745)
Financial incomes	7	**15,440**	32,990
Financial expenses	8-18	**(231,370)**	(197,980)
Exchange differences	11	**(2,729)**	(7,993)
Financial profit & loss (Loss)		**(218,660)**	(172,983)
Profit before taxes (Loss)		**(305,042)**	(1,218,727)
Corporate income tax	12	**126,730**	318,293
Profit & loss in the period (Loss)		**(178,312)**	(900,434)

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2023

1. The company's business activity

1.1. Holiday Club Canarias Sales & Marketing, S.L.U. was founded as a limited corporation on December 09, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his protocol number 1524.

On March 03, 2011 the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July 22, 2011 a social agreement changes the financial year that in the corporate statutes was from October the 1st till September the 30th. However, on February 01, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year to April the 1st till March the 31st.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the sale of rotational enjoyment rights of holiday units in the five resorts called Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the management of a theme park in the municipality of Mogán, in Gran Canaria.

1.3. The Corporate offices are located at Avenida Anna Lindh 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria).

1.4. On April 06, 2011 the Public Deed was signed, by means of which the Company, together with its related company Holiday Club Canarias Resort Management, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned the unsold weeks, which were recorded in the inventory for the amount of 3,730,000 Euros; the rights to client's' loans recorded as financial assets for the amount of 2,251,656 Euros, and the Goodwill corresponding to the main business of "Time share" for the amount of 1,967,742 Euros. The remaining assets (real-estate property and goodwill from the administration and maintenance business) was assigned to the abovementioned related Company. On June 01, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above, which caused amongst other things, goodwill to be adjusted to 1,807,995 Euros.

1.5. The Company is a part of a Group whose parent Company is Holiday Club Canarias Investment, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- Holiday Club Canarias Investment, SLU
- Holiday Club Canarias Sales & Marketing, SLU
- Holiday Club Canarias Resort Management, SLU
- Holiday Club Canarias Vacation Club, SL

1.6. Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. Basis used for the presentation of the annual accounts

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

2.1. **True and fair view**

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16th, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17th and Royal Decree 602/2016 of September 2nd , in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. **Non-mandatory accounting principles applied**

During this financial year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect. There is no principle which, if mandatory, has not been applied.

2.3. **Critical aspects in the valuation and judgement of uncertainty**

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the assets impairment, estimation of the asset's useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

At the end of the financial year the company has a negative net equity for an amount of 1,395,665 Euros. It means that, according to the article 363 of the Law on corporations, the company is in cause of dissolution. However, on January 31, 2022 a participating loan was signed with the company of the group Holiday Club Sweden AB for the amount of 2,000,000 euros (see notes 8.3 and 9.5). It means a higher value of the net equity.

However, shareholders consider that there are some mitigating factors, based on the fact that the reasonable value of the weeks inventory owned by the company is much bigger than the accounted value. It means that the real net equity is very positive (See Notes 10.1 and 10.2). During the financial year 2022-2023 the company has requested an appraisal of the weeks from a specialized company. The value of the weeks on March 31, 2023 is 15,0000,000 euros according to the company.

2.4. **Comparing information**

The figures corresponding to the Financial Year ending on March 31, 2023 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2021-2022.

3. Application of results

The proposal for the application of the results of the financial period ending March 31, 2023 which the administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2022 is as follows:

		Euros
Particulars	**2022-23**	2021-2022
Distribution balance		
Financial period losses	**(178,312)**	(900,434)
Distribution		
Losses accumulated from previous Financial periods	**(178,312)**	(900,434)
Total	**(178,312)**	(900,434)

4. Recognition and measurement regulations

The main accounting principles and practices applied in the drafting of the Annual Accounts follow current legislation, highlighting as most important the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance.

The most significant accounting criteria applied in the drafting of the Annual Accounts is the following ones:

4.1. Intangible fixed assets

The intangible fixed assets are comprised of goodwill and computer applications which are valued at their acquisition price, including necessary additional expenses to get them up and running. The computer applications are amortised at 33 per cent according to their useful lives and the goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible fixed assets

These have been appraised at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during its operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27th, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings.	12-14 %
Machinery.	11 %
Other installations.	10 - 25%
Furniture.	10 - 25 %
IT equipment	14- 25 %
Other intangible assets.	10 - 33 %

On November 01, 2021 has been renovated the Angry Birds´ rental contract for a period of 8.5 years. Due to this renovation, the fixed assets assigned to this rental have been recalculated, provided that they were not fully depreciated at the renewal date.

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Financial instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments;
- Derivatives with a favorable valuation for the company: among them, futures or term operations, options, financial swaps, and forward foreign currency trading, and
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial assets at amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial liabilities at amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.4. <u>Inventories</u>

The Company's commercial stocks correspond to rotational enjoyment rights of rooms in the possession of the Company and merchandise stock in Angry Birds Park. Both are valued at acquisition price.

The Company's Administrators consider that the book value of the inventories does not exceed their recoverable value.

4.5. <u>Transactions in foreign currency</u>

The accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, differences both positive and negative that did not occur are carried over to the profit and loss account.

4.6. <u>Profit tax</u>

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an income during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income has also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation.

4.7. <u>Income and expenses</u>

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- **Common aspects**

  The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- **Recognition**

  The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

  The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

  For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

  The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

  The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

  When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- **Assessment**

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.8. Provisions and contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been considered.

4.9. Personnel expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, donations and legacies

Capital grants, which are non-refundable, are recorded directly in Equity as revenue, excluding the tax effect and are attributed to the Financial Period‘s results in proportion to the allocation of depreciation in the period for the assets pertaining to the grant.

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. Intangible fixed assets

5.1. The transactions that occurred during the 2021-2022 and 2022-2023 periods were the following:

				Euros
Particulars	**As at March 31, 2021**	**Acquisitions**	**Disposals**	**As at March 31, 2022**
Gross costs				
Goodwill	1,807,995	–	–	1,807,995
IT applications	29,227	–	–	29,227
Totals	1,837,222	–	–	1,837,222
Accumulated amortization				
Goodwill	903,997	180,799		1,084,797
IT applications	27,050	2,177	–	29,227
Totals	931,047	182,977	–	1,114,024
Net totals	906,175			723,198

				Euros
Particulars	**As at March 31, 2022**	**Acquisitions**	**Disposals**	**As at March 31, 2023**
Gross Costs				
Goodwill	**1,807,995**	**–**	**–**	**1,807,995**
IT applications	**29,227**	**–**	**–**	**29,227**
Totals	**1,837,222**	**–**	**–**	**1,837,222**
Accumulated amortization				
Goodwill	**1,084,797**	**180,799**	**–**	**1,265,596**
IT applications	**29,227**	**–**	**–**	**29,227**
Totals	**1,114,024**	**180,799**	**–**	**1,294,823**
Net totals	**723,198**			**542,398**

5.2. As indicated in Note 1.5, The Company acquired the Goodwill corresponding to the main “Timeshare” business in 2011 for the amount of 1,967,742 Euros, Said price was adjusted in the Purchase Deed granted in June 2012, for the amount of 159,747 Euros.

5.3. There is no evidence of impairment through March 31, on any of the elements in the Intangible Fixed Assets.

5.4. There are fully depreciated software applications in use on March 31, 2023 and March 31, 2022 for the amount of 29,226 Euros respectively.

6. Tangible fixed assets

6.1. The transactions occurring during the 2021-2022 and 2022-2023 periods were the following:

Euros

Particulars	Balance March 31, 2021	Acquisitions	Transfers	Disposals	Balance March 31, 2022
Gross costs					
Buildings	1,125,496	–	–	–	1,125,496
Machinery	72,631	–	–	–	72,631
Other facilities	2,891,988	3,171	–	–	2,895,159
Furniture	250,619	1,540	–	–	252,159
IT equipment	92,880	2,467	–	–	95,347
Vehicles	27,994	–	–	–	27,994
Other tangible fixed assets	347,728	15,442	5,202	–	368,372
Advances and fixed assets in progress	16,959	–	(5,202)	(925)	10,832
Totals	4,826,297	22,620	–	(925)	4,847,991
Accumulated amortization					
Buildings	984,934	62,170	–	–	1,047,105
Machinery	55,293	8,761	–	–	64,054
Other installations	2,262,778	203,411	–	–	2,466,189
Furniture	243,301	2,791	–	–	246,092
IT equipment	85,068	3,502	–	–	88,570
Vehicles	27,389	606	–	–	27,994
Other tangible fixed assets	189,039	63,453	–	–	252,492
Totals	3,847,803	344,693	–	–	4,192,496
Net totals	978,494				655,496

Euros

Particulars	Balance March 31, 2022	Acquisitions	Transfers	Disposals	Balance March 31, 2023
Gross costs					
Buildings	**1,125,496**	**–**	**–**	**–**	**1,125,496**
Machinery	**72,631**	**1,920**	**–**	**–**	**74,551**
Other facilities	**2,895,159**	**–**	**–**	**–**	**2,895,159**
Furniture	**252,159**	**–**	**–**	**–**	**252,159**
IT equipment	**95,347**	**13,121**	**–**	**–**	**108,468**
Vehicles	**27,994**	**–**	**–**	**–**	**27,994**
Other tangible fixed assets	**368,372**	**33,045**	**–**	**–**	**401,417**
Advances and fixed assets in progress	**10,832**	**1,637**	**–**	**–**	**12,469**
Totals	**4,847,991**	**49,723**	**–**	**–**	**4,897,715**
Accumulated amortization					
Buildings	**1,047,105**	**8,247**	**–**	**–**	**1,055,352**
Machinery	**64,054**	**8,387**	**–**	**–**	**72,441**
Other installations	**2,466,189**	**58,469**	**–**	**–**	**2,524,658**
Furniture	**246,092**	**2,872**	**–**	**–**	**248,964**
IT equipment	**88,570**	**3,833**	**–**	**–**	**92,403**
Vehicles	**27,994**	**–**	**–**	**–**	**27,994**
Other tangible fixed assets	**252,492**	**65,296**	**–**	**–**	**317,788**
Totals	**4,192,496**	**147,104**	**–**	**–**	**4,339,600**
Net totals	**655,496**				**558,115**

6.2 There are no signs of impairment through March 31st, for the elements in the Tangible Fixed Assets.

6.3. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

6.4. There are fully depreciated elements in use on March 31, 2023 and March 31, 2022 for the amount of 1,351,280 Euros respectively.

Information related to the Balance Sheet

7. Financial assets

7.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, jointly controlled group and associated companies) by categories and classes is as follows:

Euros

Particulars	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Long-term financial assets						
Financial assets at amortized cost	**–**	–	**–**	–	**520,293**	667,089
Totals	**–**	–	**–**	–	**520,293**	667,089
Short- term financial assets						
Financial assets at amortized cost	**–**	–	**–**	–	**8,278,115**	5,796,841
Liquid assets	**–**	–	**–**	–	**36,529**	46,235
Totals	**–**	–	**–**	–	**8,314,644**	5,843,076

7.2. **Classification by maturity:**

The ratings depending on the maturity of different financial assets are as follows:

Euros

Financial assets	2023-24	2024-25	2025-26	2026-27	2027-28	Next	Total l/t
Financial investments	**4,872**	**–**	**–**	**–**	**–**	**479,410**	**479,410**
Other financial assets	4,872	–	–	–	–	479,410	479,410
Investments in group and associated companies	**7,786,444**	**–**	**–**	**–**	**–**	**–**	**–**
Loans to companies	7,786,444	–	–	–	–	–	–
Commercial debts and other receivables	**486,800**	**35,659**	**4,715**	**510**	**–**	**–**	**40,884**

Financial assets	2023-24	2024-25	2025-26	2026-27	2027-28	Next	Total l/t
							Euros
Customer receivables for sales and services	497,826	70,552	22,088	2,745	–	–	95,386
Clients' impairment	(45,923)	(34,893)	(17,373)	(2,235)	–	–	(54,502)
Trade receivable from group and associated	30,800	–	–	–	–	–	–
Sundry receivables	2,420	–	–	–	–	–	–
Personnel	1,677	–	–	–	–	–	–
Cash and other liquid assets	**36,529**	**–**	**–**	**–**	**–**	**–**	**–**
Liquid assets	36,529	–	–	–	–	–	–
Totals	**8,314,644**	**35,659**	**4,715**	**510**	**–**	**479,410**	**520,293**

Long term financial investments correspond to deposits on the court related to the claims commented in the note 14.1.

7.3. Corrections due to impairment caused by credit risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

Particulars	Amount
	Euros
Balance at March 31, 2021	**201,462**
Impairment Maturity (Note 13.1)	2,078
Impairment reversal (Note 13.1)	(95,947)
Balance at March 31, 2022	**107,592**
Impairment Maturity (Note 13.1)	3,991
Impairment reversal (Note 13.1)	(11,158)
Balance at March 31, 2023	**100,425**

Information relating to the profit and loss account

7.4. Financial income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account for the amounts of 15,440 Euros and 32,990 Euros for 2022-2023 and 2021-2022 Financial Periods respectively, correspond mainly to the accrual of default interest on late payments from clients.

Other information

7.5 Reasonable value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are valued at their cost.

Equity Instruments traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are measured at their reasonable value.

7.6 Information regarding the nature and level of risk from financial assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange, of interest rates and other price risks.

Credit risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit granted to clients and debtors are granted based on a preliminary solvency study and strict follow-up of loans and receivables. The client base is quite diversified.

Liquidity risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market rate risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum because the Company grants loans at a fixed interest rate.

7.7 Accrual adjustments

In January, every year, the company assumes the debt with the related company Holiday Club Canarias Resort Management SLU related to the yearly maintenance fees of the unsold weeks. At the end of the financial year there are, in the accrual adjustment balance, the proportional part of the not accrued months on March 31, 2023 for the amount of 1,596,257 Euros, 1,354,815 Euros) in March 31, 2022.

8 Financial liabilities

Information related to the balance sheet

8.1. Categories of financial liabilities:

The breakdown of the financial liabilities by categories and classes is as follows:

Particulars	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
						Euros
Long-term financial liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**6,834,764**	6,834,764
Totals	**–**	–	**–**	–	**6,834,764**	6,834,764
Short- term financial liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**12,958,011**	10,393,912
Totals	**–**	–	**–**	–	**12,958,011**	10,393,912

8.2 Classification by maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Financial liabilities	2023-24	2024-25	2025-26	2026-27	2027-28	Next	Euros Total l/t
Debts	**5,443**	–	–	–	–	–	–
Other financial liabilities.	**5,443**	–	–	–	–	–	–
Debts with group and associated companies	**12,824,896**	–	2,000,000	**–**	**–**	**4,834,764**	**6,834,764**
Trade creditors and other accounts payable	**127,671**	–	–	–	–	–	–
Supplies, group companies and associates	**11,293**	–	–	–	–	–	–
Sundry creditors	**116,062**	–	–	–	–	–	–
Personnel (wages pending payment)	**316**	–	–	–	–	–	–
Totals	**12,958,011**	–	–	**–**	–	**4,834,764**	**6,834,764**

8.3 On January 31, 2022, the group company Holiday Club Sweden AB grants a participating loan to the Company for the amount of 2,000,000 euros (179,278,000) (see notes 2.3 and 9.5).

This participating loan expires on April 1, 2025 and has been established a fixed interest plus a variable one:

a) The variable interest is stipulated in 2% of the profit after taxes, as an exception, the profits from the first year will not be considered to calculate the first amount, so will be calculated as of March 31, 2022. If the loan is being amortized, the initial % will decrease in proportion to amortization.

b) The fixed interest will be calculated as the EURIBOR (12 months) + 2.5% per year.

Default interest is set at 5%.

Information relating to the profit and loss account and equity

8.4 Financial expenses

The heading for financial expenses corresponds, mainly, to debts with group and associated companies for the 2022-2023 and 2021-2022 financial years for the amounts of 231,138 Euros and 197,980 Euros, respectively, due to the accrual of interest on loans granted by group companies (See Note 18.3).

Other information.

8.5 Reasonable value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

8.6 Information on the nature and level of risk from financial liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9 Shareholders' equity

9.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each.

9.2 As per the Revised Text of the Law of Share Capital Companies, a figure equal to 10% of the period's profit must be kept in a reserve fund until this reaches at least 20% of the share capital. During the 2011-12 financial period, 3,100 Euros were allocated to these reserves.

9.3 The Canary Islands Investments Reserve Fund for the amount of 3,093,871 Euros, is subject to the availability limitations established in the tax regulations.

9.4 The corporation Holiday Club Canarias Investment, S.L.U., owns 100 per cent of the share capital of the Company.

9.5 On January 31, 2022 the group company Holiday Club Sweden AB grants a participating loan to the company for the amount of 2,000,000 Euros (see notes 2.3 and 8.3)

9.6 The breakdown of the heading "reserves" from the Balance Sheet for the periods 2022-2023 and 2021-2022 is as follows:

Particulars	As at March 31, 2023	Euros As at March 31, 2022
Legal reserve	**3,100**	3,100
Voluntary reserves	**1,892,290**	1,892,290
Canary islands investment reserves	**3,093,871**	3,093,871
Goodwill reserves	**406,799**	406,799
Totals	**5,396,060**	5,396,060

10 Inventories

10.1. Inventories show the following break-down:

Particulars	As at March 31, 2023	Euros As at March 31, 2022
Merchandise in stock, angry birds theme park	**25,765**	33,779
Unsold weeks in stock	**7,701,331**	7,590,841
Totals	**7,727,096**	7,624,620

10.2 The transactions of unsold weeks in stock during the 2021-2022 & 2022-2023 financial periods, have been as follows:

Particulars	As at March 31, 2022	Acquisitions	Disposals	Euros As at March 31, 2023
Unsold weeks in stock	7,590,841	336,109	(225,619)	**7,701,331**

Particulars	As at March 31, 2021	Acquisitions	Disposals	As at March 31, 2022
Unsold weeks in stock	7,459,817	271,673	(140,649)	7,590,841

Acquisitions of inventory during the 2022-2023 and 2021-2022 financial period correpond to the weeks sold in previous financial periods and exchanged for other weeks during the mentioned periods, due to weeks received from the related company resort OY or weeks that come back to the company due to a court ruling (See Note 14.1) or expired contract.

There are not commitments for sales or purchases or a future contract about the inventories or restraints on disposal.

10.3 There are no signs of impairment to the inventories at the end of the financial periods 2022-2023 and 2021-2022.

There are suppliers advance payments for the amount of 423 Euros on March 31, 2023.

11 Foreign currency

11.1 Assets in foreign currency mostly correspond to commercial loans for the sale of weeks in stock. The most significant balances in the diverse foreign currencies are detailed below:

Foreign currency	**As at March 31, 2021**	**Exchange Rate at March 31, 2021**	**Euros at As at March 31, 2021**
- Pounds sterling	103,526	0,85378 libra/euro	121,256
Foreign currency	**As at March 31, 2022**	**Exchange Rate at March 31, 2022**	**Euros at March 31, 2022**
- Pounds sterling	14,635	0,84595 libra/euro	17,299
Foreign currency	**As at March 31, 2023**	**Exchange Rate at March 31, 2023**	**Euros at As at March 31, 2023**
- Pounds sterling	7,693	0,87920 libra/euro	8,750

11.2. The exchange differences recognized in the financial year 2022-2023 and 2021-2022 with debit balance for the amount of 2,729 Euros and 7,993 Euros respectively are related to the settled transactions during the period.

12 Tax position

Profit tax

12.1. Tax consolidation regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of 27th November of the profit tax, which approved the revised text from the Law of Corporate Tax.

The tax group comprises the following corporations:

Parent: Holiday Club Canarias Investment, SL.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.

12.2 Individual tax base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax is the following:

Euros

Particulars	**Profit & Loss Account**	**Income & expenditure directly attributable to Equity**
Balance of income and expenditure for the financial year	**(178,312)** **(126,730)**	**–** **–**
Profit tax	(219,005)	–
Current tax	92,275	–
Deferred tax		
Non-deductible expenses	10,078	–
Goodwill deduction	90,400	–
Participative loan interest	50,000	–
Temporary differences		
70% limit amortization	(30,413)	–
Tax Base (tax profit & loss)	**(184,978)**	**–**

Euros

Particulars	**Profit & Loss Account**	**Income & expenditure directly attributable to Equity**
Internal operations (eliminations / additions)	(332,604)	**–**
Negative tax bases	(274,963)	**–**
Tax base (tax result)	**(792,545)**	**–**

12.3. Corporate tax settlement

By applying the tax rate on the tax base, the total tax liability is obtained, which is reduced by the following concepts and amounts:

Particulars	**Euros**
Full fee (25% of taxable income)	**(198,136)**
DAFN 17/18	**(8,847)**
DAFN 22/23	**(12,022)**
Liquid fee	**(219,005)**

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Sales & Marketing, S.L.U., for a negative amount of 219,005 Euros, is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group. The group tax base includes the elimination and net addition for the amount of 332,604 Euros related to internal operations made by Holiday Club Canarias Sales & Marketing, SLU.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 707,571 Euros. This base is reduced by the application of the BINs generated in previous year by Holiday Club Canarias Sales & Marketing SLU for the amount of 274.963 Euros, therefore the final tax base of the group amounts 432,607 Euros on March 31, 2023.

12.4 Breakdown of expenditure on income tax

The expenditure on Income Tax accrued in the financial periods 2022-2023 and 2021-2022 is broken down as follows:

Euros

Particulars	**As at March 31, 2023**	As at March 31, 2022
1. Current Tax	**(219,005)**	(475,657)
2. Deferred tax	**92,275**	157,364
- Temporary differences, 70% limit fiscal amortisation	**9,124**	9,124
- Temporary differences from intragroup operations	**83,151**	148,240
3. Total expenditure on income tax	**(126,730)**	(318,293)

12.5. Deduction because of the investments

Investments in fix assets during the financial period subject to deduction amount 48,086 Euros. Using the deduction rate (25%) in the investments made during the financial year, a deduction for the amount of 12,022 Euros is obtained. It means that, at the end of the financial period, the outstanding deductions are as follows:

						Euros
Exercise	**Initial out-standing amount**	**Acquisitions**	**Applications**	**Balance March 31, 2023**	**Limit**	**Time limit**
2017-2018	8,847	–	(8,847)	**–**	**50%**	**2032-33**
2019-2020	34,518	–	–	**34,518**	**50%**	**2034-35**
2021-2022	6,956	–	–	**6,956**	**50%**	**2036-37**
2022-2023	–	12,022	(12,022)	**–**	**50%**	**2037-38**
Totals	50,321	12,022	(20,868)	**41,474**		

12.6. Deferred tax asset.

Transactions during the 2021-2022 and 2022-2023 financial periods found in this heading have been the following:

				Euros
Particulars	**As at March 31, 2021**	**Acquisitions**	**Applications**	**As at March 31, 2022**
- Temporary differences, 70% limit fiscal amortisation	41,258	--	(9,124)	32,134
Totals	41,258	--	(9,124)	32,134
	As at March 31, 2022	**Acquisitions**	**Applications**	**As at March 31, 2023**
- Temporary differences, 70% limit fiscal amortisation	**32,134**	**--**	**(9,124)**	**23,010**
Totals	**41,258**	**--**	**(9,124)**	**23,010**

12.7 Deferred tax liabilities.

Transactions during the 2021-2022 and 2022-2023 financial periods found in this heading have been the following:

				Euros
Particulars	**As at March 31, 2021**	**Acquisitions**	**Applications**	**As at March 31, 2022**
Capital grant (Note 16.2)	40,523	–	(12,777)	27,746
Intragroup operations	164,158	161,606	(13,366)	312,397
Totals	**204,682**	**161,606**	**(26,143)**	**340,144**
	As at March 31, 2022	**Acquisitions**	**Applications**	**As at March 31, 2023**
Capital grant (Note 16.2)	**27,746**	**–**	**(3,433)**	**24,313**
Intragroup operations	**312,397**	**115,723**	**(32,571)**	**395,548**
Totals	**340,144**	**115,722**	**(36,004)**	**419,863**

12.8 The Canary Islands Investment Reserve.

The Canary Islands Investment Reserve was provided for from January 01, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial year 2022-2023, the situation of the Canary Islands Investment Reserve is as follows:

			Euros
Item	**2011**	**2011-12**	**2012-13**
Provisions	**776,358**	**1,081,563**	**1,235,950**
Investments carried out			
Financial Period 2013-14	**(776,358)**	**(1,081,563)**	**(799,103)**

			Euros
Item	**2011**	**2011-12**	**2012-13**
Financial Period 2014-15	**–**	**–**	**(263,916)**
Financial Period 2015-16	**–**	**–**	**(13,857)**
Financial Period 2016-17	**–**	**–**	**(159,074)**

The Company, during the financial period 2013-14, carried out the following investments, materialising the reserve in the following assets and on the indicated dates on the following table. This table shows the financial period for which the provisions were materialised by type of asset is indicated:

								Euros
Account	**Item**	**Date acquired**	**Acquisition amount**	**Grant deduction**	**Amount used**	**Provision 2011**	**Provision 2011-2012**	**Provision 2012-2013**
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	1,084,195	633,330	633,330	633,330	–	–
					633,330	**633,330**	**–**	**–**
21301001	ANGRY BIRDS ASSETS	01.11.2013	55,851	23,226	32,625	32,625	–	–
21301001	Machinery	12.06.2014	3,500		3,500	3,500	–	–
					36,125	**36,125**	**–**	**–**
21508001	ANGRY BIRDS ASSETS	01.11.2013	2,833,292	1,178,231	1,655,060	106,902	1,081,563	466,595
21508001	Other Facilities	21.11.2013	7,710	–	7,710	–	–	7,710
21508001	Other Facilities	01.02.2014	1,102	–	1,102	–	–	1,102
21508001	Other Facilities	01.02.2014	2,590	–	2,590	–	–	2,590
21508001	Other Facilities	18.02.2014	755	–	755	–	–	755
21508001	Other Facilities	26.02.2014	746	–	746	–	–	746
21508001	Other Facilities	08.04.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	07.05.2014	110	–	110	–	–	110
21508001	Other Facilities	09.05.2014	298	–	298	–	–	298
21508001	Other Facilities	09.05.2014	943	–	943	–	–	943
21508001	Other Facilities	14.05.2014	893	–	893	–	–	893
21508001	Other Facilities	19.05.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	20.05.2014	1,390	–	1,390	–	–	1,390
21508001	Other Facilities	21.05.2014	396	–	396	–	–	396
21508001	Other Facilities	31.05.2014	1,476	–	1,476	–	–	1,476
21508001	Other Facilities	31.05.2014	604	–	604	–	–	604
21508001	Other Facilities	05.06.2014	1,811	–	1,811	–	–	1,811
21508001	Other Facilities	06.06.2014	26	–	26	–	–	26
21508001	Other Facilities	06.06.2014	15	–	15	–	–	15
21508001	Other Facilities	06.06.2014	76	–	76	–	–	76
21508001	Other Facilities	01.08.2014	269	–	269	–	–	269
21508001	Other Facilities	01.08.2014	1,616	–	1,616	–	–	1,616
21508001	Other Facilities	01.08.2014	3,493	–	3,493	–	–	3,493
21508001	Other Facilities	08.08.2014	2,001	–	2,001	–	–	2,001
21508001	Other Facilities	01.09.2014	2,319	–	2,319	–	–	2,319
			–	**–**	**1,688,918**	**106,902**	**1,081,563**	**500,453**
21601002	ANGRY BIRDS ASSETS	01.11.2013	83,856	34,871,61	48,984	–	–	48,984
21601002	Furniture	19.11.2013	783	–	783	–	–	783
21601002	Furniture	19.11.2013	175	–	175	–	–	175
21601002	Furniture	01.03.2014	600	–	600	–	–	600
21601002	Furniture	01.04.2014	690	–	690	–	–	690
21601002	Furniture	15.04.2014	690	–	690	–	–	690
21601002	Furniture	31.05.2014	356	–	356	–	–	356
21601002	Furniture	01.06.2014	199	–	199	–	–	199

Euros

Account	Item	Date acquired	Acquisition amount	Grant deduction	Amount used	Provision 2011	Provision 2011-2012	Provision 2012-2013
21601002	Furniture	01.06.2014	63	–	63	–	–	63
21601002	Furniture	01.06.2014	175	–	175	–	–	175
21601002	Furniture	01.06.2014	1,142	–	1,142	–	–	1,142
21601002	Furniture	29.06.2014	814	–	814	–	–	814
					54,670	**–**	**–**	**54,670**
21701001	IT equipment	26.10.2013	1,347	–	1,347	–	–	1,346
21701001	IT equipment	04.12.2013	768	–	768	–	–	768
21701001	IT equipment	04.12.2013	749	–	749	–	–	749
21701001	IT equipment	04.12.2013	14,176	–	14,176	–	–	14,176
21701002	IT equipment	11.10.2013	1,224	–	1,224	–	–	1,224
					18,264	**–**	**–**	**18,264**
21801001	Vehicles	10.09.2014	19,509	–	19,509	–	–	19,509
21801001	Vehicles	12.09.2014	285	–	285	–	–	285
					19,794	**–**	**–**	**19,794**
21901008	Other tangible fixed assets	01.12.2013	1,400	–	1,400	–	–	1,400
21901008	Other tangible fixed assets	16.09.2014	64	–	64	–	–	64
21901008	Other tangible fixed assets	16.09.2014	2,500	–	2,500	–	–	2,500
21901008	Other tangible fixed assets	17.09.2014	64	–	64	–	–	64
					4,029	**–**	**–**	**4,029**

Also, at the time of the initial investment relating to the opening of the Angry Birds Park, the creation of jobs occurred, which caused an increase of the total average number of employees. This has resulted in the materialization of the reserve in the creation of jobs, which, as indicated in the Report for the 2013-2014 Financial Period, amounted to 201,892 Euros.

During the financial period 2014-2015, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition date	Acquisition amount	Amount materialised	Provision 2012-2013
21601002	Furniture	28.02.2015	220	220	220
21601002	Furniture	28.02.2015	715	715	715
21601002	Furniture	12.03.2015	298	298	298
21601002	Furniture	19.03.2015	1,060	1,060	1,060
21601002	Furniture	19.03.2015	60	60	60
21601002	Furniture	30.04.2015	2,373	2,373	2,373
21601002	Furniture	30.09.2015	571	571	571
		Furniture	**5,297**	**5,297**	**5,297**
21701001	IT equipment	31.10.2014	784	784	784
21701001	IT equipment	31.10.2014	645	645	645
21701001	IT equipment	30.11.2014	2,311	2,311	2,311
		IT equipment	**3,740**	**3,740**	**3,740**

Furthermore, on the occasion of the initial investment for the launch of the Angry Birds Park on November 1, 2013, jobs have been created which have determined an increase of the average total number of staff. This has resulted in the realization of the reserve due to the creation of jobs.

In particular, the increase to the average amount of staff pursuant to Article 27.4.C of Law 19/1994, July 6 and Article 10 of the Royal Decree of 1758/2007, was 1,056 employees.

During the financial period 2014/2015, the amount of 24,136 Euros is the average cost of the gross wages and compulsory social contributions of employees connected to the park. Consequently, in accordance with Article 27.6 of Law 19/1994, the materialization of the reserve due to the increase of the number of employees at the initial investment, is 254,879 Euros

This investment, due to the creation of jobs materializes part of the reserve allocated in the Financial Period 2012/2013.

During the financial period 2015/2016, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

					Euros
Account	**Item**	**Acquisition date**	**Acquisition amount**	**Amount materialised**	**Provision 2012-2013**
21601002	Furniture	01.10.2015	6,898	6,898	6,898
21601002	Furniture	31.10.2015	320	320	320
		Furniture	**7,218**	**7,218**	**7,218**
21701002	IT equipment	25.11.2015	749	749	749
21701002	IT equipment	30.11.2015	460	460	460
		IT equipment	**1,209**	**1,209**	**1,209**
21508001	Other facilities	29.02.2016	1,260	1,260	1,260
21508001	Other facilities	29.02.2016	355	355	355
		Other facilities	**1,615**	**1,615**	**1,615**
20601001	IT applications	01.03.2016	3,816	3,816	3,816
		IT applications	**3,816**	**3,816**	**3,816**

During the financial period 2016/2017, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

					Euros
Account	**Item**	**Acquisition date**	**Acquisition amount**	**Amount materialised**	**Provision 2012-2013**
21601002	Furniture	01.06.2016	763	763	763
21601002	Furniture	28.06.2016	640	640	640
21608002	Furniture	01.03.2017	440	440	440
21608002	Furniture	23.03.2017	2,126	2,126	2,126
		Furniture	**3,969**	**3,969**	**3,969**
21701001	IT equipment	06.02.2017	930	930	930
21701001	IT equipment	01.03.2017	885	885	885
21701002	IT equipment	25.05.2016	460	460	460
		IT Equipment	**2,275**	**2,275**	**2,275**
21901008	Other tangible fixed assets	30.04.2016	35	35	35
21901008	Other tangible fixed assets	30.04.2016	37	37	37
21901008	Other tangible fixed assets	30.04.2016	12	12	12
21901008	Other tangible fixed assets	30.04.2016	3	3	3
21901008	Other tangible fixed assets	30.04.2016	4,749	4,749	4,749
21901008	Other tangible fixed assets	01.05.2016	239	239	239
21901008	Other tangible fixed assets	01.12.2016	48,551	48,551	48,551
21901008	Other tangible fixed assets	22.02.2017	11,921	11,921	11,921
21901008	Other tangible fixed assets	22.02.2017	86	86	86
21901008	Other tangible fixed assets	22.02.2017	66	66	66
21901008	Other tangible fixed assets	22.02.2017	113	113	113
21901008	Other tangible fixed assets	01.03.2017	3,589	3,589	3,589
21901008	Other tangible fixed assets	06.03.2017	6,603	6,603	6,603
21901008	Other tangible fixed assets	06.03.2017	172	172	172
21901008	Other tangible fixed assets	08.03.2017	1,340	1,340	1,340
21901008	Other tangible fixed assets	16.03.2017	1,060	1,060	1,060
21901008	Other tangible fixed assets	23.03.2017	34,200	34,200	34,200
21901008	Other tangible fixed assets	29.03.2017	828	828	828
21901008	Other tangible fixed assets	29.03.2017	3,700	3,700	3,700
21901008	Other tangible fixed assets	31.03.2017	22,253	22,253	22,253
		Other Tangible Fixed Assets	**139,558**	**139,557**	**139,558**
20601001	IT applications	01.05.2016	1,716	1,716	1,716
20601001	IT applications	01.03.2017	3,537	3,537	3,537
20601001	IT applications	29.03.2017	1,817	1,817	1,817

					Euros
Account	**Item**	**Acquisition date**	**Acquisition amount**	**Amount materialised**	**Provision 2012-2013**
		IT applications	**7,070**	**7,070**	**7,070**
21508001	Other facilities	29.03.2017	6,202	6,202	6,202
		Other facilities	**6,202**	**6,202**	**6,202**

On March 31, 2017 the partners agreed to dispose part of the RIC 2012-13 special reserve, so that they agreed to transfer part of the special reserve to voluntary reserves, specifically for the amount pending to materialize at this date, the amount of 1,229,049 Euros. Consequently, one of the requirements established in the article 27 of the Law 19/1994 has been violated, integrating, in accordance with article 27.6 of Law 19/1994, this amount into the tax base of the corporate tax corresponding to 2016-17 period.

As a result of this breach, moratory interests have been paid to the administration for the amount of 53,975 Euros, of which 46,096 Euros were accrued as of March 31 2017.

The realization for the amount of 26,781 Euros in the annual report for the financial period 2016/17 that was booked in the account 21100001, has been reclassified during the financial period 2017/18 to the account 21901008, but the assets are still in the company with the same amount and all the requirements related to the realization have been fulfilled.

Finally, it must be reported that the Company has not carried out investments prior the provision and it has not been benefited from any other tax benefit accrued at the time of the Investments made as a result of the realization of the RIC.

12.9 Financial Periods Open to the Possibility of a Tax Inspection.

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes have been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the abridged annual accounts.

13 Incomes and expenses

13.1 Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding to the cost of the acquired weeks and with purchases of merchandise and merchandising for the Theme Park. The amounts are as follows:

		Euros
Particulars	**As at March 31, 2023**	As at March 31, 2022
Cost of weeks acquired	**159,775**	70,970
Merchandise purchased Theme Park	**180,547**	105,401
Change in inventory merchandise theme park	**8,014**	2,404
Totals	**348,336**	178,776

The purchase of acquired weeks has been carried out in Spanish territory and the theme park merchandise has been purchased from members countries of the European Union.

6.b) Social security: corresponds entirely with the business contribution whose amount totalled 215,141 Euros) and 233,331 Euros for the Financial Periods 2022-2023 and 2021-2022, respectively. During the period 2021-2022 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 111.313 Euros.

7.a) External Services:

		Euros
Particulars	**As at March 31, 2023**	As at March 31, 2022
Leases and charges	**77,765**	39,165
Repair and maintenance	**1,954,356**	1,899,558
Independent professional services	**423,779**	342,564
Transport	**2,847**	–
Insurance	**26,600**	25,684
Bank services and similar	**13,078**	6,678
Publicity, advertising and public relations	**52,819**	62,083
Supplies	**87,792**	83,827
Other Services	**32,131**	23,960
Other taxes	**3,637**	4,471
Other current management losses	**50**	3,544
Totals	**2,674,854**	2,491,533

7.c) Losses on, impairment of and change in trade provisions:

		Euros
Particulars	**As at March 31, 2023**	As at March 31, 2022
Losses from bad debts	**29,625**	153,941
Trade provision	**3,991**	2,078
Excess trade provision	**(11,158)**	(95,947)
Provision sales-persons' commissions.	**23,045**	12,838
Provision RCI	**2,381**	(2,320)
Other provisions	**7,903**	13,683
Totals	**55,787**	84,272

13.2. Other results": these correspond to the net of Profit & Loss that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently. In the financial year 2022-2023 and 2021-2022 they correspond, mainly, to the long-term provision the for amount of 90,000 Euros and 180,000 Euros, respectively (See note 14.1)

14 PROVISIONS AND CONTINGENCIES.

Provisions

14.1 The long-term provision for the amount of 626.682 Euros corresponds to judicial processes in favour of different clients for claims for weeks sold in previous periods. Transactions during the 2021-2022 and 2022-2023 financial periods are as follows:

							Euros
Particulars	**As at March 31, 2021**	**Acquisitions**	**Disposals**	**As at March 31, 2022**	**Acquisitions**	**Disposals**	**As at March 31, 2023**
Long-term provisions	641,416	180,000	(85,289)	736,127	90,000	(199,445)	**626,682**

The company has been sued for several clients arguing that the contracts are null for de amount of 6,800,000 Euros. At the date of preparation of these annual accounts 157 claims have been received and 61 have been closed. From the 96 opened cases, 85 of them have a ruling from first instance and 49 of them have also a ruling from second instance. The rulings are mostly negative for the company for the amount of 3,000,000 Euros, A positive ruling from the Supreme Court has been also received and the Supreme Court, during the period 2021-2022, has accepted several claims to analyse them but there is not a resolution at the date of the annual accounts. The amount to pay for the rulings can be the money received for the company minus the enjoyment of the weeks or a bigger amount. Although there are unfavourable rulings all of them have been appealed and are expected to get a favourable ruling for the contracts signed after July 2012. Most of them are in this case. The maximum risk has been quantified in 626,682 Euros for March 31, 2023 There are 479,410 Euros deposited in the court related to these claims.

14.2 The short-term provision corresponds to the accrual of commissions pending payment to sales staff and provisions for the cancellation of sales. The balance at the end of the financial years 2022-2023 and 2021-2022 amounts 66,766 euros and 34,937 Euros, respectively.

Transactions during the 2021-2022 and 2022-2023 financial periods are as follows:

							Euros
Particulars	As at March 31, 2021	Acquisitions	Disposals	As at March 31, 2022	Acquisitions	Disposals	As at March 31, 2023
Short-term provisions	15,736	72,733	(53,532)	34,937	267,566	(235,737)	**66,766**

Contingencies

14.3 There are guarantees provided to one of the group Companies, to respond to a loan granted by a financial institution, amounting 169,155 Euros at the end of the financial year (see Note 18.3).

14.4 The company provided a guarantee to a Finance company for the amount of 204,450 Euros to face all the trials commented in the note 14.1. being also endorsed by the company of the group Holiday Club Canarias Resort Management SLU. (See Note 18.3)

14.5 All the contingencies due to the health crisis because of the COVID-19 and Ukraine war have been considered.

15. Environmental information

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. Grants, donations and legacies

16.1 On June 24 2014, a grant was given by the Ministry of Finance and other Public Administrations for the investment Project in the Angry Birds Theme Park, for the amount of 870,213 Euros. On Abril 2018 the company paid back 69,982 Euros because some conditions were not complied. In November 2021 the rental contract was renewed for 8,5 years, which means a new calculation of allocation of the capital grant.

16.2 Variations in the capital grant during the financial years 2021-2022 and 2022-2023 are as follows:

				Euros
Particulars	Balance 30.03.21	Acquisitions	Disposals	Balance March 31, 2022
Capital Grant	162,096	–	(51,108)	110,988
Tax Effect	(40,523)	–	12,777	(27,746)
Totals	121,573	–	(38,331)	83,242

				Euros
Particulars	Balance March 31, 2022	Acquisitions	Disposals	Balance March 31, 2023
Capital Grant	**110,988**	**–**	**(13,731)**	**97,257**
Tax Effect	**(27,746)**	**–**	**3,433**	**(24,313)**
Totals	**83,242**	**–**	**(10,298)**	**72,944**

17 Events after the closing of the year

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

18. Transactions between related parties

18.1 Regarding the managing board and key company staff

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.

Remuneration paid to managers and key personnel of the company, during the financial periods 2022-2023 and 2021-2022, in their status as employees of the company, amounts 52,867 Euros and 48,800 Euros, respectively.

On the Balance Sheet there is a current account with partners and administrators on March 31, 2023, that amounts 5,443 Euros) in favour of the manager, (6,647 Euros on March 31st 2022)

18.2 Information required by article 229 of the corporate enterprises act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar, or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 17 July, that amended Law 24/1988, of July 28, in which the market values and the text revised from the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 18.1.

18.3 Transactions and balances with group companies:

The transactions carried out with Group companies during the financial periods 2022-2023 and 2021-2022, are the following:

				Euros
Particulars	As at March 31, 2023			
Company	Financial Expenses	Services received	Services rendered	Supplies
Holiday Club Canarias Resort Management, SLU	**–**	**1,899,863**	**156,927**	**–**
Holiday Club Canarias Invesment, S.L.	**–**	**–**	**–**	**–**
Holiday Club Resort OY	**–**	**277,945**	**–**	**–**
Holiday Club Sweden AB	**231,138**	**–**	**–**	**–**

	Euros			
Particulars	**As at March 31, 2023**			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Vacation Club, SL	**–**	**–**	**2,133,138**	**206,114**
Totals	**231,138**	**2,177,808**	**2,290,065**	**206,114**

	Euros			
Particulars	**As at March 31, 2022**			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Resort Management, SLU	–	1,849,417	173,235	–
Holiday Club Canarias Invesment, S.L.	–	2,900	–	–
Holiday Club Resort OY	–	202,427	5,530	–
Holiday Club Sweden AB	197,689	–	–	–
Holiday Club Canarias Vacation Club, SL	–	–	1,865,423	70,970
Totals	197,689	2,054,744	2,044,187	70,970

The transactions between the Group companies were performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2022-2023 and 2021-2022, both short-term and long-term, at the close of the Financial Periods are:

				Euros
	As at March 31, 2023		As at March 31, 2022	
Particulars	**Debit Balances**	**Creditor Balances**	Debit Balances	Creditor Balances
Holiday Club Canarias Resort Management, SLU	**–**	**12,548,069**	–	10,255,489
Holiday Club Canarias Invesment, SL	**2,573,578**	**–**	2,354,573	–
Holiday Club Resort OY	**30,800**	**11,293**	1	–
Holiday Club Sweden AB	**–**	**7,111,591**	–	6,880,453
Holiday Club Canarias Vacation Club, SL	**5,212,866**	**–**	3,208,738	–
Totals.	**7,817,244**	**19,670,953**	5,563,312	17,135,942

The Company backed the Group Company Holiday Club Canarias Resort Management, SLU related to a loan granted by a financial institution, amounting 169,155 Euros at the end of the period (see Note 14.3).

Furthermore, the Group Company Holiday Club Canarias Resort Management, SLU provided a guarantee to a Finance Company for the amount of 204.450 Euros to face pending trials of the company (See Note 14.4)

18.4 Companies subject to the same unit of decision.

The Company shows the largest assets in the group of companies' subject to the same decision-making units, headquartered in Spain. The companies are the following ones:

- Holiday Club Canarias Investment, S.L.U.: Parent Company of the Group
- Holiday Club Canarias Sales & Marketing, S.L.U.: Subsidiary and with the highest assets.
- Holiday Club Canarias Resort Management, S.L.U.: Subsidiary.
- Holiday Club Canarias Vacation Club: Subsidiary

Aggregated amounts of these companies are as follows:

		Euros
Particulars	**As at March 31, 2023**	As at March 31, 2022
ASSETS		
Non-current Assets	**8,636,439**	8,873,068
Current Assets	**40,730,664**	32,582,840
Total	**49,367,103**	41,455,908
EQUITY AND LIABILITIES		
Equity	**7,480,492**	6,794,039
Non-current Liabilities.	**8,032,391**	8,355,841
Current Liabilities.	**33,854,219**	26,306,029
Total	**49,367,103**	41,455,908
PROFIT & LOSS		
Turnover.	**13,581,579**	12,551,587
Results (Loss).	**696,752**	1,454,681

19 Other information

19.1 Number of Employees.

The average number of people employed by the Company during the financial periods 2022-2023 and 2021-2022, distributed by their professional categories, has been as follows:

	Persons	
	As at March 31, 2023	As at March 31, 2022 (*)
Executives and Administrative Staff.	**8,49**	13,10
Sales and Collections Staff.	**3,68**	4,04
Others	**15,31**	12,36
Totals.	**27,48**	29,50

The distribution by gender at the end of the financial periods 2022-2023 and 2021-2022 is the following:

	As at March 31, 2023 (*)		As at March 31, 2022 (*)	
	Men	**Women**	Men	Women
Executives and Administrative Staff.	**4**	**5**	8	6
Sales and Collections Staff.	**1**	**3**	2	2
Others	**9**	**8**	7	8
Totals.	**14**	**16**	17	16

The average number of disabled persons (more than 33% of disability) employed by the Company during the financial periods 2022-2023 and 2021-2022 is as follows:

	2022-2023(*)	2021-2022 (*)
Executives and Administrative Staff.	**–**	1
Others	**1**	1
Totals.	**1**	2

(*) Employees affected by the ERTE haven't been taken into account

20 <u>Information about deferral payments made to suppliers. third additional regulation to the "duty of information» of law 15/2010 of 5 july.</u>

The average period for payment to suppliers and creditors is 47 days for the financial year 2022-2023 (59 days for the financial year 2021-2022).

In Mogán, April 14th, 2023.

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of Holiday Club Canarias Resort Management, SLU:

Report on the Financial Statements

We have audited the financial statements of Holiday Club Canarias Resort Management, SLU, (the Company) which comprise the balance sheet as at March 31, 2023, and the Income statement, statement of changes in equity, the cash flow statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2023 and of Its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that Is applicable {identified In note 2 to the financial statements) and, In particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts In Spain. Our responsibilities in accordance with these standards are described later in the section of our report on “Responsibilities of the auditor in connection with the audit of the financial statements”.

We are Independent from the Company in accordance with the requirements on ethics, including those of Independence, which are applicable to our audit of financial statements In Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary Independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional Judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Maintenance Fees incomes

As shown in the profit and loss account. the sales figure amounts to 5.6 million euros (see note 19), while in the current liabilities there Is a balance of 4.47 million euros of short-term accruals. As explained in note 1, the main activity of the Company consists in offering maintenance services to five apartment complexes that the related company Holiday Club Canarias Sales Marketing, SLU sells by the timeshare regime, or it exploits tourism. For each calendar year, the owners’ meeting of each complex approves the maintenance fees for each type of room and complex, which are Invoiced In the following January, with the non-accrued portion registered in the section of short-term accruals in the liabilities. Some of the maintenance cost Is billed to unrelated parties for the sold weeks. The other part (the most significant, 47%) Is charged to Holiday Club Canarias Sales Marketing, SLU for the unsold weeks that are in their Inventory and to Holiday Club Canarias Vacation Club, SL for the weeks used for the hotel business. Due to the monetary relevance of the sales Item and the diversity of quotes because of the number of complexes and types of rooms to which the Company provides services, a valuation of the sales and the short-term accruals of the Company as well as the correct allocation to the owners, related and unrelated parties, have been considered a relevant aspect of our audit.

Our procedures consisted, among other things, in a verification of the annual quotas approved In the minutes by the number and type of rooms of each complex, verifying the accrued portion based on the time elapsed between the billing and the closing of the financial year of the Company. Additionally, we evaluate that the sales volume for January Is in line with the property of each week at that time.

Other Information: Management Report

The other Information Includes the management report for the year ended March 31, 2023, the formulation of which Is the responsibility of the Company’s Director, although It Is not an Integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the other Information, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the consistency of the other Information with the financial statements, based on the knowledge of the entity obtained in the performance of the audit, without including Information other than that obtained as audit evidence. Likewise, our responsibility with respect to the management report consists of evaluating and reporting on whether Its content and presentation are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report them.

Based on the work carried out, as described in the previous paragraph, except for the material misstatement described in the following paragraph, the Information contained in the management report is consistent with the financial statements for 2021-2022 and Its content and presentation are in accordance with the applicable regulations.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company In accordance with the Financial Reporting Standards Applicable in Spain, and for such Internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the Issues related to going concern and using the accounting principle of going concern, except If the Director Intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to Issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material If, Individually or in aggregate, they can reasonably be expected to Influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Furthermore:

- We Identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud Is higher than in the case of a material misstatement due to error, since fraud may Involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of Internal control.
- We obtain knowledge of the Internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding Information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there Is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there Is material uncertainty, in our audit report we are required to draw attention to the corresponding Information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, Including the disclosed Information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant Internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

JAVIER AIVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 14, 2023

BALANCE SHEET AT MARCH 31, 2023

Particulars	Notes	(Euros) As at March 31, 2023	(Euros) As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible Assets	5	**510,000**	680,000
Goodwill		**510,000**	680,000
Fixed Assets	6	**3,044,025**	3,185,967
Property and Buildings		**2,683,127**	2,750,386
Technical Facilities and other Fixed Assets		**357,056**	435,581
Advances and fixed assets in progress		**3,842**	–
Real Estate Investments	7	**748,353**	765,733
Construction / Buildings		**748,353**	765,733
Long-term financial investments	8	**136,300**	141,409
Debt securities		**136,300**	136,300
Other financial assets		–	5,109
Deferred Tax Assets	11	**77,458**	78,522
TOTAL		**4,516,135**	4,851,630
LIQUID ASSETS			
Commercial debtors and other accounts receivables.		**1,455,254**	1,122,801
Trade receivables	8	**1,444,631**	1,107,639
Other debtors	8	**7,389**	9,135
Personnel	8	**3,217**	6,010
Other receivables from Public Administrations		**17**	17
Short-term Investments in affiliated group and associated companies	8-17	**12,548,363**	10,255,367
Loans to companies		**12,548,363**	10,255,367
Short-term financial investments	8	**1,557**	1,557
Other financial assets		**1,557**	1,557
Short term accruals		**37,418**	37,863
Cash and other equivalent liquid assets	8	**1,081,815**	719,730
Liquid assets		**1,081,815**	719,730
TOTAL		**15,124,407**	12,137,318
TOTAL ASSETS		**19,640,542**	16,988,948

BALANCE SHEET AT MARCH 31, 2023

Particulars	Notes	(Euros) As at March 31, 2023	(Euros) As at March 31, 2022
EQUITY AND LIABILITIES			
EQUITY			
Capital	**10**	**3,100**	3,100
Shared Capital		**3,100**	3,100
Reserves.		**6,888,354**	5,788,261
Legal and statutory		**620**	620
Other reserves	**10**	**6,887,734**	5,787,641
Profits for the Period	3	**538,363**	1,100,093
TOTAL		**7,429,817**	6,891,454
NON CURRENT LIABILITIES			
Long-term debts	**9**	**151,083**	444,806
Debts to Loan Institutions		**148,943**	443,706
Other financial liabilities		**2,140**	1,100
Long-term accruals		**–**	–
TOTAL		**151,083**	444,806
CURRENT LIABILITIES			
Short-term provisions	**14**	**293,888**	294,892
Short-term debts	**9**	**295,763**	314,438
Debts to Loan Institutions		**294,763**	313,438
Other financial liabilities		**1,000**	1,000
Short-term debts with Group and Associated Companies	**9-17**	**6,157,956**	4,489,732
Trade Creditors and other Accounts payable		**841,843**	715,556
Suppliers, group companies and associates	**9-17**	**–**	334
Sundry creditors	**9-20**	**305,786**	260,138
Staff (salaries pending payment).	**9**	**1,039**	76
Other debts with Public Administrations.		**513,814**	437,350
Customer advances		**21,204**	17,659
Short-term accruals	**9**	**4,470,191**	3,838,070
TOTAL		**12,059,642**	9,652,688
TOTAL NET WORTH AND LIABILITIES		**19,640,542**	16,988,948

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2023

Particulars	Notes	(Euros) Year ended March 31, 2023	(Euros) Year ended March 31, 2022
CONTINUING OPERATIONS			
Turnover	**19**	**5,600,635**	5,207,608
Services rendered		**5,600,635**	5,207,608
Supplies	**13**	**(32,714)**	(16,108)
Consumption of merchandise.		**(32,714)**	(16,108)
Other operations income		**98,829**	253,661
Accessory income and other current operations		**98,829**	45,188
Operating grants taken to income	**13**	**–**	208,474
Personnel expenses		**(2,503,174)**	(1,820,197)
Wages, salaries and similar		**(1,894,779)**	(1,340,372)
Social Security contributions.	**13**	**(608,395)**	(479,825)
Other operating expenses.		**(2,168,818)**	(1,793,308)
Outsourced services	**13**	**(1,671,323)**	(1,304,650)
Taxes		**(164,700)**	(178,167)
Losses, impairment and variation of supplies from trade operations	**13-14**	**(332,678)**	(310,277)
Other current operating expenses		**(117)**	(214)
Depreciation of fixed assets	**5-6-7**	**(345,221)**	(348,187)
Other incomes and expenses	**13**	**(5,156)**	(472)
Operating Income (Profit)		**644,381**	1,482,998
Financial Income.	**8**	**24,062**	29,969
Trade securities and other equity instruments		**24,062**	29,969
Third Parties.		**24,062**	29,969
Financial expenses	**9**	**(13,117)**	(15,214)
Group companies and associates	**17**	**(3,720)**	–
Debts with Third Parties.		**(9,398)**	(15,214)
Exchange differences.	**12**	**(69)**	331
FINANCIAL PROFIT & LOSS (PROFIT)		**10,876**	15,086
PROFIT BEFORE TAXES (PROFIT)		**655,257**	1,498,084
Corporate Income Tax	**11**	**(116,894)**	(397,991)
PROFIT & (LOSS) IN THE PERIOD (PROFIT)		**538,363**	1,100,093

CASH FLOW STATEMENT AT MARCH 31, 2023

Particulars	Notes	(Euros) Year ended March 31, 2023	(Euros) Year ended March 31, 2022
A) CASH FLOW FROM OPERATING ACTIVITIES			
1. PROFIT & LOSS BEFORE TAXES		**655,257**	1,498,084
2. ADJUSTMENTS TO PROFIT & LOSS		**333,272**	204,828
a) Depreciation of Fixed Assets	**5-6-7**	**345,221**	348,187
b) Change to provisions	**14**	**(1,003)**	(128,604)
c) Financial Incomes	**8**	**(24,062)**	(29,969)
d) Financial Expenses	**9**	**13,117**	15,214
3. CHANGES IN WORKING CAPITAL.		**426,400**	147,410
a) Trade and other accounts receivable		**(332,453)**	24,370
b) Other current assets		**445**	(329)
c) Creditors and other accounts payable		**126,287**	149,488
d) Other current liabilities		**632,122**	(26,118)
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		**6,923**	14,755
a) Interest payments	**9**	**(13,117)**	(15,214)
b) Interest receivable	**8**	**24,062**	29,969
c) Corporation tax payments		**(4,022)**	–
5. CASH FLOW ON OPERATING ACTIVITIES		**1,421,852**	1,865,077
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
6. PAYMENTS FOR INVESTMENTS		**(2,303,785)**	(3,914,965)
a) Group and Associated Companies		**(2,292,996)**	(3,856,141)
b) Fixed Assets	**6**	**(15,898)**	(58,824)
7. RECEIVABLES FOR INVESTMENTS		**5,109**	–
a) Other financial instruments		**5,109**	–
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(2,303,785)**	(3,914,965)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. RECEIVABLES AND PAYABLES FOR FINANCIAL LIABILITIES		**1,244,018**	1,004,803
a) Issue		**1,557,456**	1,364,364
1. Amounts owed to credit institutions		**1,556,416**	–
2. Debts with Group and Associated Companies		**1,040**	1,364,364
b) Repayment and amortization.		**(313,438)**	(359,561)
1. Debts with credit institutions		**(313,438)**	(359,561)
10. CASH FLOW FROM FINANCING ACTIVITIES		**1,244,018**	1,004,803
D) NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS		**362,085**	(1,045,084)
Cash or cash equivalents at the beginning of the year	**8**	**719,730**	1,764,815
Cash or equivalents at the end of the year	**8**	**1,081,815**	719,730

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2023

A) STATEMENT OF RECOGNISED PROFIT AND LOSS

Particulars	Notes	**(Euros)** Year ended March 31, 2023	(Euros) Year ended March 31, 2022
A) PROFIT AND LOSS ACCOUNT	3	**538,363**	1,100,093
TOTAL OF RECOGNISED PROFIT AND LOSS (A)		**538,363**	1,100,093

B) COMPLETE STATEMENT OF CHANGES TO EQUITY

(Euros)

Particulars	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
A. FINAL BALANCE AS AT MARCH 31, 2021	**3,100**	**4,096,346**	**(73,342)**	**1,765,257**	**5,791,361**
B. ADJUSTED BALANCE BEGINNING AS AT APRIL 01, 2021	**3,100**	**4,096,346**	**(73,342)**	**1,765,257**	**5,791,361**
I. Total recognised Profit & Loss	–	–	–	1,100,093	**1,100,093**
II. Other variations to Equity	–	1,691,915	73,342	(1,765,257)	–
C. FINAL BALANCE AS AT MARCH 31, 2022	**3,100**	**5,788,261**	**–**	**1,100,093**	**6,891,454**
D. ADJUSTED BALANCE, BEGINNING AS AT APRIL 01, 2022	**3,100**	**5,788,261**	**–**	**1,100,093**	**6,891,454**
I. Total recognised Profit & Loss	–	–	–	538,363	**538,363**
II. Other changes to Equity	–	1,100,093	–	(1,100,093)	–
E. FINAL BALANCE AS AT MARCH 31, 2023	**3,100**	**6,888,354**	**–**	**538,363**	**7,429,817**

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2023

1. THE COMPANY'S BUSINESS ACTIVITY

1.1. Holiday Club Canarias Resort Management, S.L.U. was founded as a limited corporation on December 09, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1525.

On March 03, 2011 the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July 22, 2011 a social agreement changes the financial year that in the corporate statutes was from 1st of October till 30th of September. However, on February 01, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year 1st of April till 31st of March.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, of property, buildings, tourist complexes, hotels, farms and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma), as well as the lease of commercial premises.

1.3. The Corporate offices are located at Avenida Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán in Gran Canaria.

1.4. On April 06, 2011 the Public Deed was signed, by means of which the Company, together with its related company Holiday Club Canarias Sales & Marketing, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned property for the amount of 3,170,602 Euros and the administration and maintenance operations' Goodwill valued at 1,700,000 Euros. The remaining assets (unsold weeks, customers' loan rights and goodwill corresponding to the main business of Timeshare) was assigned to the abovementioned related Company. On June 01, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above.

1.5. The Company is a part of a Group whose parent Company is Holiday Club Canarias Investment, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

– Holiday Club Canarias Investment, SLU
– Holiday Club Canarias Sales & Marketing, SLU
– Holiday Club Canarias Resort Management, SLU
– Holiday Club Canarias Vacation Club, SL

1.6. Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

These annual accounts are presented for approval to the Annual General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16th, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17th and Royal Decree 602/2016 of September 2nd , in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the asset's impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.3. Comparing Information

The figures corresponding to the Financial Year ending on March 31, 2023 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2021-22.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2023 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2022, is as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Distribution Balance		
Financial Period Profits	**538,363**	1,100,093
Distribution		
Voluntary Reserves	**538,363**	1,100,093
Totals	**538,363**	1,100,093

4. RECOGNITION AND MEASUREMENT REGULATIONS

The main accounting principles and practices applied in the drafting of the Annual Accounts, follow current legislation, highlighting the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance as most significant.

The most significant accounting criteria applied in the drafting of the Annual Accounts are the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value. The Goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

4.2. Tangible Fixed Assets

These have been measured at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during operation, use and enjoyment, using as a reference point, the regulations contained in the Royal Decree 1777/2004 of July the 30th, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	3%
Machinery	12%
Other installations	5-12%
Furniture	10%
IT Equipment	25%
Transport elements	16%
Other intangible assets	2-18%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Real-estate Investments

The Company classifies as Real-estate Investments, those buildings which are not being used for the production process and the profits from which are obtained through revenue from leases. The recording and measurement criteria are the same as applied to intangible fixed assets. They are amortised linearly, and the percentage applied is 3 per cent.

The Company's administrators consider that the accounting value of these assets do not exceed their recoverable value.

4.4. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets.
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments.
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.5. Transactions in Foreign Currency

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At the end of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 27/2014 of November the 27th the Corporate Tax Law. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an expense during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income and expense have also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation and short-term provisions allocated in previous financial periods and which are respectively, tax deductible.

4.7. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been considered.

4.8. Income and Expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects.

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.9. Personnel Expenses

Personnel expenses are recognised based on their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS

5.1. As indicated in Note 1.4, during the 2011 financial period the Company acquired the goodwill corresponding to the business of administration and maintenance for the amount of 1,700,000 Euros. Transactions occurred during the financial periods 2021-22 and 2022-23 are the following:

				Euros
	As At March 31, 2021	Acquisitions	Disposals	As At March 31, 2022
Goodwill	1,700,000	–	–	1,700,000
Accumulated amortization	(850,000)	(170,000)	–	(1,020,000)
Net Totals	850,000			680,000

				Euros
	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Goodwill	**1,700,000**	**–**	**–**	**1,700,000**
Accumulated amortization	**(1,020,000)**	**(170,000)**	**–**	**(1,190,000)**
Net Totals	**680,000**			**510,000**

5.2. There is no evidence of impairment through March 31, 2023 on any of the elements in the Intangible Fixed Assets.

6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2021-22 and 2022-23 periods were the following:

				Euros
	As At March 31, 2021	Acquisitions	Disposals	As At March 31, 2022
Gross Costs.				
Buildings	3,303,119	–	–	3,303,119
Machinery	121,435	–	–	121,435
Other facilities	247,750	–	–	247,750
Furniture	310,532	34,821	50,573	395,925
IT Equipment	29,835	24,003	–	53,839
Transportation elements	50,393	–	–	50,393
Other tangible fixed assets	403,000	–	–	403,000
Advances and fixed assets in progress	50,573	–	(50,573)	–
Totals	4,516,638	58,824	-	4,575,462
Accumulated amortization				
Buildings	485,475	67,259	–	552,734
Machinery	61,554	12,533	–	74,087
Other installations	119,864	29,193	–	149,058
Furniture	104,478	37,057	–	141,535
IT Equipment	26,326	2,739	–	29,065
Transportation elements	39,648	8,064	–	47,712
Other tangible fixed assets	391,345	3,961	–	395,306
Totals	1,228,690	160,806	–	1,389,496
Net Totals	3,287,949			3,185,967

				Euros
	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Gross Costs				
Buildings	**3,303,119**	**–**	**–**	**3,303,119**
Machinery	**121,435**	**–**	**–**	**121,435**
Other facilities	**247,750**	**–**	**–**	**247,750**
Furniture	**395,925**	**–**	**–**	**395,925**
IT Equipment	**53,839**	**1,999**	**–**	**55,838**
Transportation elements	**50,393**	**–**	**–**	**50,393**
Other tangible fixed assets	**403,000**	**10,057**	**–**	**413,057**
Advances and fixed assets in progress	**–**	**3,842**	**–**	**3,842**
Totals	**4,575,462**	**15,898**	**–**	**4,591,359**
Accumulated amortization				
Buildings	**552,734**	**67,259**	**–**	**619,993**
Machinery	**74,087**	**12,173**	**–**	**86,260**
Other installations	**149,058**	**28,550**	**–**	**177,607**
Furniture	**141,535**	**37,625**	**–**	**179,160**
IT Equipment	**29,065**	**6,731**	**–**	**35,796**
Transportation elements	**47,712**	**2,681**	**–**	**50,393**
Other tangible fixed assets	**395,306**	**2,821**	**–**	**398,127**
Totals	**1,389,496**	**157,840**	**–**	**1,547,335**
Net Totals	**3,185,967**			**3,044,025**

6.2. The buildings heading corresponds to property for which the value of the plots and buildings come to 1,061,167 Euros and 2,241,952 Euros, respectively.

6.3. Advances and fixed assets in progress during the period 2021-22 for the amount of 50,573 Euros corresponded to advances to buy furniture. All of them have been activated this period.

6.4. There are fully depreciated elements in use on March 31, 2023 for the amount of 469,983 Euros. (457, 927 Euros on March 31, 2022.)

6.5. There are no signs of impairment through March 31, 2023 for the elements in the Tangible Fixed Assets.

6.6. There are tangible assets linked to tax incentives. (See Note 11.7)

6.7. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

7. **REAL-ESTATE INVESTMENTS**

7.1. The transactions occurring during the 2021-22 and 2022-23 periods were the following:

	As At March 31, 2021	Acquisitions	Disposals	As At March 31, 2022
				Euros
Buildings	935,518	–	–	935,518
Accumulated amortisation	(152,404)	(17,381)	–	(169,785)
Net Totals	783,114			765,733

	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
				Euros
Buildings	**935,518**	**–**	**–**	**935,518**
Accumulated amortisation	**(169,785)**	**(17,381)**	**–**	**(187,165)**
Net Totals	**765,733**			**748,352**

7.2. The heading for Plots and Buildings correspond to property in which the value of the plot and the buildings come to 356,161 Euros and 579,357 Euros respectively.

7.3. The Company's Real-estate investments for rental have generated revenue of 79,437 Euros and 38,259 Euros during the financial periods 2022-23 and 2021-22 respectively and correspond to three restaurants, a pool bar, a hairdressers' salon and a diving centre.

7.4. The main expenditures for these properties correspond to allocation for amortisation.

7.5. There are no signs of impairment through March 31, 2023 for the elements in the Real-estate investments.

7.6. The Real-estate investments are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

8. **FINANCIAL ASSETS**

Information related to the Balance Sheet

8.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, jointly controlled group and associated companies) by categories is as follows:

	Equity Instruments		Debt Securities		Credits / Derivatives / Others	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
						Euros
Long-term Financial Assets						
Financial assets at amortized cost	**–**	–	**136,300**	136,300	**–**	5,109
Totals	**–**	–	**136,300**	136,300	**–**	5,109
Short- term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**14,005,156**	11,379,707
Liquid assets	**–**	–	**–**	–	**1,081,815**	719,730
Totals	**–**	–	**–**	–	**15,086,971**	12,099,437

8.2. Classification by Maturity:

The ratings depending on the maturity of the different financial assets are as follows:

Financial Assets	2023-24	2024-25	2025-26	2026-27	2027-28	Next	Total l / t
							Euros
Investments in Group and Associated Companies	**12,548,363**	**–**	–	–	–	**–**	**–**
Loans to companies	**12,548,363**	**–**	–	–	–	**–**	**–**
Short-term financial investments	**1,557**	**–**	**–**	**–**	**–**	**136,300**	**136,300**
Debt securities	**–**	**–**	–	–	–	136,300	136,300
Other financial assets	**1,557**	**–**	–	–	–	–	–
Commercial Debts and other Receivables	**1,455,237**	**–**	–	–	–	**–**	**–**
Trade receivable	**1,444,631**	**–**	–	–	–	**–**	**–**
Sundry Receivables	**7,389**	**–**	–	–	–	**–**	**–**
Personnel	**3,217**	**–**	–	–	–	**–**	**–**
Cash and other Liquid Assets	**1,081,815**	**–**	–	–	–	**–**	**–**
Liquid Assets	**1,081,815**	**–**	–	–	–	**–**	**–**
Totals	**15,086,971**	**–**	–	–	–	**136,300**	**136,300**

8.3. Corrections due to Impairment caused by Credit Risk

No variations due to impairment have been applied to the corrective accounts during the financial periods 2022-23 and 2021-22.

Information relating to the Profit & Loss Account

8.4 Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account, the amounts of 24,062 Euros and 29,969 Euros for the financial periods 2022-23 and 2021-22 respectively, correspond mainly to the accrual of bank account interest, term deposits and interest on commercial clients.

Other Information

8.5. Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are valued at their cost.

8.6. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange, of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit to clients and debtors are granted based on a preliminary solvency study and strict follow-up of credits and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum because the Company grants loans at a fixed interest rate.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet

9.1 Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories is as follows:

Euros

	Debits with Credit Institutions		**Bonds & Other Market Securities**		**Derivatives / Others**	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Long-term financial Liabilities						
Financial liabilities at amortized cost	**148,943**	443,706	**–**	–	**2,140**	1,100
Totals	**148,943**	443,706	**–**	–	**2,140**	1,100
Short-term Financial Liabilities						
Financial liabilities at amortized cost	**294,763**	313,438	**–**	–	**6,465,781**	4,751,280
Totals	**294,763**	313,438	**–**	–	**6,465,781**	4,751,280

9.2. Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Euros

Financial Liabilities	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**Next**	**Total l/t**
Debts	**314,438**	294,763	127,506	–	–	2,140	151,083
Debts with Credit Institutions	**294,763**	127,506	21,437	–	–	–	148,943
Other financial liabilities.	**1,000**	–	–	–	–	2,140	2,140
Debts with Group and Associated Companies	**6,157,956**	–	–	–	–	–	–
Trade Creditors and other accounts payable.	**306,825**	–	–	–	–	–	–
Suppliers	**305,786**	–	–	–	–	–	–
Staff (salaries pending payment).	**1,039**	–	–	–	–	–	–
Totals	**6,760,544**	**127,506**	**21,437**	**–**	**–**	**2,140**	**151,083**

Information related to the Profit & Loss Account

9.3. Financial Expenses

The heading of debts to third parties is mainly the interest accrued with credit institutions, the amounts of which come to 9,398 Euros and 15,214 Euros for the financial periods 2022-23 and 2021-22, respectively. There is also a payable interest that amounts 3,700 Euros that corresponds to a credit received from a group company and cancelled in the same period (See Note 17.3)

Other Information

9.4. Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6. Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

	Euros	
	2022-23	2021-22
Personal secured loans	**274,552**	398,291
ICO loans (note 9.6.b))	**169,155**	358,853
Totals	**443,706**	757,145

b) The ICO loans, which amount on March 31, 2023 is 169,155 Euros are backed for companies of the group. (See notes 14.2 and 17.3)

c) The average interest rate of non-commercial debts fluctuates between 1 and 2 per cent per annum.

9.7 Accrual adjustments

In January, every year, the company issues the maintenance fees invoices for every week. At the end of the financial period there are, in the heading of accrual adjustments, the proportional part of the not accrued months on March 31, 2023 for the amount of 4,470,191 Euros. It was 3,838,070 Euros on March 31, 2022.

10. SHAREHOLDERS´ EQUITY

10.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each.

10.2 The Canary Islands Investments Reserve Fund for the amount of 1,638,036 Euros, is subject to the availability limitations established in the tax regulations (See Note 11.7).

10.3 The corporation Holiday Club Canarias Investment, S.L.U., owns 100 per cent of the share capital of the Company.

10.4 The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

	Euros	
	2022-23	2021-22
Voluntary Reserves	**4,732,547**	3,632,453
Canary Islands Investment Reserves	**1,638,036**	1,638,036
Goodwill Reserves	**517,151**	517,151
Totals	**6,887,734**	5,787,641

11. TAX POSITION

Profit Tax

11.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of 27th November of the profit tax, which approved the revised text from the Law of Corporate Tax. The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, SL.U.
Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U, Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.

11.2 Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

		Euros
Particulars	**Profit & Loss Account**	**Income & expenditure directly attributable to Equity**
Balance of income and expenditure for the financial year	**538,363**	–
Tax over benefits	**116,894**	–
Profit Tax	**115,830**	–
Current Tax	**1,064**	–
Deferred Tax		
Donations	**5,370**	–
Goodwill Deduction	**85,000**	–
Temporary Differences		
70% Limit Amortization	**(7,210)**	–
Provisions (Art. 14 LIS)	**4,397**	–
Tax Base (Tax Profit & Loss)	**742,813**	

11.3 Corporate Tax Settlement.

By applying the tax rate on the tax base, the total tax liability is obtained, which is reduced by the following concepts and amounts:

	Euros
Full fee (25% of taxable income)	**185,703**
DAFN 17/18	(35,857)
DAFN 19/20	(31,002)
DAFN 20/21	(3,014)
Liquid fee	**115,830**

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions; additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Resort Management, S.L.U. for the amount of 115,830 Euros, is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 707,571 Euros. This base is reduced by the application of the BINs generated in previous year by Holiday Club Canarias Sales & Marketing SLU for the amount of 274,963 Euros, therefore the final tax base of the group amounts 432,607 Euros on March 31, 2023.

11.4 Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

	Euros	
Particulars	**2022-23**	2021-22
1. Current Tax	**115,830**	363,677
2. Deferred Tax	**1,064**	34,314
- deductible temporary differences that are activated in the period	**(72,050)**	(70,951)
- deductible temporary differences that are deducted in the period	**73,114**	105,265
3. Total expenditure on Income Tax	**116,894**	397,991

11.5 Deductions for Investments in Canaries

The investments in fixed assets during the period 2022-23 that could be affected by the tax incentive amount 12,056 Euros. By applying the deduction rate (25%) to the investments during the period a deduction of 3,014 Euros is obtained. It means that, at the end of the financial period, the outstanding deductions are as follows:

Euros

Exercise	Initial out-standing amount	Acquisi-tions	Applica-tions	Balance March 31, 2023	Limit	Time limit
2017-2018	35,857	–	(35,857)	–	50%	2032-33
2019-2020	47,615	–	(31,002)	16,613	50%	2034-35
2022-2023	–	3,014	(3,014)	–	50%	2036-37
Totals	83,473	3,014	(69,873)	16,613		

11.6 Deferred Tax Assets.

Transactions during the financial periods 2021-22 and 2022-23 found in this heading have been the following:

Euros

Particulars	As At March 31, 2021	Acquisitions	Applications	As At March 31, 2022
- Temporary differences for non-deductible provisions	103,102	70,951	(103,102)	70,951
- Temporary differences, 70% limit fiscal amortisation	9,733	–	(2,163)	7,570
Totals	112,835	70,951	(105,265)	78,522

Particulars	Balance March 31, 2022	Acquisitions	Applications	Balance March 31, 2023
- Temporary differences for non-deductible provisions	70,951	72,050	(70,951)	72,050
- Temporary differences, 70% limit fiscal amortisation	7,570	–	(2,163)	5,407
Totals	78,522	72,050	(73,114)	77,458

11.7 The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial period 2022-23, the situation of the Canary Islands Investment Reserve is as follows:

Euros

Item	2012-13	2013-14	2017-18	2018-19	2019-20	2020-21
Provisions.	245,000	425,000	190,000	128,036	290,000	360,000
Investments made						
Financial Period 2013-14	(17,221)	–	–	–	–	–
Financial Period 2014-15	(191,443)	–	–	–	–	–
Financial Period 2015-16	(36,336)	(42,173)	–	–	–	–
Financial Period 2016-17	–	(117,833)	–	–	–	–
Financial Period 2017-18	–	(264,993)	(190,000)	–	–	–
Financial Period 2018-19	–	–	–	(69,409)	–	–
Financial Period 2019-20	–	–	–	(58,626)	(290,000)	–
Financial Period 2021-22	–	–	–	–	–	(109,397)
Unrealized amount	–	–	–	–	–	250,603

Specifically, investments made in the financial period 2013-2014 for which the Canary Island Investment Reserve was materialised, were the following:

Euros

Account	Item	Acquisition Date	Amount Materialised	Provision 2012-2013
21301001	Machinery	01.03.2014	1,103	1,103
21301001	Machinery	13.03.2014	690	690
21301001	Machinery	13.08.2014	1,152	1,152
21301001	Machinery	15.09.2014	12,015	12,015
	TOTAL MACHINERY		14,961	14,961
201608002	Furniture	29.11.2013	2,097	2,097
201608002	Furniture	22.11.2013	163	163
	TOTAL FURNITURE		2,260	2,260

Throughout the financial period 2014-2015 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012-2013
21108022	Construction / Buildings	10.02.2015	4,020	4,020
21108022	Construction / Buildings	28.02.2015	6,759	6,759
21108022	Construction / Buildings	28.02.2015	392	392
21108022	Construction / Buildings	28.02.2015	329	329
21108022	Construction / Buildings	28.02.2015	15,212	15,212
21108022	Construction / Buildings	31.03.2015	2,183	2,183
21108022	Construction / Buildings	30.09.2015	76,825	76,825
	TOTAL CONSTRUCTION		105,720	105,720
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	31.05.2015	562	562
21301001	Machinery	30.06.2015	601	601
21301001	Machinery	30.07.2015	601	601
	TOTAL MACHINERY		5,074	5,074
21508001	Other Facilities	31.05.2015	5,646	5,646
21508001	Other Facilities	17.06.2015	1,096	1,096
21508001	Other Facilities	17.06.2015	586	586
21508001	Other Facilities	29.09.2015	4,056	4,056
21508001	Other Facilities	30.09.2015	68,175	68,175
	TOTAL OTHER FACILITIES		79,558	79,558
201608001	Furniture	28.10.2014	437	437
201608001	Furniture	01.12.2014	654	654
	TOTAL FURNITURE		1,091	1,091

Throughout the financial period 2015-2016 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012-2013	Provision 2013-2014
21108005	Constructions	20.11.2015	8,027	8,027	–
21108005	Constructions	20.11.2015	1,950	1,950	–
21108005	Constructions	24.12.2015	1,565	1,565	–
21108005	Constructions	24.12.2015	1,450	1,450	–
21108005	Constructions	24.12.2015	1,499	1,499	–
21108005	Constructions	24.12.2015	8,027	8,027	–
21108005	Constructions	31.01.2016	1,950	1,950	–
21108008	Constructions	31.01.2016	2,370	2,370	–
	TOTAL CONSTRUCTIONS		26,837	26,837	–

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012-2013	Provision 2013-2014
21301001	Machinery	31.01.2016	1,036	–	1,036
21301001	Machinery	31.01.2016	4,514	–	4,514
	TOTAL MACHINERY		**5,550**	**–**	**5,550**
21508001	Other facilities	30.11.2015	5,271	5,271	–
21508001	Other facilities	01.12.2015	30,707	320	30,387
21508001	Other facilities	31.12.2015	2,409	2,409	–
21508001	Other facilities	31.01.2016	1,499	1,499	–
	TOTAL OTHER FACILITIES		**39,886**	**9,499**	**30,387**
21608001	Furniture	02.01.2016	1,036	–	1,036
	TOTAL FURNITURE		**1,036**	**–**	**1,036**
21708001	IT equipment	18.12.2015	5,024	–	5,024
21708001	IT equipment	18.12.2015	176	–	176
	TOTAL IT EQUIPMENT		**5,200**	**–**	**5,200**

Throughout the financial period 2016-2017 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013-2014
21901009	Other Tangible Fixed Assets	01.09.2016	11,606	11,606
21908009	Other Tangible Fixed Assets	13.04.2016	201	201
21908009	Other Tangible Fixed Assets	13.04.2016	140	140
	TOTAL OTHER TANGIBLE FIXED ASSETS		**11,947**	**11,947**
21301001	Machinery	10.10.2016	3,300	3,300
21301001	Machinery	31.10.2016	1,654	1,654
21301001	Machinery	31.10.2016	293	293
21301001	Machinery	31.12.2016	875	875
21301001	Machinery	01.01.2017	(1,036)	(1,036)
21301001	Machinery	07.02.2017	800	800
21301001	Machinery	07.02.2017	155	155
		TOTAL MACHINERY	**6,043**	**6,043**
21408001	Other facilities	28.02.2017	7,975	7,975
	TOTAL OTHER FACILITIES		**7,975**	**7,975**
21608001	Furniture	30.06.2016	22,155	22,155
21608001	Furniture	05.10.2016	18,080	18,080
21608001	Furniture	01.03.2017	1,241	1,241
		TOTAL FURNITURE	**41,476**	**41,476**
21801001	Vehicles	24.05.2016	50,393	50,393
		TOTAL VEHICLE	**50,393**	**50,393**

Throughout the financial period 2017-2018 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013-2014	Provision 2017-2018
21108026	Construction/ Buildings	31.03.2018	124,597	124,597	–
21108028	Construction/ Buildings	31.03.2018	140,397	140,397	–
	TOTAL CONSTRUCTION / BUILDING		**264,993**	**264,993**	**–**
21301001	Machinery	01.07.2017	6,745	–	6,745
21301001	Machinery	01.07.2017	5,416	–	5,416
21301001	Machinery	10.08.2017	1,845	–	1,845
21301001	Machinery	30.09.2017	2,500	–	2,500
21301001	Machinery	30.09.2017	4,866	–	4,866
21301001	Machinery	30.09.2017	9,200	–	9,200
21301001	Machinery	31.03.2018	294	–	294
	TOTAL MACHINERY		**30,865**	**–**	**30,865**
21508001	Other Facilities	30.04.2017	109	–	109
21508001	Other Facilities	30.04.2017	225	–	225
21508001	Other Facilities	30.04.2017	466	–	466
21508001	Other Facilities	30.04.2017	1,209	–	1,209
21508001	Other Facilities	01.07.2017	3,560	–	3,560
21508001	Other Facilities	01.07.2017	1,500	–	1,500
21508001	Other Facilities	01.07.2017	1,183	–	1,183
21508001	Other Facilities	12.09.2017	1,627	–	1,627
21508001	Other Facilities	30.09.2017	13,434	–	13,434
21508001	Other Facilities	22.11.2017	3,863	–	3,863
	TOTAL OTHER FACILITIES		**27,176**	**–**	**27,176**
21601002	Furniture	01.09.2017	230	–	230
21601002	Furniture	11.09.2017	1,960	–	1,960
21608001	Furniture	01.08.2017	513	–	513
21608001	Furniture	10.08.2017	2,864	–	2,864
21608001	Furniture	28.08.2017	505	–	505
21608003	Furniture	31.03.2018	25,238	–	25,238
21608004	Furniture	31.03.2018	38,551	–	38,551
21608005	Furniture	31.03.2018	51,024	–	51,024
	TOTAL FURNITURE		**120,885**	**–**	**120,885**
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	1,371	–	1,371
21708001	IT equipment	28.01.2018	1,371	–	1,371
	TOTAL IT EQUIPMENT		**10,966**	**–**	**10,966**
21908001	Other tangible fixed assets	20.07.2017	108	–	108
	TOTAL OTHER TANGIBLE FIXED ASSETS		**108**	**–**	**108**

Throughout the financial period 2018-2019 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018-2019
21108026	Construction/Buildings	03.05.2018	2,550	2,550
21108026	Construction/Buildings	01.06.2018	5,120	5,120
21108028	Construction/Buildings	15.05.2018	2,600	2,600
21108028	Construction/Buildings	01.06.2018	5,910	5,910
	TOTAL CONSTRUCTION / BUILDING		**16,180**	**16,180**
21301001	Machinery	20.05.2018	15,500	15,500
21301001	Machinery	20.06.2018	2,500	2,500
21301001	Machinery	13.09.2018	182	182
21301001	Machinery	13.09.2018	2,409	2,409
21301001	Machinery	28.09.2018	1,700	1,700
	TOTAL MACHINERY		**22,292**	**22,292**
21508001	Other Facilities	10.05.2018	2,300	2,300
21508001	Other Facilities	10.05.2018	1,700	1,700
	TOTAL OTHER FACILITIES		**4,000**	**4,000**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018-2019
21608001	Furniture	20.05.2018	2,500	2,500
21608001	Furniture	31.01.2019	1,712	1,712
21608002	Furniture	28.03.2019	302	302
21608002	Furniture	28.03.2019	3,346	3,346
21608005	Furniture	30.04.2018	11,195	11,195
	TOTAL FURNITURE		**19,056**	**19,056**
21708001	IT equipment	20.06.2018	353	353
	TOTAL IT EQUIPMENT		**353**	**353**
21908001	Other tangible fixed assets	01.04.2018	565	565
21908001	Other tangible fixed assets	09.04.2018	3,510	3,510
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	06.03.2019	1,073	1,073
	TOTAL OTHER TANGIBLE FIXED ASSETS		**7,529**	**7,529**

During the period 2018-19 the Company has carried out investments prior to the provision of the same period for the amount of 69,409 Euros all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

Throughout the financial period 2019-2020 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisitions	Amount materialised	Provision 2018/2019	Provision 2019/20
21108004	Construction / Buildings	31.05.2019	57,886	57,886	57,886	–
21108004	Construction / Buildings	31.05.2019	29,628	29,628	740	28,888
21108026	Construction / Buildings	06.05.2019	800	800	–	800
21108029	Construction / Buildings	01.09.2019	211,087	148,587	–	148,587
21108029	Construction / Buildings	01.10.2019	10,000	10,000	–	10,000
TOTAL CONSTRUCTION / BUILDING			**309,401**	**246,902**	**58,626**	**188,275**
21301001	Machinery	31.05.2019	36,612	36,612	–	36,612
TOTAL MACHINERY			**36,612**	**36,612**	**–**	**36,612**
21508001	Other Facilities	31.05.2019	24,792	24,792	–	24,792
TOTAL OTHER FACILITIES			**24,792**	**24,792**	**–**	**24,792**
21608001	Furniture	31.05.2019	40,321	40,321	–	40,321
TOTAL FURNITURE			**40,321**	**40,321**	**–**	**40,321**

During the period 2019-20 the Company has carried out investments prior to the provision of the same period for the amount of 290,000 Euros all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

During the period 2021-2022 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisitions	Amount materialised	Provision 2020/21
21608001	Furniture	01.05.2021	50,573	50,573	50,573
21608001	Furniture	31.05.2021	32,949	32,949	32,949
21608001	Furniture	30.06.2021	1,872	1,872	1,872
TOTAL FURNITURE			**85,393**	**85,393**	**85,393**
21701001	IT equipment	18.02.2022	295	295	295
21701001	IT equipment	18.02.2022	249	249	249
21701001	IT equipment	30.03.2022	23,459	23,459	23,459
TOTAL IT equipment			**24,003**	**24,003**	**24,003**

11.8 Financial periods open to the possibility of a tax inspection:

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes has been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

12. FOREIGN CURRENCY

The Exchange differences recognised for the financial periods 2022-23 and 2021-22 in the Profit and Loss Account, for creditor and debtor´s amounts of 69 Euros and 331 Euros respectively. All the transactions have been made in Spanish territory.

13. INCOME AND EXPENSES

Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding entirely to the purchases of merchandise for the amounts of 32,714 Euros and 16,108 Euros during the financial periods 2022-23 and 2021-22, respectively. All purchases have been made in Spanish territory.

6.b) Social security: corresponds entirely to the Business contribution to Social Security for a total amount of 608,395 Euros and 479,825 Euros for the financial periods 2022-23 and 2021-22, respectively. During the period 2021-22 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 208,474 Euros.

7.a) External Services:

	Euros	
	2022-23	2021-22
Leases and royalties	**456**	–
Repair and Maintenance	**633,969**	486,947
Independent Professional Services	**238,370**	285,057
Transport	**44,370**	–
Insurance	**27,668**	29,338
Bank Services and Similar	**19,447**	18,526
Publicity, Advertising and Public Relations	**919**	–
Supplies	**612,745**	417,994
Other Services	**93,379**	66,789
Totals	**1,671,323**	1,304,650

7.c) Losses on impairment of and change in trade transactions:

	Euros	
	2022-23	2021-22
Provisions Other Trade Transactions (Note 14)	**332,678**	310,277
Totals	**332,678**	310,277

12. Other results: these correspond to the Profits & Losses that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently.

14. PROVISIONS AND CONTINGENCIES

Provisions

14.1 Transactions during the financial periods 2021-22 and 2022-23 found in this heading have been the following:

				Euros
	As At March 31, 2021	**Acquisitions**	**Disposals**	**As At March 31, 2022**
Sinking Fund	418,096	310,277	(438,881)	289,492
Collective labor agreement	5,400	–	–	5,400
	423,496	310,277	(438,881)	294,892

				Euros
	As At March 31, 2022	**Acquisitions**	**Disposals**	**As At March 31, 2023**
Sinking Fund	289,492	332,678	(328,281)	293,888
Collective labor agreement	5,400	–	(5,400)	–
	294,892	332,678	(333,681)	293,888

The sinking fund provision is a monthly provision to cover general expenses approved in the owners' meeting. The company uses this provision when it is necessary. The provision Collective labour agreement corresponds to the salaries increase.

Contingencies

14.2 A guarantee has been provided by one of the Group companies, to respond for a loan granted by a Finance Company, which balance at the end of the period is 169,155 Euros (See Notes 9.6b and 17.3).

14.3 The company provided a guarantee to a Finance company for the amount of 204,450 Euros to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing (See Note 17.3)

14.4 All the contingencies due to the health crisis because of the COVID-19 and Ukraine war have been considered.

15. ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or deadlines of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

17. TRANSACTIONS BETWEEN RELATED PARTIES

17.1. Regarding the Managing Board and Key Company Staff

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director
- Mrs. Claudia Esplá Marín, Finance Manager
- Mr. Roberto Picón Pampin, Operations Manager

Remuneration paid to managers and key personnel of the company, during the financial periods 2022-23, in their status as employees of the company, amounts to 212,867 Euros and 200,467 Euros in the financial period 2021-22.

17.2. Information required by Article 229 Of the Corporate Enterprises Act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 of July 17, which amended Law 24/1988, of July 28, in which the Market Values and the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 17.1.

17.3. Transactions and Balances with Group companies:

Transactions between related companies during the periods 2022-23 and 2021-22 are as follows:

	2022-23			2021-22		Euros
Company	**Services received**	**Services rendered**	**Financial expenses**	Services received	Services rendered	Extraordinar & Income
Holiday Club Canarias Sales & Marketing, SLU	**156,927**	**1,899,863**	**–**	173,235	1,849,057	–
Holiday Club Canaries Invesment, S.L.U.	**–**	**–**	**–**	2,900	–	–
Holiday Club Resort OY	**–**	**653**	**–**	–	(1,031)	–
Holiday Club Sweden AB	**–**	**–**	**3,720**	–	–	–
Holiday Club Canaries Vacation Club, SL	**–**	**721,333**	**–**	–	407,136	142,105
Totals	**156,927**	**2,621,849**	**3,720**	176,135	2,255,163	142,105

Balances from clients have been transferred to the related company Holiday Club Canarias Vacation Club S.L. to be incorporated as intangible asset related to the rights of use of the repossessed weeks. The transfer amounts for the periods 2022-23 and 2021-22 respectively are 190,390 Euros and 370,334.

All the transactions between related companies have been made under normal market conditions.

Pending amount with related companies for the financial year 2022-23 and 2021-22, both long a short term is at the end of periods, are as follows:

	2022-23		2021-22	Euros
Company	**Debit Balances**	**Credit Balances**	Debit Balances	Credit Balances
Holiday Club Canarias Sales & Marketing, SLU	**12,548,363**	**–**	10,255,367	–
Holiday Club Canarias Invesment, SL	**–**	**2,030,465**	–	1,915,057
Holiday Club Resorts OY	**1**	**–**	–	334
Holiday Club Canarias Vacation Club, SL	**–**	**4,127,491**	–	2,574,675
Totals	**12,548,363**	**6,157,956**	10,255,367	4,490,066

The company provided a guarantee to a Finance company to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing for the amount of 204,450 Euros (See Note 14.3).

The company is also backed by group companies in front of financial entities for a received loan. The breakdown and balance on March 31, 2023 is as follows (See Notes 9.6.b and 14.2):

	Euros
Company	**2023**
Holiday Club Canarias Sales & Marketing, SLU	**335,809**
Holiday Club Canarias Vacation Club, SL	**23,044**
Totals	**358,853**

18. OTHER INFORMATION

18.1. Number of Employees

The average number of people employed by the Company during the 2022-23 and 2021-22 Financial Periods, distributed by professional categories, has been the following:

	People	
	2022-23	2021-22 (*)
Senior Managers	**2**	3
Administration and Middle Managers	**7**	7
Receptionists and Technical Staff.	**22**	32
Housekeeping and others	**55**	34
Totals	**87**	76

Distribution by gender at the end of the financial periods 2022-23 and 2021-22 is the following:

	2022-23		2021-22 (*)	
	Men	**Women**	Men	Women
Senior Managers	**2**	**1**	2	1
Administration and Middle Managers	**4**	**4**	–	6
Receptionists and Technical Staff.	**19**	**5**	23	9
Housekeeping and others	**5**	**53**	11	34
Totals	**30**	**63**	36	50

Distribution by disabled employees at the end of the financial periods 2022-23 and 2021-22 is one person for both periods in the category of housekeeping and other.

(*) Employees affected by the ERTE have not been taken into account.

18.2 Auditor's Fees

The fees for the audit of Annual Accounts and other services for the Financial Periods 2022-23 are 11,010 Euros and 3,800 Euros respectively. The amount for the financial period 2021-22 were 10,005 Euros and 3,800 Euros respectively.

19. SEGMENT INFORMATION

The distribution of the net amount of turnover corresponding to ordinary activity, by categories, is as follows:

		Euros
	2022-23	2021-22
Maintenance Fee	**5,327,177**	5,020,358
Other incomes	**273,459**	187,250
Totals	**5,600,635**	5,207,608

20. INFORMATION ABOUT PAYMENT DEFERRALS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION TO THE "DUTY OF INFORMATION OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

		Euros
	2022-23	2021-22
	Days	**Days**
Payment Ratio	57	58
Outstanding payment Ratio	56	57
Average period for payment to suppliers	57	58
	Importe	**Importe**
Total payments in the period	1.823.090	1,415,941
Total outstanding payments	305.786	260,138

Volume invoices pad in less than 60 days	1,823,090
Total invoice volume	1,823,090
% Volume invoices paid in less than 60 days	100%

Number of invoices paid in less than 60 days	3,063
Total number of invoices	3,063
% Number of invoices paid in less than 60 days	**100%**

In Mogán, on April 14, 2023

Calvin Stuart Lucock
Joint and Several Administrator and
Holiday Club Resorts OY Representative

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of Holiday Club Canarias Vacation Club, S.L.U.

Report on the Financial Statements

We have audited the financial statements of Holiday Club Canarias Vacation Club, S.L.U. (the Company) which comprise the balance sheet as at March 31, 2023, the income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2023 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (Identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "*Responsibilities of the auditor in connection with the audit of the financial statements*".

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. in this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgement, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Sales

As shown in the profit and loss account, the turnover amounts to 3,716,870 euros. The totally of sales comes from the operation of five hotels owned by the related company Holiday Club Canarias Vacation Club, S.L.U. The clients are mainly attracted from web pages and travel agencies. For the control of the services, the Company uses the web support of the intermediaries where the date of arrival, departure, clients, apartment complex, etc. is detailed. During the year there are numerous transactions that could affect the integrity and valuation of sales and, periodically, the information is transferred to the accounting program and reviewed by different people responsible for both administration and the Marketing department. Due to the monetary relevance of this item, the high number of transactions and the different complexes operated by the Entity, the analysis of the integrity and accuracy of the turnover has considered a relevant aspect for our audit work.

Our audit work has been focused on the analysis of the tendencies, analytically, both individually and comparatively, of the sales volumes, as well as margins obtained, giving reasonableness to those anomalous or specific behaviors. in addition, tests have been carried out in detail on a sample of services provided by the Company to verify the accounting and valuation and the cut-off sales have been examined contrasting the advance payments recorded by the organization.

Right of use over weeks

The Company has registered intangible assets amounting to 2,511,168 euros, which corresponds to the right to use the weeks of the hotels owned by the related company Holiday Club Canarias Sales & Marketing, SLU. When the Group repossesses a week, the aforementioned related party resigns its right of repossession in favor of Holiday Club Canarias Vacation Club, S.L.U, who makes a financial compensation (see note 4.1). The valuation of each week and the aforementioned resignation, implies a related transaction that requires both fair value analysis. Due to the importance of this item in the assets of the balance sheet, as well as the complexity of the calculations and the increasing number of weeks repossessed, it has been considered a relevant aspect in our audit.

Our work has been focused on verifying the reconciliation of the auxiliary of intangible assets with the accounting, and on the analysis of the calculations made by the Company reflecting the auxiliary mentioned. The adequacy of the fair value of related-party transactions has also been analysed.

Directors' responsibilities

The Directors are responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Directors intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore;

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Directors.
- We conclude on whether the use, by the Directors, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. if we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Directors regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Directors, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 14, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	(Euros) March 31, 2023	(Euros) March 31, 2022
ASSET			
NON-CURRENT ASSET			
Intangible Assets	5	**2,511,168**	2,031,593
TOTAL		**2,511,168**	2,031,593
CURRENT ASSETS			
Commercial debtors and other accounts receivables.	6	**59,204**	88,888
Trade receivables		**37,040**	80,713
Other debtors		**22,163**	8,175
Short-term investments in affiliated group and associated companies	6-12	**4,127,491**	2,574,675
Prepayments for currents assets	6	**492,921**	321,669
Cash and equivalent liquid assets	6	**517,360**	100,126
TOTAL		**5,196,975**	3,085,358
TOTAL ASSET		**7,708,143**	5,116,951

Particulars	Notes	(Euros) March 31, 2023	(Euros) March 31, 2022
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Capital			
Share Capital	8	**3,000**	3,000
Reserves		**1,292,257**	908,416
Result for the period (benefit)	3	**337,865**	383,841
TOTAL		**1,633,122**	1,295,257
CURRENT LIABILITIES			
Short term debts with group and associated companies	7-12	**5,764,406**	3,639,323
Trade creditors and other accounts payable	7	**310,616**	182,371
Sundry Creditors		**310,616**	182,371
TOTAL		**6,075,021**	3,821,694
TOTAL EQUITY AND LIABILITIES		**7,708,143**	5,116,951

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	Notes	(Euros) March 31, 2023	(Euros) March 31, 2022
Turnover		**3,716,870**	2,707,558
Other operating income		**66,177**	64,607
Personnel expenses	**10**	**(313,102)**	(270,546)
Other operating expenses	**10**	**(2,922,917)**	(2,007,732)
Depreciation of fixed assets	**5**	**(72,536)**	(51,133)
Provision surpluses	**11**	**–**	50,000
Impairment and result from fixed assets	**5**	**9,197**	2,030
Other losses	**10**	**(25,001)**	–
OPERATING INCOME (BENEFIT)		**458,689**	494,783
Financial Incomes		**249**	340
Financial Expenses		**(119)**	–
FINANCIAL PROFIT & LOSS (BENEFIT)		**131**	339
PROFIT BEFORE TAXES (BENEFIT)		**458,820**	495,122
Corporate income Tax	**9**	**(120,955)**	(111,280)
PROFIT & LOSS IN THE PERIOD (BENEFIT)		**337,865**	383,841

2022 / 2023 ABRIDGED FINANCIAL REPORT

1. **THE COMPANY'S BUSINESS**

1.1. The company of this financial report was set up as an owned limited liability partnership on March 21, 2017, before the Notary Public Enrique Rojas Martínez, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Las Palmas de Gran Canaria, under its Protocol Number 447. In May 9, 2019 the name of the company was changed to Holiday Club Canarias Vacation Club, S.L in a public deed.

1.2. On December 18, 2018, it was totally acquired for the company Holiday Club Canarias Investment, S.L.U. The same day the public deed makes public the adaptation of the corporate statutes being the more remarkable the following:

– it is agreed to transform the company from an owned limited liability partnership to a limited partnership.

– the main mission of the company is changed being now the touristic accommodations and other short-term accommodations.

– the financial period is changed, and it will finish the March 31 every year. The financial period is from April 1 till March 31.

– Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.3. Its main corporate mission comprises the hotel business of own repossessed weeks (See Note 5) and weeks from the related parties Holiday Club Canarias Sales & Marketing S.L.U. and Holiday Club Canarias Resort Management S.L.U.

1.4. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which parent company is Holiday Club Resorts Oy, located in a European Union Member, Finland, which presents yearly consolidated accounts. In addition, Holiday Club Resort OY is a member of a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

-HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U

-HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U

-HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U

-HOLIDAY CLUB CANARIAS VACATION CLUB, S.L

1.5 Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. **BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS**

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Non-Mandatory Accounting Principles Applied

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3. Critical Aspects in the Valuation and Judgement of Uncertainty

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the assets impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31, 2023 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2021/2022.

3. **APPLICATION OF RESULTS**

The proposal for the application of the results of the financial period ending March 31, 2023, which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2021, is as follows:

		Euros
Particulars	**March 31, 2023**	March 31, 2022
Distribution Balance		
Financial Period Benefit	**337,865**	383,841
Distribution		
Voluntary reserve	**337,865**	383,841
Total	**337,865**	393,856

4. **RECOGNITION AND MEASUREMENT**

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Intangible assets

The intangible assets consist of rights of use of weeks owned by Holiday Club Canarias Sales & Marketing S.L.U. The value is based on the reposition cost of the weeks plus 50-60% depending on the type of reposition and the difference between updated cadastral value of the week. The rights of use of these weeks are depreciated at 3%.

4.2. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to received in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.
- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors
- Debts with credit institutions

- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

  Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.3. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27 of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement

Following the accrual principle, the current tax has been accounted as a expense of the period and it has been calculated according to the profit and loss before taxes following the current tax laws.

4.4. Provisions and contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been considered.

4.5. Income and Expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects.

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.6. Personnel Expenses

Personnel expenses are recognised based on their accrual, considering that bonus payments are accrued on a yearly basis.

There are no commitments for pensions nor retirement bonuses in the Company.

4.7. Grant, donation and legacies

The operating grants are attributed to the financial period for the granted amount.

4.8. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. INTANGIBLE ASSETS

5.1. The transactions occurring during the periods March 31, 2022 and March 31, 2023 were the following:

Euros

Particulars	Balance March 31, 2021	Acquisitions	Disposals	Balance March 31, 2022
Rights Of Use	1,132,203	1,057,652	(74,691)	2,115,164
Accumulated amortization	(34,468)	(51,133)	2,030	(83,572)
Net Totals	**1,097,735**			**2,031,593**

Euros

Particulars	Balance March 31, 2022	Acquisitions	Disposals	Balance March 31, 2021
Rights Of Use	2,115,164	749,028	(206,114)	2,658,078
Accumulated amortization	(83,572)	(72,536)	9,197	(146,910)
Net Totals	**2,031,593**			**2,511,168**

5.2. Right of use correspond to Time Share weeks owned by a company of the Group which runs the Company as touristic accommodation.

5.3. Disposals in the financial years March 31, 2022 and March 31, 2023 correspond to repurchase of the rights of use by the related company, which has generated a profit for the amount of 2,030 Euros and 9,197 Euros respectively, corresponding to the accumulated amortization of the sold weeks.

5.4. There is no evidence of impairment through March 31.

6. FINANCIAL ASSETS

6.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

Euros

Particulars	Equity Instruments		Debt Securities		Credits / Derivatives / Others	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Short-term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**4,171,322**	2,659,948
Liquid Assets	**–**	–	**–**	–	**517,360**	100,126
Totals	**–**	–	**–**	–	**4,688,682**	2,760,074

6.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short term, being all clients´ loans and receivables related to sales and services, several debtors and current account with companies of the group and associated for the amount of 37,040 Euros, 6,791 Euros and 4,127,491 Euros respectively.

6.3. Debt related to clients

There are customer advances for the amount of 228,961 Euros (117,338 Euros for the financial period March 31, 2022) that correspond to accommodation services charges not accrued at the end of the financial year.

6.4 Accrual adjustments

In January, the company assume the debt with the related HOLIDAY CLUB CANARIAS RESORT MANAGEMENT corresponding to the yearly maintenance fees of the weeks in its intangible assets as rights of use (See note 5). At the end of the financial year there are accrual adjustments related to the not accrued months at March 31, 2023 for the amount of 492,920 Euros (321,669 Euros for March 31, 2022).

7. FINANCIAL LIABILITIES

7.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros

Particulars	Debts with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Short-term Financial Liabilities						
Debts and Payables	**–**	–	**–**	–	**5,823,941**	3,685,391
Totals	**–**	–	**–**	–	**5,823,941**	3,685,391

7.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to “Short Term Debts with companies of the Group” for the amount of 5,764,406 Euros, “Creditors for services rendered” for the amount of 59,535 Euros.

8. EQUITY

8.1. The Share Capital comes to 3,000 Euros, divided into 3000 shares at face value of 1 Euros each.

8.2. The unique partner of the company is the entity Holiday Club Canarias Investment SLU.

9. FISCAL POSITION

9.1. Tax consolidation regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27 of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club, S.L.

9.2 Individual tax base

The reconciliation of the net amounts of incomes and expenses for the financial period against the tax base of Corporate Tax, is the following:

Particulars	Profit & Loss Account (Euros)	Income & expenditure directly attributable to Equity (Euros)
Balance of income and expenditure for the financial year	**337,865**	**–**
Profit Tax	**120,955**	**–**
Permanent differences		
Donations and liberalities	**25,000**	**–**
Tax Base (Tax Profit & Loss)	**483,820**	**–**
Full fee (25% of tax result)	**120,955**	**–**

9.3 Corporate tax assessment:

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Vacation Club, S.L., for the amount of 483,820 Euros, are subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 707,571 Euros. This base is reduced by the application of the BINs for the amount of 274,963 Euros, therefore the final tax base of the group amounts 432,607 Euros.

9.4 Breakdown of the corporate tax expense

Due to the fact that there are not temporary differences when calculating the tax base, the current tax for the period March 31, 2023 is the same as the expense for the corporate tax for the amount of 120,955 Euros.

9.5 Financial Periods Open to the Possibility of a Tax Inspection

The corporate tax is open to be inspected for the following periods: March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 and March 31, 2023.

9.6 Other taxes

At the closing date, the company is also open to inspection of all the taxes that are applicable to it:

– Withholdings related to paid incomes
– IGIC (General Indirect Canarian Tax)
– Property Transfer and Certified Legal Documents Tax
– Local taxes

It is not expected that contingent liabilities appear due to possible differences when the taxes are implemented.

10. INCOME AND EXPENSES

Breakdown of the next items in the Profit and Loss Account:

a) Social expenses: the amount of 56,232 Euros is all related to the social security payable by the company for the period March 31, 2023, being 58,948 Euros for the period March 31, 2022. During the period March 31, 2022 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 19,778 Euros.

b) External services:

Particulars	March 31, 2023 (Euros)	March 31, 2022 (Euros)
Leases and royalties	**1,878,426**	1,347,243
Repairs and conservations	**508,409**	253,298
Professional services	**44,398**	11,355
Transport	**44,112**	28,749
Insurance premiums	**1,071**	1,025
Bank Services and Similar	**29,900**	24,601
Advertising	**875**	1,761
Other Services	**414,470**	339,690
Other taxes	**1,255**	–
Other losses in current management	**–**	10
Totals	**2,922,917**	2,007,732

c) Other outcomes: they correspond with the net amount of the expenses and incomes generated by matters not related with the typical activity of the company and it is not expected to occur often. During the period March 31, 2023 they are mainly a donation.

11. PROVISIONS AND CONTINGENCIES

Provisions

11.1 The company has booked a provision in the financial year March 31, 2021 for the amount of 50,000 Euros corresponding to possible sanctions from the Mogán Town Hall against two of the hotels. During the period March 31, 2022 this provision has been reversed. (See Note 10.c)

Contingencies

11.2 The company has taken into account all the possible contingencies due to health crisis because of the Covid-19 and due to Ukraine war.

12. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2022 and March 31, 2023 with related companies are as follows:

Particulars	March 31, 2023 (Euros)		March 31, 2022 (Euros)	
	Debit Balances	**Credit Balances**	Debit Balances	Credit Balances
Company:				
Holiday Club Canarias Sales & Marketing, S.L.U.	**–**	**5,212,866**	**–**	3,208,738
Holiday Club Canarias Resort Management, S.L.U.	**4,127,491**	**–**	2,574,675	**–**
Holiday Club Canarias Investment, S.L.U.	**–**	**551,540**	**–**	430,585
Totals	**4,127,491**	**5,764,406**	2,574,675	3,639,323

Transactions during period March 31, 2023 and March 31, 2022 between related companies are as follows:

	Euros				
	March 31, 2023				
Particulars	**Services received**	**Services provided**	**Purchase intangible fixed assets**	**Sale of intangible assets**	**Exceptional expenses**
Company:					
Holiday Club Canarias Sales & Marketing, S.L.U.	**1,665,503**	**–**	**–**	**467,635**	**206,114**
Holiday Club Canarias Resort Management, S.L.U.	**721,333**	**–**	**–**	**190,390**	**–**
Holiday Club Resort OY	**36,750**	**4,646**	**–**	**–**	**–**
Totals	**2,423,586**	**4,646**	**–**	**658,025**	**206,114**

	Euros				
	March 31, 2022				
Particulars	Services received	Services provided	Purchase intangible fixed assets	Sale of intangible assets	Exceptional expenses
Company:					
Holiday Club Canarias Sales & Marketing, S.L.U.	1,193,405	–	672,018	70,970	–
Holiday Club Canarias Resort Management, S.L.U.	407,136	–	370,334	–	142,105
Holiday Club Resort OY	–	1,127	–	–	–
Totals	1,600,541	1,127	1,042,352	70,970	142,105

13. OTHER INFORMATION

13.1. Average number of Employees

The average number of people employed by the Company during the financial periods March 31, 2023 and March 31, 2022, distributed by their professional categories, has been as follows:

	Persons	
	March 31, 2023	March 31, 2022 (*)
Senior Managers	**0.35**	1.00
Administration	**5.28**	6.56
Totals	**5.63**	7.56

The distribution by gender at the end of the financial periods 2022/23 and 2021/22 is the following:

	March 31, 2023		**March 31, 2022 (*)**	
	Men	**Women**	Men	Women
Senior Managers	**1**	–	1	–
Administration	**2**	**4**	1	5
Totals	**3**	**4**	2	5

* Employees in ERTE during the period have not been considered.

The company has not employed disabled people (more than 33% of disability) for the periods March 31, 2023 and March 31, 2022.

13.2. Information about the Environment and Greenhouse Gas Emission Rights

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

14. INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE “DUTY OF INFORMATION” OF LAW 15/2010 OF 5 JULY.

The average period for payment to suppliers and creditors is 44 days (41 days for the financial year March 31, 2022).

Mogán, April 14, 2023

Calvin Stuart Lucock

Joint and Several Administrator and

Holiday Club Resorts Oy Representative

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
CLASSIC LEGENDS PRIVATE LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Classic Legends Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate

in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   (g) Based on the records examined by us and according to information and explanations given to us, the Company has not paid/provided for managerial remuneration. Hence, the provisions of Section 197 of the Act related to managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 37 to the Standalone Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes forming part the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAZ6576
Place: Mumbai
Mumbai, April 28, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Classic Legends Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAZ6576
Mumbai, April 28, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The physical verification of property, plant and equipment was conducted during the previous year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of traded goods have been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company. According to the information and explanations given to us, the investment made by the Company during the year in its subsidiary is not prejudicial to the company's interest.

(iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, investments made by the Company.

(v) According to the information and explanations given to us, in respect of deposits accepted by the Company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with. According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs.9,768.22 Lakhs in the current financial year and Rs.6,509.79 lakhs in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Section 135 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 23040852BGURAZ6576
Mumbai, April 28, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

Rs. in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5a	**12,975.51**	9,066.44
(b) Right-of-use assets	5b	**92.93**	176.28
(c) Capital work-in-progress	34a	**152.97**	2,348.56
(d) Other Intangible assets	6	**13,797.14**	8,847.47
(e) Intangible assets under development	34b	**1,170.40**	6,089.74
(f) Financial Assets			
(i) Investments	7	**7,279.01**	5,531.98
(g) Other non-current assets	8a	**459.66**	1,518.74
(h) Deferred Tax Assets (Net)	9	**–**	–
Total Non-Current Assets		**35,927.62**	33,579.21
Current assets			
(a) Inventories	10	**1,912.76**	2,013.29
(b) Financial Assets			
(i) Trade receivables	11	**5,514.52**	1,070.47
(ii) Cash and cash equivalents	12	**645.00**	645.49
(iii) Other financial assets	13	**1,136.05**	448.77
(c) Other current assets	8b	**3,245.55**	5,764.66
Total Current Assets		**12,453.88**	9,942.68
Total Assets		**48,381.50**	43,521.89
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	**52,500.00**	40,421.30
(b) Other Equity	15	**(36,205.07)**	(11,003.12)
Total Equity attributable to owners of the Company		**16,294.93**	29,418.18
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16a	**15,000.00**	–
(ia) Lease Liabilities		**15.93**	97.47
(ii) Other non-current financial liabilities	17a	**579.00**	560.50
(b) Provisions	18a	**769.80**	508.09
Total Non-Current Liabilities		**16,364.73**	1,166.06
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16b	**–**	1,700.00
(ia) Lease Liabilities		**88.55**	88.55
(ii) Trade payables	19		
(a) Total Outstanding dues of micro and small enterprises		**1.12**	0.01
(b) Total Outstanding dues of creditors other than micros and small enterprises		**11,996.87**	7,769.00
(iii) Other current financial liabilities	17b	**784.99**	720.64
(b) Provisions	18b	**635.17**	749.47
(c) Other current liabilities	20	**2,215.14**	1,909.98
Total Current Liabilities		**15,721.84**	12,937.65
Total Equity and Liabilities		**48,381.50**	43,521.89

The accompanying notes 1 to 41 are an integral part of the Financial Statements

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April, 2023
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Jenny Shah (Company Secretary) Membership Number: 21492

Date: 28th April, 2023
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	21	**70,974.12**	59,499.57
II	Other income	22	**109.96**	191.26
III	**Total Income (I + II)**		**71,084.08**	59,690.83
IV	**Expenses**			
	Purchases of stock-in-trade		**67,114.89**	54,854.06
	Changes in stock of finished goods and stock-in-trade	23	**100.53**	325.93
	Employee benefits expense	24	**2,860.37**	2,053.24
	Finance costs	25	**1,476.15**	1,903.90
	Depreciation and amortisation expense	26	**5,079.85**	3,032.97
	Other expenses	27	**9,300.37**	7,063.49
	Total Expenses (IV)		**85,932.16**	69,233.59
V	**Loss before tax for the year (III - IV)**		**(14,848.08)**	(9,542.76)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**(6.25)**	(5.22)
	Total tax expense		**(6.25)**	(5.22)
VII	**Loss after tax for the year (V - VI)**		**(14,841.83)**	(9,537.54)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		**24.83**	20.74
	(ii) Income tax relating to items that will not be reclassified to P&L		**(6.25)**	(5.22)
IX	**Total comprehensive income for the year**		**(14,823.25)**	(9,522.02)
X	**Earnings per equity share** (Nominal value per share Rs. 10 each), Basic & Diluted (in Rupees)	28	**(2.86)**	(2.76)

The accompanying notes 1 to 41 are an integral part of the Financial Statements

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April, 2023
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Jenny Shah (Company Secretary) Membership Number: 21492

Date: 28th April, 2023
Place: Mumbai

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax for the year	**(14,848.08)**	(9,542.76)
Adjustments for:		
Depreciation & Amortisation	**5,079.85**	3,032.97
Finance costs	**1,476.15**	1,903.90
Net gain/(loss) on Investment carried at fair value through profit or loss	**(60.49)**	(151.96)
Interest income	**(4.40)**	–
Operating loss before Working Capital changes	**(8,356.97)**	(4,757.85)
Movements in working capital:		
Decrease/ (Increase) in Non Current Other Financial Assets	**–**	–
Decrease/ (Increase) in Current Other Trade receivable	**(4,444.05)**	(841.86)
Decrease/ (Increase) in Current Other Financial Assets	**(687.28)**	(379.57)
Decrease/ (Increase) in Other Current Assets	**2,519.11**	(1,829.31)
Decrease/ (Increase) in Other Non Current Assets	**35.12**	(39.26)
Decrease/ (Increase) in Inventories	**100.53**	325.93
Increase / (Decrease) in trade payables	**4,064.81**	(7,749.74)
Increase/ (Decrease) in provisions	**172.24**	175.37
Increase/ (Decrease) in other Non current Financial liabilities	**18.50**	112.50
Increase/ (Decrease) in other current Financial liabilities	**(276.79)**	–
Increase/ (Decrease) in other current liabilities	**303.68**	394.55
Cash generated from operations	**(6,551.10)**	(14,589.24)
Income taxes paid	**–**	–
Cash flows from operating activities	**(6,551.10)**	(14,589.24)
Capex advances to supplier	**–**	–
Interest received	**4.40**	–
Payments for Property, Plant and Equipment and Other Intangible Assets	**(5,642.84)**	(11,436.95)
Investment in Mutual fund	**(24,100.00)**	(35,600.00)
Proceeds on sale of current investment (Mutual Fund redemption proceeds)	**24,160.49**	35,751.96
Purchase of investment in share of subsidiary	**(1,747.03)**	(2,165.85)
Cash used in investing activities	**(7,324.98)**	(13,450.84)
Proceeds from issue of equity instruments of the Company (Net of share issue expenses)	**1,700.00**	28,378.67
Proceeds from borrowings Long term	**15,000.00**	–
Proceeds from borrowings Short term	**11,200.00**	11,700.00
Repayment of borrowings Short term	**(12,900.00)**	(10,000.00)
Repayment of Lease liabilities	**(92.90)**	(76.60)
Interest paid	**(1,031.51)**	(1,686.69)
Cash flows from financing activities	**13,875.59**	28,315.38
Net cash inflow / (outflow)	**(0.49)**	275.30
Cash and cash equivalents at the begining of the year	**645.49**	370.19
Cash and cash equivalents at the end of the year	**645.00**	645.49

Notes:

1 Figures in brackets represent outflows of cash and cash equivalents.

2 Cash and cash equivalents comprise of :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash on hand	**–**	–
Balances with Banks	**645.00**	645.49
	645.00	645.49

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April, 2023
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447

Hemant Sikka
DIN No: 922281

(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Jenny Shah (Company Secretary) Membership Number: 21492

Date: 28th April, 2023
Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

a. Changes in Equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	**40,421.30**	22,421.33
Shares issued during the year	**12,078.70**	17,999.97
Balance at the end of the year	**52,500.00**	40,421.30

b. Other Equity

Rs. in Lakhs

Particulars	Share Application Money	Reserve & Surplus Retained Earning	Total
Opening Balance as on April 1, 2022	**10,378.70**	**(21,381.82)**	**(11,003.12)**
Profit / loss for the year	**–**	**(14,841.83)**	**(14,841.83)**
Equity Share Issue expense	**–**	**–**	**–**
Shares issued	**(10,378.70)**	**–**	**(10,378.70)**
Other comprehensive income for the year	**–**	**18.58**	**18.58**
	(10,378.70)	**(14,823.25)**	**(25,201.95)**
Closing Balance as on March 31, 2023	**–**	**(36,205.07)**	**(36,205.07)**

Particulars	Share Application Money	Reserve & Surplus Retained Earning	Total
Opening Balance as on April 1, 2021	–	(11,859.80)	(11,859.80)
Profit / loss for the year	–	(9,537.54)	(9,537.54)
Equity Share Issue expense	–	–	–
Share Application money received	10,378.70	–	10,378.70
Other comprehensive income for the year	–	15.52	15.52
	10,378.70	(9,522.02)	856.68
Closing Balance as on March 31, 2022	10,378.70	(21,381.82)	(11,003.12)

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April, 2023
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Jenny Shah (Company Secretary) Membership Number: 21492

Date: 28th April, 2023
Place: Mumbai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. **Corporate Information**

Company details

Classic Legends Private Limited (CLPL) was incorporated on 17th June'2015. On 18th October 2016, it became subsidiary of Mahindra and Mahindra Limited (M&M). However, w.e.f 1st July'2017 M&M became joint venturer of the Company. CLPL is engaged in Design, Development, Sales, Marketing and related activities for Motorcycles & Two Wheeled Products.

2. **Method of Accounting**

These standalone or separate financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the latest annual financial statements of the Company prepared under the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

These financial statements were approved by the Board of Directors and authorised for issue on 28th April, 2023.

3. **Significant Accouting Policies**

3.01 Basis of accounting preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Leases

Ind AS 116 requires lessees to determine the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Provisions for product warranties

The Company recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are reviewed at each balance sheet date, adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

3.03 Revenue Recognition

Revenue on satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.04 Foreign Currency

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

3.05 Employee benefits

1. **Defined Benefit Plan:**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

– service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

– net interest expense or income; and

– re-measurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit which are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation.

3.06 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

3.07 Property Plant and Equipment

Property Plant and Equipment (PPE) are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment loss, if any. All costs relating to the acquisition and installation of property plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation is calculated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

i) Plant and machinery – 3 years, 5 years, 8 years, 15 years

ii) Laptops – 3 years

iii) Vehicles – 3 years, 5 years

iv) Office equipment – 2 years, 5 years

v) Furniture – 10 years

vi) Assets costing less than Rs 5000 each - 1 year

3.08 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Following summarises the nature of intangible and the estimated useful life:

(a) Software Costs – The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(b) Development expenditure – The expenditure incurred on technical services and other project/product related expenses is amortised over the period of benefit, not exceeding five years

Intangible asset with indefinite useful lives is reviewed annually to determine whether indefinite-life assessment continues to be supportable.

Intangible assets under development

The Company expenses cost incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible assets.

3.09 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at end of each reporting period whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.10 Inventories

Inventories comprise all cost of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition

Finished goods purchased for sale, are carried at cost or net realisable value whichever is lower.

3.11 Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Classification and subsequent measurement

Financial assets

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

3.12 Borrowing Costs:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those Qualifying assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the Qualifying assets.

4. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Note - 5 Property, Plant and Equipment

a. Property, plant and equipment owned

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2022	10,266.09	333.69	14.97	606.08	24.74	11,245.57
Additions during the year	5,525.75	48.12	3.24	169.30	10.45	5,756.86
Disposals during the year	(10.44)	(1.36)	–	(25.59)	(0.45)	(37.84)
Balance as at March 31, 2023	**15,781.40**	**380.45**	**18.21**	**749.79**	**34.74**	**16,964.59**
II. Accumulated depreciation						
Balance as at April 1, 2022	1,739.72	123.15	2.47	306.50	7.29	2,179.13
Depreciation for the year	1,597.31	99.18	1.66	127.82	7.43	1,833.40
Eliminated on disposal of assets during the year	(4.93)	(1.29)	–	(16.92)	(0.31)	(23.45)
Balance as at March 31, 2023	**3,332.10**	**221.04**	**4.13**	**417.40**	**14.41**	**3,989.08**
Net block (I-II)						
Balance as at March 31, 2023	12,449.30	159.41	14.08	332.39	20.33	12,975.51
Balance as at March 31, 2022	8,526.37	210.54	12.50	299.58	17.45	9,066.44

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2021	4,950.77	196.15	9.56	554.58	10.42	5,721.48
Additions during the year	5,334.42	138.42	5.41	63.88	17.31	5,559.44
Disposals during the year	(19.10)	(0.88)	–	(12.38)	(2.99)	(35.35)
Balance as at March 31, 2022	**10,266.09**	**333.69**	**14.97**	**606.08**	**24.74**	**11,245.57**
II. Accumulated depreciation						
Balance as at April 1, 2021	881.39	61.35	1.35	213.56	5.12	1,162.77
Depreciation for the year	865.08	62.28	1.12	104.70	4.84	1,038.02
Eliminated on disposal of assets during the year	(6.75)	(0.48)	–	(11.76)	(2.67)	(21.66)
Balance as at March 31, 2022	**1,739.72**	**123.15**	**2.47**	**306.50**	**7.29**	**2,179.13**
Net block (I-II)						
Balance as at March 31, 2022	8,526.37	210.54	12.50	299.58	17.45	9,066.44
Balance as at March 31, 2021	4,069.38	134.80	8.21	341.02	5.30	4,558.71

b. Right of use assets

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2022	275.91	275.91
Additions	–	–
Deletions	–	–
Balance as at March 31, 2023	**275.91**	**275.91**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2022	99.63	99.63
Additions	83.35	83.35
Deletions	–	–
Balance as at March 31, 2023	**182.98**	**182.98**
III. Net carrying amount (I-II)	92.93	92.93

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2021	223.96	223.96
Additions	51.95	51.95
Deletions	–	–
Balance as at March 31, 2022	**275.91**	**275.91**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2021	30.70	30.70
Additions	68.93	68.93
Deletions	–	–
Balance as at March 31, 2022	**99.63**	**99.63**
III. Net carrying amount (I-II)	176.28	176.28

Note - 6 Other Intangible assets

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2022	**12,580.11**	**408.66**	**12,988.77**
Additions during the year	7,871.75	241.02	8,112.77
Disposals during the year	–	–	–
Balance as at March 31, 2023	**20,451.86**	**649.68**	**21,101.54**
II. Accumulated depreciation			
Balance as at April 1, 2022	**3,820.39**	**320.91**	**4,141.30**
Depreciation for the year	3,089.82	73.28	3,163.10
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2023	**6,910.21**	**394.19**	**7,304.40**
Net block (I-II)			
Balance as at March 31, 2023	**13,541.65**	**255.49**	**13,797.14**
Balance as at March 31, 2022	**8,759.72**	**87.75**	**8,847.47**

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2021	6,859.16	401.16	7,260.32
Additions during the year	5,720.95	7.50	5,728.45
Disposals during the year	–	–	–
Balance as at March 31, 2022	**12,580.11**	**408.66**	**12,988.77**
II. Accumulated depreciation			
Balance as at April 1, 2021	2,011.81	203.47	2,215.28
Depreciation for the year	1,808.58	117.44	1,926.02
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2022	**3,820.39**	**320.91**	**4,141.30**
Net block (I-II)			
Balance as at March 31, 2022	8,759.72	87.75	8,847.47
Balance as at March 31, 2021	4,847.35	197.69	5,045.04

Note - 7 Non-Current Investment

Rs. in Lakhs

Particulars	As at March 31, 2023 No. of Shares	As at March 31, 2023 Amount	As at March 31, 2022 No. of Shares	As at March 31, 2022 Amount
Unquoted investments in equity instruments of subsidiary at cost				
BSA Company Limited	**268,800**	**7,279.01**	209,300	5,531.98
(Fully paid equity shares of GBP 1 each)				
Total	**268,800**	**7,279.01**	209,300	5,531.98

Note - 8a Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	**406.70**	1,430.66
(b) Prepaid Expense	**25.32**	21.17
(c) Balances with government authorities		
(i) Advance Income Tax (TDS receivable)	**27.64**	66.91
Total	**459.66**	1,518.74

Note - 8b Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Prepaid Expense	**86.87**	49.26
(b) Advance to Domestic Supplier / Service provider	**90.00**	85.39
(c) Balances with government authorities		
(i) GST Receivable	**3,068.68**	5,630.01
Total	**3,245.55**	5,764.66

Note - 9 Deferred Tax

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
On property, plant & equipment	**196.59**	167.28
Others	**–**	–
Total(A)	**196.59**	167.28
Deferred Tax Asset		
Provision for Employee Benefits	**68.81**	59.67
Others	**127.78**	107.61
Total(B)	**196.59**	167.28
Net Asset/(Liability)	**–**	–

Note - 10 Inventories

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Stock in trade [includes in transit Rs. Nil Lakhs (March 31, 2021 : Rs. Nil Lakhs)]	**1,912.76**	2,013.29
Total	**1,912.76**	2,013.29

Note - 11 Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables :		
(a) Unsecured Considered good	**5,514.52**	1,070.47
(b) Doubtful	**18.82**	15.65
	5,533.34	1,086.12
Less: Allowance for Expected Credit Loss	**(18.82)**	(15.65)
Total	**5,514.52**	1,070.47

Trade Receivable Ageing Schedule

As at March 31, 2023 **Rs. in Lakhs**

Particulars	Outstanding for the following period from the due date of Payment Less than 6 months	6 Months - 1 year	1-2 year	2-3 Year	More than 3 year	Total
Undisputed Trade Receivables – considered good	5,499.18	15.34	–	–	–	5,514.52
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	3.61	0.48	12.66	2.07	–	18.82
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**5,502.79**	**15.82**	**12.66**	**2.07**	**–**	**5,533.34**

As at March 31, 2022

Particulars	Outstanding for the following period from the due date of Payment Less than 6 months	6 Months - 1 year	1-2 year	2-3 Year	More than 3 year	Total
Undisputed Trade Receivables – considered good	1,061.36	9.11	–	–	–	1,070.47
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	5.41	10.24	–	–	–	15.65
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**1,066.77**	**19.35**	**–**	**–**	**–**	**1,086.12**

Note - 12 Cash & Cash Equivalents

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
(i) In current account	**645.00**	645.49
Total	**645.00**	645.49

Note - 13 Other current financial assets

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Finanacial assets at amortised cost		
a) Security Deposits	**33.03**	33.03
b) Other Advances	**1,103.02**	415.74
Total	**1,136.05**	448.77

Other Advances includes advance to employees, other receivables

Note - 14 Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
75,00,00,000 (March 31, 2022 : 55,00,00,000) equity shares of Rs 10/- each.	**75,000.00**	55,000.00
	75,000.00	55,000.00
Issued, Subscribed and Paid up:		
52,50,00,000 (March 31, 2022 : 40,42,13,022) equity shares of Rs 10/- each.	**52,500.00**	40,421.30
Total	**52,500.00**	40,421.30

Rs. in Lakhs

Reconciliation of the no. of shares outstanding at the beginning and at the end of the period:	As at March 31, 2023 No. of shares	Amount	As at March 31, 2022 No. of shares	Amount
Balance as at beginning of the year	**404,213,022**	**40,421.30**	224,213,330	22,421.33
Add: Additional equity shares issued during the year	**120,786,978**	**12,078.70**	179,999,692	17,999.97
Less: Equity Shares forfeited/Bought back during the year	**–**	**–**	–	–
Balance as at end of the year	**525,000,000**	**52,500.00**	404,213,022	40,421.30

Notes:

i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	As at March 31, 2023 Number of shares	% Shareholding	As at March 31, 2022 Number of shares	% Shareholding
Equity Shares:				
Mahindra & Mahindra Limited	**315,000,235**	**60.00%**	242,528,000	60.00%
PHI Capital Trust - Phi capital growth fund I	**115,000,000**	**21.90%**	96,283,512	23.82%
Boman Irani	**57,524,310**	**10.96%**	45,001,510	11.13%
Attarchand Trading Company Pvt Ltd	**20,400,000**	**3.89%**	20,400,000	5.05%
Phi Capital Management LLP	**17,075,455**	**3.25%**	–	0.00%
Total	**525,000,000**		404,213,022	

ii) The Company has only one class of Share i.e. Equity Shares having par value of Rs.10 each. Each holder of Equity Share is entitled to one vote per Share. In the event of liquidation of company, The holder of the Equity Share will be entitled to receive remaining assets, after deducting all it's liabilities, in proportion to the number of Equity Share held

(iii) Share held by the promoters at the end of 31st March' 2023

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**315,000,235**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**115,000,000**	21.90%	-1.92%
Boman Irani	**57,524,310**	10.96%	-0.18%
Attarchand Trading Company Pvt Ltd	**20,400,000**	3.89%	-1.16%
Phi Capital Management LLP	**17,075,455**	3.25%	3.25%
Total	**525,000,000**		

(iv) Share held by the promoters at the end of 31st March'2022

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**242,528,000**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**96,283,512**	23.82%	3.82%
Boman Irani	**45,001,510**	11.13%	0.23%
Attarchand Trading Company Pvt Ltd	**20,400,000**	5.05%	-4.05%
Total	**404,213,022**		

Note - 15 Other equity

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Balance at the beginning of the year	**(21,381.82)**	(11,859.80)
Add :		
Loss for the year	**(14,841.83)**	(9,537.54)
Equity share issue expenses	**–**	–
Other comprehensive income for the year	**18.58**	15.52
Balance at the end of the year	**(36,205.07)**	(21,381.82)
Share Application money		
Balance at the beginning of the year	**10,378.70**	–
Add :		
Addition during the period	**–**	10,378.70
Reduction during the period	**(10,378.70)**	–
Balance at the end of the year	**–**	10,378.70
Total	**(36,205.07)**	(11,003.12)

Note - 16a Non Current Borrowings

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (Carried at amortised cost)		
(a) Inter corporate Deposit	**15,000.00**	–
Total	**15,000.00**	–

Note - 16b Current Borrowings

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (Carried at amortised cost)		
(a) Inter corporate Deposit	**–**	1,700.00
Total	**–**	1,700.00

Note: The Company has unsecured long term Intercorporate deposit of Rs. 15,000 Lakhs and short term Intercorporate deposit of Rs. Nil as at March 31, 2023 (March 31, 2022 Unsecured Long term: Rs. Nil and Unsecured Short term: Rs.1700 Lakhs) from related party Mahindra & Mahindra Limited.

Note - 17a Other Non Current Financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Financial liabilities measured at amortised cost		
(a) Security Deposits	**579.00**	560.50
Total	**579.00**	560.50

Note - 17b Other Current Financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Financial liabilities measured at amortised cost		
a) Capital creditors	**722.32**	648.81
b) Security Deposits	**0.40**	0.40
c) Interest Accrued but not due	**62.27**	71.43
Total	**784.99**	720.64

Note - 18a Non Current Provisions

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
Provision for compensated absences	**110.96**	103.54
Provision for Gratuity	**133.35**	115.70
(b) Other Provisions		
Warranty	**474.57**	246.59
Free Service Coupons	**50.92**	42.26
Total	**769.80**	508.09

Note - 18b Current Provisions

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
Provision for compensated absences	**19.91**	12.28
Provision for Gratuity	**9.20**	5.57
(b) Other Provisions		
Warranty	**372.88**	463.42
Free Service Coupons	**233.18**	268.20
Total	**635.17**	749.47

The movement in provision for warranty and service coupon is as follows

Rs. in Lakhs

	As at March 31, 2023		As at March 31, 2022	
Particulars	Provision for Warranty	Provision for Service Coupon	Provision for Warranty	Provision for Service Coupon
Opening Balance	**710.01**	**310.46**	640.22	278.99
Additional Net Provision recognised	**1,107.19**	**124.48**	996.91	163.06
Amounts used during the period	**(1,019.34)**	**(172.25)**	(966.71)	(148.82)
Unwinding of discount	**49.59**	**21.41**	39.59	17.23
Closing Balance	**847.45**	**284.10**	710.01	310.46

Note - 19 Trade Payables

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable for goods & services		
- Total outstanding dues of micro and small enterprises	**1.12**	0.01
- Total outstanding dues of other than micro and small enterprises	**11,996.87**	7,769.00
Total	**11,997.99**	7,769.01

Trade Payable Ageing Schedule

As at March 31, 2023 — Rs. in Lakhs

Particulars	Outstanding for the following period from the due date of Payment				
	Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	1.12	–	–	–	1.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,232.98	1,763.86	0.03	–	11,996.87
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**10,234.10**	**1,763.86**	**0.03**	**–**	**11,997.99**

As at March 31, 2022

Particulars	Outstanding for the following period from the due date of Payment				
	Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	0.01	–	–	–	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,762.26	5.92	0.73	0.09	7,769.00
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**7,762.27**	**5.92**	**0.73**	**0.09**	**7,769.01**

Note - 20 Other Current Liabilities

Rs. in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Statutory remittances (Contribution to PF, profession tax, withholding taxes, GST, etc.)	**291.16**	302.42
b)	Interest payble	**1.56**	0.08
c)	Advances received from customers	**1,922.42**	1,607.48
	Total	**2,215.14**	1,909.98

Note - 21 Revenue from Operations

Rs. in Lakhs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Revenue from sale of products	**70,649.40**	59,289.36
(b)	Sales of services	**22.23**	51.06
(c)	Other operating revenue	**302.49**	159.15
	Total	**70,974.12**	59,499.57

Note - 22 Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on non financial assets	**4.40**	–
Net gain on foreign currency transaction and translation	**45.07**	39.30
Net gain/(loss) on Investment carried at fair value through profit or loss	**60.49**	151.96
Total	**109.96**	191.26

Note - 23 Changes in inventories of finished goods and stock-in-trade

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Stock in Trade	**2,013.29**	2,339.22
	2,013.29	2,339.22
Inventories at the end of the year		
Stock in Trade	**1,912.76**	2,013.29
	1,912.76	2,013.29
Net (increase) / decrease	**100.53**	325.93

Note - 24 Employee benefits expense

Rs. in Lakhs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries and wages, including bonus	**2,712.68**	1,964.81
(b)	Contribution to other funds	**86.42**	73.32
(c)	Staff welfare expense	**61.27**	15.11
	Total	**2,860.37**	2,053.24

Note - 25 Finance cost

Rs. in Lakhs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Interest expense for financial liabilities at amortised cost	**44.47**	41.50
b)	Interest others	**1,431.68**	1,862.40
	Total	**1,476.15**	1,903.90

Interest others includes unwinding of discount

Note - 26 Depreciation and amortisation expense

Rs. in Lakhs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Depreciation on property, Plant, Equipments and ROU	**1,916.76**	1,106.95
b)	Amortisation on other Intangible Assets	**3,163.09**	1,926.02
	Total	**5,079.85**	3,032.97

Note - 27 Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement & Promotional Expense	**2,487.82**	1,379.28
Service Charges	**1,577.30**	1,067.81
Software Expense	**295.48**	188.48
Royalty Expenses	**720.42**	872.44
Legal and professional Fees	**322.00**	276.32
Auditor Remuneration		
- Audit Fees	**12.00**	10.00
- Out of Pocket Expense	**–**	0.07
- Other services	**2.41**	3.27
Travelling Expenses	**638.75**	357.91
Freight and handling charges	**1,183.87**	928.70
Warranty Expenses and Free Service Charges (Net of Recoveries)	**755.30**	973.84
Stockyard Expense	**369.69**	337.71
R & D Expense	**372.50**	224.17
Rent including lease rentals	**88.92**	100.45
Provisions for doubtful Advances/ Debts	**3.16**	15.65
Misc. expenses	**470.75**	327.39
Total	**9,300.37**	7,063.49

Note - 28 Earning per share

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss for the year (Rs. in Lakhs)	**(14,841.82)**	(9,537.54)
Weighted average number of equity shares	**518,339,726**	345,467,709
Face Value of Share	**10**	10
Earning per share		
Basic & Diluted in Rupees	**(2.86)**	(2.76)

Note - 29 Financial Instruments

Capital management

The company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

Debt-to-equity ratio is as follows:

Rs. in Lakhs

	March 31, 2023	March 31, 2022
Debt (Including Current Maturities and lease payables) (A)	**15,104.48**	1,886.02
Equity (B)	**16,294.92**	29,418.18
Debt Ratio (A / B)	**0.93**	0.06

Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

Rs. in Lakhs

Particulars	Carrying Amount March 31, 2023	Carrying Amount March 31, 2022	Fair Value March 31, 2023	Fair Value March 31, 2022
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Current Assets				
a) Investments (fair value through profit & loss)	**–**	–	**–**	–
b) Trade Receivable	**5,514.52**	1,070.47	**5,514.52**	1,070.47
c) Cash & cash equivalents	**645.00**	645.49	**645.00**	645.49
d) Other Current Financial assets	**1,136.05**	448.77	**1,136.05**	448.77
Total Financial Assets	**7,295.57**	2,164.73	**7,295.57**	2,164.73
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non Current Liabilities				
a) Borrowings including lease liabilities	**15015.93**	97.47	**14,740.66**	97.11
b) Other non-current liabilities	**579.00**	560.50	**579.00**	560.50
Current Liabilities				
a) Borrowings including lease liabilities	**88.55**	1,788.55	**86.98**	1,741.63
b) Trade Payables	**11,997.99**	7,769.01	**11,997.99**	7,769.01
c) Other Current liabilities	**784.99**	720.64	**784.99**	720.64
Total Financial Liabilities	**28,466.46**	10,936.17	**28,189.62**	10,888.89

At the end of the reporting period, there are no significant concentrations of credit risk for financial assests designed at fair value through profit & loss. The carrying amount reflected above represents the company's maximum exposure to credit risk to such financial assets.

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings.

Trade receivables - The company applies the simplified approach to provide for expected credit loss prescribed by IND AS 109, which permits the use of life time expected loss provision for old trade receivable. The company has taken security deposit which are considered as collaterale and these are considered in determination of expected credit losses, where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

Movement in the expected credit loss allowance:

Rs. In Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	**15.65**	–
Additions during the year	**3.17**	15.65
Amounts recovered during the year	**–**	–
Balance at end of the year	**18.82**	15.65

LIQUIDITY RISK

(i) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in Lakhs

Particulars	March 31, 2023			March 31, 2022		
	Less than 1 Year	**1-3 Years**	**3-5 Years**	Less than 1 Year	1-3 Years	3-5 Years
Financial liabilities						
Borrowings (including current maturities and lease payables)	**179.70**	**15,034.64**	**–**	1,881.45	109.86	–
Other Financial liabilities	**784.99**	**579.00**	**–**	720.64	560.50	–
Trade payables	**11,997.99**	**–**	**–**	7,769.01	–	–
Total	**12,962.68**	**15,613.64**	**–**	10,371.10	670.36	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a) Foreign Currency exchange rate risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	**As at March 31, 2023**		As at March 31, 2022	
		Foreign Currency Amount	**Rupees Lakhs**	Foreign Currency Amount	Rupees Lakhs
Trade payables	USD	–	–	1,507	1.14
Trade receivable	USD	–	–	932,456	706.06
Trade payables	EURO	–	–	2,720	2.30
Trade payables	GBP	–	–	1,336	1.33
Trade receivable	GBP	5,235,818	5,283.90	18,309	18.18

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Rs. in Lakhs

Particulars	**Currency**	**Change in rate**	**Effect on profit / (loss) before tax**	Effect on pre-tax equity
31-Mar-23	USD	+10%	–	–
	USD	-10%	–	–
	EUR	+10%	–	–
	EUR	-10%	–	–
	GBP	+10%	528.39	528.39
	GBP	-10%	(528.39)	(528.39)
31-Mar-22	USD	+10%	70.49	70.49
	USD	-10%	(70.49)	(70.49)
	EUR	+10%	(0.23)	(0.23)
	EUR	-10%	0.23	0.23
	GBP	+10%	1.69	1.69
	GBP	-10%	(1.69)	(1.69)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note - 30 Fair Value Measurement

Rs. in Lakhs

Financial assets/ financial liabilities	**Fair value as at (Rs. in Lakhs)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
	March 31, 2023	March 31, 2022				
(i) Investment in Mutual Fund	–	–	Level 1	Quoted market price	–	–

Note: Carrying amount of Investment in unquoted equity shares closely approximates the fair value.

Financial instruments not measured using fair value i.e. measured using amortized cost

Rs. in Lakhs

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
As at 31st March 2023					
Current Financial assets carried at amortised cost					
- Trade Receivable	5,514.52	–	5,514.52	–	5,514.52
- Other current financial assets	1,136.05	–	1,136.05	–	1,136.05
Total	**6,650.57**	**–**	**6,650.57**	**–**	**6,650.57**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	15,015.93	–	14,740.66	–	14,740.66
- Other non-current financial liabilities	579.00	–	579.00	–	579.00
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	88.55		86.98		86.98
- Trade Payables	11,997.99	–	11,997.99	–	11,997.99
- Other current financial liabilities	784.99	–	784.99	–	784.99
Total	**28,466.46**	**–**	**28,189.62**	**–**	**28,189.62**
Financial assets					
As at 31st March 2022					
Current Financial assets carried at amortised cost					
- Trade Receivable	1,070.47	–	1,070.47	–	1,070.47
- Other current financial assets	448.77	–	448.77	–	448.77
Total	**1,519.24**	**–**	**1,519.24**	**–**	**1,519.24**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	97.47	–	97.11	–	97.11
- Other non-current financial liabilities	560.50	–	560.50	–	560.50
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	1,788.55	–	1,741.63	–	1,741.63
- Trade Payables	7,769.01	–	7,769.01	–	7,769.01
- Other current financial liabilities	720.64	–	720.64	–	720.64
Total	**10,936.17**	**–**	**10,888.89**	**–**	**10,888.89**

Note - 31 Employee benefits

(a) Defined Contribution Plan

Amount recognised as an expense in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs. 86.42 Lakhs (March 31, 2022 Rs. 73.32 Lakhs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972, Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation on 31st March, 2023

Rs. in Lakhs

Particulars	Unfunded Plan Gratuity 2023	Unfunded Plan Gratuity 2022
Amounts recognised in profit and loss in respect of these defined benefit plans are as follows:		
Current Service Cost	**38.86**	38.54
Net interest expense	**8.45**	6.84
Transfer In/(Out)	**–**	–
Components of defined benefit costs reconised in profit or loss	**47.31**	45.38
Amounts recognised in other comprehensive income		
Remeasurement on the net defined benefit liability		
Actuarial (gains) and loss arising form changes in demographic assumptions	**(6.30)**	–
Actuarial (gains) and loss arising form changes in financial assumptions	**(4.09)**	–
Actuarial (gains) and loss arising form experience adjustments	**(14.44)**	(11.69)
Componenets of defined benefit costs recognised in other comprehensive income	**(24.83)**	(11.69)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**142.55**	121.27
2. Fair value of plan assets as at 31st March	**–**	–
3. Surplus/(Deficit)	**(142.55)**	(121.27)
4. Current portion of the above	**(9.20)**	(5.57)
5. Non current portion of the above	**(133.35)**	(115.70)
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**121.27**	101.59
2. Trasfer in /(out)		
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**38.86**	38.54
– Transfer In/(Out)		
– Interest Expense (Income)	**8.45**	6.84

Rs. in Lakhs

Particulars	Unfunded Plan Gratuity	Unfunded Plan Gratuity
	2023	**2022**
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses arising from:		
i. Demographic Assumptions	**(6.30)**	–
ii. Financial Assumptions	**(4.09)**	(9.06)
iii. Experience Adjustments	**(14.44)**	(11.69)
5. Benefit payments	**(1.20)**	(4.95)
6. Present value of defined benefit obligation at the end of the year	**142.55**	121.27
III. Actuarial assumptions		
1. Discount rate (%)	**7.40**	7.00
2. Expected rate(s) of salary increase (%)	**10.00**	10.00
3. Attrition rate (%)	**12.00**	9.00

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate				
	2023	1.00%	(9.40)	10.64
	2022	1.00%	(10.07)	11.68
Salary growth rate				
	2023	1.00%	8.89	(8.04)
	2022	1.00%	10.03	(8.87)
Attrition rate				
	2023	1.00%	(1.38)	1.54
	2022	1.00%	(1.95)	2.22

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lakhs

	2023	**2022**
Within 1 year	**9.20**	5.57
1 - 2 year	**12.67**	6.88
2 - 3 year	**26.03**	9.95
3 - 4 year	**19.56**	23.79
4 - 5 year	**23.20**	17.03
5 - 10 years	**196.70**	167.08

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 11.58 years (March 31, 2022 is 14.14 years)

Rs. in Lakhs

IV. Experience Adjustments :	**Period Ended 2023 Gratuity**	**Period Ended** 2022 Gratuity
1. Defined Benefit Obligation	**142.55**	121.27
2. Fair value of plan assets	**–**	–
3. Surplus/(Deficit)	**(142.55)**	(121.27)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(24.83)**	(20.75)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–

Note 32 : Related Party Disclosures:

1) List of Related parties and relationships

Name of company / Individual	**Relation**
Mahindra and Mahindra Limited	Joint Venturer
Phi Capital Trust - Phi Capital Growth Fund - I	Joint Venturer
Mr. Boman Irani	Joint Venturer
Phi capital Management LLP	Joint Venturer
BSA Company Limited	Subsidiary Company
Mahindra Two Wheelers Limited	Subsidiary of Joint Venturer
Mahindra Integrated Business Solutions Limited	Subsidiary of Joint Venturer
Mahindra Logistics Limited	Subsidiary of Joint Venturer
Tech Mahindra Limited	Associate of Joint Venturer
Mahindra eMarket Limited	Subsidiary of Joint Venturer
Fifth Gear Ventures Limited	Subsidiary of Joint Venturer
Mahindra Holidays & Resorts Ltd	Subsidiary of Joint Venturer
Mahindra CIE Automotive Ltd	Subsidiary of Joint Venturer
NBS International Limited	Subsidiary of Joint Venturer
Mahindra Defence Systems Limited	Subsidiary of Joint Venturer
Lords Freight India Private Limited	Fellow Subsidiary of Joint Venturer
Meru Mobility Tech Private Limited	Subsidiary of Joint Venturer
Phi Corporate Solutions LLP	Entity controlled by KMP
Mr. Ashish Joshi	Chief Executive Officer
Mr. Rajan Wadhera (up to 31st July'2021)	Joint Chief Executive Officer
Mr. Ashish Saboo (up to 2nd Feb'2023)	Chief Financial Officer
Mr. Sitesh Maheshwari (from 6th Feb'2023)	Chief Financial Officer
Ms. Jenny Shah	Company Secretary

2) Related Party Transactions:

Rs. in Lakhs

Name of related party	**Nature of Transactions**	**Amount Current Year Transactions**	**Amount Outstanding as at 31st March 2023**		**Amount Previous Year Transactions**	**Amount Outstanding as at 31st March 2022**	
			Credit	**Debit**		**Credit**	**Debit**
1) Mahindra & Mahindra Limited	Purchase of Services	3,780.61			5,263.33		
	Purchase of Fixed Assets	168.56			403.55		
	Purchase of Goods	82,825.16			65,642.26		
	Other expenditure	1,100.68			–		1.26
	Reimbursement of expenses paid	407.73	6,477.13	19.92	0.60	1,881.23	
	Reimbursement of Expenses Received	562.11			275.40		
	Sales of Goods	27.53			10.14		
	Sales of services	–			3.01		
	ICD taken	26,200.00	15,000.00		11,700.00	1,700.00	
	ICD Repaid	12,900.00			10,000.00		
	Interest paid on ICD	431.13	62.27		781.61	71.43	
	Issue of Share capital	7,247.22			10,800.00		
	Receipt of Share application money / (Alloted)	(6,227.22)			6,227.22		
2) Mahindra Two Wheelers Limited	Purchase of Services	184.90	18.55	–	183.35	20.60	–
3) Mahindra Integrated Business Solutions Limited	Purchase of Services	30.43	2.11	–	17.54	0.56	–
4) Mahindra Logistics Limited	Purchase of Services	3,106.52	–	–	2,160.72	0.22	–
5) Tech Mahindra Limited	Purchase of Services	98.14	59.39	–	246.13	153.07	–
6) Mahindra eMarket Limited	Purchase of services	–	–	–	21.16	–	–
7) Fifth Gear Ventures Limited	Purchase of Services	134.00	7.30	–	329.40	111.44	–
8) Mahindra Holidays & Resorts Ltd	Purchase of services	–	–	–	4.44	–	–
9) Mahindra CIE Automotive Ltd	Purchase of Goods	26.38	6.17	–	4.38	–	–
	Advances for Fixed Assets	–	–	–	–	–	14.40
10) Meru Mobility Tech Private Limited	Purchase of Services	6.18	–	–	28.24	2.72	
11) Phi Capital Trust - Phi Capital Growth Fund - I	Issue of Share capital	1,871.65	–	–	5,144.08	–	–
	Receipt of Share application money	(1,871.65)	–	–	1,871.65	–	–
12) Phi Capital Management LLP	Issue of Share capital	1,707.55	–	–	–	–	–
	Receipt of Share application money	(1,279.83)	–	–	1,279.83	–	–
	Purchase of services	25.40	5.57	–	19.82	9.55	–
	Reimbursement of expenses paid	5.57			9.75		
13) Phi Corporate Solutions LLP	Purchase of services	–	0.12	–	0.12	0.12	–
14) NBS International Ltd	Purchase of services	6.11	5.78	–	0.27	0.26	–
15) Mahindra Defence Systems Limited	Purchase of services	0.18	0.16	–	–	–	–
	Reimbursement of expenses paid	0.02			–		
16) Lords Freight India Private Limited	Purchase of services	2.67	–	–	–	–	–
17) Boman Irani	Issue of Share capital	1,252.28	–	–	2,055.88	–	–
	Receipt of Share application money	(1,000.00)	–	–	1,000.00	–	–
18) BSA Company Limited	Investment in Shares	1,747.03	–	–	2,165.85	–	–
	Sales of Goods	5,496.92			7.75		
	Sales of services	22.23	–	5,336.27	51.06	–	18.18
	Reimbursement of Expenses Received	–			19.57		
19) Ashish Joshi - CEO	KMP Remuneration*						
20) Rajan Wadhera - Joint CEO	Managerial Remuneration**						
21) Ashish Saboo - CFO	Managerial Remuneration**	228.80	–	–	240.99	–	–
22) Sitesh Maheshwari - CFO	Managerial Remuneration**						
23) Ms. Jenny Shah - Company secretary	Managerial Remuneration**						

* Employee benefits payable (gratuity and leave encashment) are calculated on the basis of actuarial valuation. Amount payable for individual employee as at 31st March, 2023, cannot be separately indentified and therefore has not been included above.

** Being deputed by Mahindra and Mahindra Limited, remuneration is paid through Mahindra and Mahindra Ltd

Note: 33: Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rs. in Lakhs

Particulars	As at March 31, 2022	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2023
Deferred Tax Liability				
On property, plant & equipment	167.28	29.31	–	196.59
Others	–	–	–	–
Total	**167.28**	**29.31**	**–**	**196.59**
Deferred Tax Asset				
Provision for Employee Benefits	59.67	15.39	(6.25)	68.81
Unabsorbed Depreciation and Business Loss carried forward	–	–	–	–
Others	107.61	20.17	–	127.78
Total	**167.28**	**35.56**	**(6.25)**	**196.59**
Deferred Tax assets / (liability) Net:	**–**	**6.25**	**(6.25)**	**–**

Rs. in Lakhs

Particulars	As at March 31, 2021	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2022
Deferred Tax Liability				
On property, plant & equipment	132.57	34.71	–	167.28
Others	–	–	–	–
Total	**132.57**	**34.71**	**–**	**167.28**
Deferred Tax Asset				
Provision for Employee Benefits	46.24	18.65	(5.22)	59.67
Unabsorbed Depreciation and Business Loss carried forward	–	–	–	–
Others	86.33	21.28	–	107.61
Total	**132.57**	**39.93**	**(5.22)**	**167.28**
Deferred Tax assets / (liability) Net:	**–**	**5.22**	**(5.22)**	**–**

Net deferred tax assets have been recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary diffrences	**(25.47)**	(9.60)
In respect of prior years	**–**	–
In respect of others	**19.22**	4.38
Income Tax as per P&L	**(6.25)**	(5.22)

The Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit & Loss is as follows :

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**(14,848.07)**	(9,542.77)
Applicable Income tax rate	**25%**	25%
Expected income tax expense	**(3,736.96)**	(2,401.72)
Effect of expenses not deductible in determining taxable profit	**0.78**	0.28
Effect of derecognition of deferred tax asset on previous years tax losses	**–**	–
Effect of Non recognition of deferred tax asset	**3,710.71**	2,391.84
Others	**19.22**	4.38
Income Tax as per P&L	**(6.25)**	(5.22)

Note: 34: Capital Work in Progress and Intangible under development Ageing Schedule

A) Capital Work in Progress ageing Schedule:-

As at March 31, 2023

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	**110.37**	**42.60**	**–**	**–**	**152.97**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
Total	**110.37**	**42.60**	**–**	**–**	**152.97**

As at March 31, 2022

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	1,727.62	620.94	–	–	2,348.56
Projects temporarily suspended	–	–	–	–	–
Total	1,727.62	620.94	–	–	2,348.56

B) Intangible asset under development (IAUD) ageing schedule:-

As at March 31, 2023

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	**1,075.40**	**–**	**–**	**95.00**	**1,170.40**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
Total	**1,075.40**	**–**	**–**	**95.00**	**1,170.40**

As at March 31, 2022

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	1,650.77	1,188.82	1,155.18	2,094.97	6,089.74
Projects temporarily suspended	–	–	–	–	–
Total	1,650.77	1,188.82	1,155.18	2,094.97	6,089.74

Note: 35: Ratio Analysis and its element

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.79	0.77	3%	There is an increase in current asset and reduction in current liabilities
Debt equity ratio	Debt	Total Equity	0.93	0.06	1346%	There is an increase in the Debt
Debt service coverage ratio	Profit before depreciation & Amortisation, interest and taxes	Interest on borrowings+Current Borrowings	(16.17)	(1.86)	771%	There is increase in EBIDTA loss and decrease in current borrowings
Return on equity ratio	Profit/loss after tax	Average Total Equity	-64.9%	-47.7%	-17.2%	Mainly due to Equity infusion
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	34.24	25.36	35%	These is increase in COGS
Trade receivable turnover ratio	Sales of Products & Services	Average trade receivable	21.46	91.36	-77%	There is an increase in the trade receivable
Trade payable turnover ratio	Purchases	Average trade payable	6.79	4.74	43%	
Net capital turnover ratio	Total revenue	Current Assets-Current Liabilities	(21.75)	(19.93)	9%	There is an increase in Total Revenue
Net profit ratio	Profit/loss after tax	Total revenue	-20.9%	-16.0%	-4.9%	
Return on capital employed	Profit before interest and taxes	Average Capital Employed	-42.7%	-36.3%	-6.3%	
Return on investment	Investment Income	Average Investment	0.9%	2.1%	-1.1%	

36 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2023 is Rs. 941.72 Lakhs (as at March 31,2022 Rs. 2,132.74 lakhs).

37 Contingent Liabilities

Contigent Liabilities as at the close of the year - Nil (as at 31st Mar,2022 - Nil).

Note-1 : There is litigation going on in relation to use of Yezdi trademark in Karnataka High Court. The matter is currently pending adjudication before Karnataka High Court. Outcome of ligitation is not ascertainable as on balance sheet date.

Note-2 : There is litigation going on in relation to use of BSA trademark in Indian Market in Madras High Court. The matter is currently pending adjudication before Madras High Court. Outcome of ligitation is not ascertainable as on balance sheet date.

38 Segment reporting

The Company is engaged in design, development, sales, marketing and related activities for two wheeler vehicle , predominantly in India, which represents single reportable business segment. These, in context of IND-AS 108 “Operating Segments” are considered to constitute one segment.

39 Dues to micro small and medium enterprises

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosure as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act” are given below :

Rs. Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Dues remaining unpaid as at 31st Mar		
- Principal	**1.12**	–
- Interest on the above	**–**	–
Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**87.18**	17.67
- Interest paid in terms of Section 16 of the Act	**0.08**	0.40
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**1.56**	0.08
Amount of interest accrued and remaining unpaid as at 31st Mar	**1.56**	0.08

* Amount less than Rs. 50000

40 Leases

The details of additions, carrying value and depreciation on right to use assets held by the Company is given in Note No. 5

Interest expenses on leases is Rs. 11.36 Lakhs for the year ended March 31, 2023 (Rs 13.44 Lakhs year ended March 31, 2022). Company incurred Rs. 94.71 Lakhs for the year ended March 31, 2023 (Rs. 82.37 Lakhs for year ended March 31, 2022) towards expenses relating to short-term lease and leases of low-value assets. Total cash outflow for leases is Rs. 92.90 Lakhs for the year ended March 31, 2023 (Rs. 76.70 Lakhs for the year ended March 31, 2022) including cash outflow for short term and low value leases.

41 Previous year’s figures have been regrouped/reclassified wherever necessary.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April, 2023
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Jenny Shah (Company Secretary) Membership Number: 21492

Date: 28th April, 2023
Place: Mumbai

Form AOC 1

Pursuant to first proviso to Sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014

Statement containing sailent features of the financial statements of subsidiaries/associate company/joint ventures as included in the Consolidated Financial Statements

Part A : Subsidiaries

Rs. in lakhs

S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Libilities	Investment (excluding investment in subsidiaries)	Gross Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest	Proportion of voting power where Different
1	BSA Company Limited	21.10.2016	GBP	101.92	247.64	2,725.20	9,904.87	6,932.02	*	3,506.60	(848.98)	–	(848.98)	–	100.00%	
2	B.S.A. Motor Cycles Limited	11.09.2020	GBP	101.92	*	–	*	–	–	–	–	–	–	–	100.00%	
3	The Birmingham Small Arms Company Limited	11.09.2020	GBP	101.92	*	–	*	–	–	–	–	–	–	–	100.00%	
4	BSA Corporation Limited	11.09.2020	GBP	101.92	*	–	*	–	–	–	–	–	–	–	100.00%	

* Amount less than Rs. 50000

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No.05205447
Director

Hemant Sikka
DIN No: 922281
Director

Ashish Joshi
Chief Executive Officer

Sitesh Maheshwari
Chief Financial Officer
Membership Number: 077909

Jenny Shah
Company Secretary
Membership Number: 21492

Date : 28th April, 2023
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
BSA COMPANY LIMITED

Opinion

We have audited the financial statements of BSA Company Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/ auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Tizard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants	Date:- 9th May 2023
	Athenia House
Statutory Auditor	10-14 Andover Road
	Winchester
	Hampshire
	United Kingdom
	S023 7BS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Turnover	**3,472,260**	27,812
Cost of Sales	**(3,176,085)**	–
Gross Profit	**296,175**	27,812
Administrative expenses	**(1,303,282)**	(680,608)
Other Operating Income	**133,998**	107,277
Loss before taxation	**(873,109)**	(545,519)
Tax on loss	**–**	–
Loss for the financial year	**(873,109)**	(545,519)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Mr. Ashish Joshi
Director
Date:- 27th April 2023

Company Registration No. 01531594

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed Assets					
Intangible Assets	**4**		**3,116,882**		1,817,721
Tangible assets	**5**		**263,995**		137,106
Investments	**6**		**9**		9
			3,380,886		1,954,836
Current Assets					
Stock	**7**	**83,453**		–	
Debtors	**8**	**3,779,147**		470,278	
Cash at bank and in hand		**2,474,936**		396,156	
		6,337,536		866,434	
Creditors: amounts falling due within one year	**9**	**(6,801,537)**		(816,276)	
Net current (liabilities)/assets			**(464,001)**		50,158
Net assets			**2,916,885**		2,004,994
Capital and reserves					
Called up share capital	**10**		**268,800**		209,300
Share premium account			**4,315,200**		2,589,700
Capital redemption reserve			**60,000**		60,000
Profit and loss reserves			**(1,727,115)**		(854,006)
Total equity			**2,916,885**		2,004,994

These Financials statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27th April 2023 and are signed on its behalf by:

Mr. Ashish Joshi
Director
Date:- 27th April 2023

Company Registration No. 01531594

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and Loss reserves £	Total £
Balance as at 1 April 2021		138,600	539,400	60,000	(308,487)	429,513
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		–	–	–	(545,519)	(545,519)
Issue of share capital	**10**	70,700	2,050,300	–	–	2,121,000
Balance as at 31 March 2022		209,300	2,589,700	60,000	(854,006)	2,004,994
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		–	–	–	(873,109)	(873,109)
Issue of share capital	**10**	59,500	1,725,500	–	–	1,785,000
Balance as at 31 March 2023		**268,800**	**4,315,200**	**60,000**	**(1,727,115)**	**2,916,885**

Mr. Ashish Joshi
Director
Date:- 27th April 2023

Company Registration No. 01531594

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting Policies

Company information:

BSA Company Limited is a private company limited by shares incorporated in England and Wales. The principal place of business is Unit 14, Windmill Industrial estate, Birmingham Road, Coventry, CV5 9QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Classic Legends Private Limited. These consolidated financial statements are available from its registered office, Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The development of an electric motorcycle in the UK would be met through Capital infusion. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	: Straight line over 15 years
Development Costs - Continuing	: Amortisation deferred

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and Machinery	: Straight Line between 3 and 9 years
Fixtures, fittings & equipment	: Straight Line 10 years
Computer equipment	: Straight Line 3 years
Motor Vehicles	: Straight Line 3 years
Office equipment	: Straight Line 4 years

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1.9 Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration are measured at lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the company’s statement of financial position when the company becomes party to the contractual provisions of the instrument. The company considers all of its financial assets basic.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.12 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.13 Employee Benefits

The costs of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits

1.14 Retirement Benefits

Payment to defined contribution retirement benefit scheme are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income on an accrual basis when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability as deferred income.

Government grant income relating to the funding of fixed asset additions is released over the life of the asset in line with the amortisation or depreciation policy of the asset. Unreleased income is recognised as a liability as deferred income .

Grants that are received in respect of expenses already incurred by the entity are recognised in the profit and loss in the period when the grant becomes receivable.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key resource of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Total	**14**	8

4 Intangible fixed assets

	Patents and licences	**Development Costs - Continuing**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2022	125,400	1,817,721	1,943,121
Additions	–	1,299,161	1,299,161
At 31 March 2023	125,400	3,116,882	3,242,282
Amortisation and impairment			
At 1 April 2022 and 31 March 2023	125,400	–	125,400
Carrying amount			
At 31 March 2023	–	3,116,882	3,116,882
At 31 March 2022	–	1,817,721	1,817,721

5 Tangible fixed assets

	Plant and machinery etc	**Office equipment**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2022	158,971	14,514	173,485
Additions	246,087	–	246,087
Disposals	(38,541)	–	(38,541)
At 31 March 2023	366,517	14,514	381,031
Depreciation and impairment			
At 1 April 2022	34,557	1,822	36,379
Depreciation charged in the year	83,451	3,629	87,080
Eliminated in respect of disposals	(6,423)	–	(6,423)
At 31 March 2023	111,585	5,451	117,036
Carrying amount			
At 31 March 2023	254,932	9,063	263,995
At 31 March 2022	124,414	12,692	137,106

6 Fixed asset investments

	2023	2022
	£	£
Shares in group undertakings and participating interests	9	9

7 Stocks

	2023	2022
	£	£
Stocks	**83,453**	–

8 Debtors

	2023	2022
Amount falling due within one year:	£	£
Trade debtors	**1,092,311**	–
Other debtors	**2,686,836**	470,278
	3,779,147	470,278

9 Creditors: Amount falling due within one year

	2023	2022
	£	£
Trade creditors	100,349	47,989
Amounts owed to group undertakings	5,235,818	18,309
Taxation and social security	20,330	16,077
Deferred grant income	1,153,868	694,177
Other creditors	3,945	1,320
Accruals and deferred income	287,227	38,404
	6,801,537	816,276

10 Called up share Capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	Number	**£**	£
Issued and fully paid Ordinary shares of £1 each	268,800	209,300	268,800	209,300

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
577,977	106,150

12 Capital commitments:

Amount contracted for but not provided in the financial statements

	2023	2022
	£	£
Acquisition of tangible fixed assets	–	18,784
Acquisition of intangible assets	232,632	305,600
	232,632	324,384

13 Parent company

The immediate parent company is Classic Legends Private Limited, which is a subsidiary of Mahindra & Mahindra Limited as per the Indian Companies Act, 2013.

The accounts of Classic Legends Private Limited are those of the smallest group of which the company is a member and for which group accounts are prepared. Their registered office is at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The accounts of Mahindra & Mahindra Limited are those of the largest group of which the company is a member and for which group accounts are prepared. Their registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.

Mr Ashish Joshi
Director
Date:- 27th April 2023

Company Registration No. 01531594

Balance Sheet as at 31 March 2023

	2023 £	2022 £
Current Assets		
Cash at Bank and in hand	**1**	1
Net Assets	**1**	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	**1**	1
Total Shareholder funds	**1**	1

STATEMENTS

a. For the year ending 31 March 2023 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 27th April,2023

And signed on their behalf by:
Prakash Wakankar, Director

BALANCE SHEET AS AT 31 MARCH 2023

	2023 £	2022 £
Current Assets		
Cash at Bank and in hand	7	7
Net Assets	7	7
Issued share capital		
7 Ordinary shares of £ 1 each	7	7
Total Shareholder funds	7	7

STATEMENTS

a. For the year ending 31 March 2023 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 27th April'2023

And signed on their behalf by:
Prakash Wakankar, Director

BALANCE SHEET AS AT 31 MARCH 2023

	2023 £	2022 £
Current Assets		
Cash at Bank and in hand	1	1
Net Assets	1	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	1	1
Total Shareholder funds	1	1

STATEMENT

a. For the year ending 31 March 2023 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 27th April’2023

And signed on their behalf by:
Prakash Wakankar, Director

MAHINDRA TWO WHEELERS EUROPE HOLDINGS S.À.R.L.
SOCIÉTÉ À RESPONSABILITÉ LIMITÉE

BALANCE SHEET AS AT MARCH 31, 2023

(expressed in EUR)

	Notes	**31/03/2023 EUR**	31/03/2022 EUR
ASSETS			
FIXED ASSETS			
Financial fixed assets			
Shares in affiliated undertakings	3	**604,000.00**	68,565,920.00
Securities held as fixed assets	4	**6,396,000.00**	–
		7,000,000.00	68,565,920.00
CURRENT ASSETS			
Debtors	5		
Other debtors			
becoming due and payable within one year		**1,203.75**	1,203.75
		1,203.75	1,203.75
Cash at bank and in hand		**20,542.78**	96,490.50
PREPAYMENTS		**5,076.45**	4,979.81
TOTAL ASSETS		**7,026,822.98**	68,668,594.06
LIABILITIES			
CAPITAL AND RESERVES	6		
Subscribed capital		**143,899,999.00**	143,899,999.00
Share premium account		**11,254,683.00**	11,254,683.00
Profit or loss brought forward		**(86,525,329.88)**	(54,011,387.27)
Profit or loss for the financial year		**(68,632,466.41)**	(32,513,942.61)
		(3,114.29)	68,629,352.12
CREDITORS			
Convertible loans	7		
becoming due and payable after more than one year		**7,000,000.00**	–
Trade creditors	8		
becoming due and payable within one year		**25,122.27**	34,426.94
Other creditors	8		
Tax authorities		**4,815.00**	4,815.00
		7,029,937.27	39,241.94
TOTAL LIABILITIES		**7,026,822.98**	68,668,594.06

For and on behalf of the Board

Date: 28th April, 2023
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

PROFIT AND LOSS ACCOUNT

(expressed in EUR)

	Notes	From 01/04/2022 to 31/03/2023 EUR	From 01/04/2021 to 31/03/2022 EUR
Other operating income		**–**	26.40
Other external expenses	**9**	**(60,781.37)**	(70,561.81)
Other operating charges		**(21.60)**	(232.20)
Value adjustments on financial fixed assets	**4**	**(135,697,531.00)**	(32,434,080.00)
Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings	**7**	**67,131,611.00**	**–**
Other interest and other financial income			
derived from affiliated undertakings		**3,268.63**	**–**
other interest and similar financial income		**14.93**	**–**
		3,283.56	**–**
Interest and other financial charges concerning affiliated undertakings		**(4,212.00)**	**–**
Tax on profit or loss	**11**	**–**	–
Loss after taxation		**(68,627,651.41)**	(32,504,847.61)
Other taxes not included in the previous caption	**11**	**(4,815.00)**	(9,095.00)
Loss for the financial year		**(68,632,466.41)**	(32,513,942.61)

For and on behalf of the Board

Date: 28th April, 2023
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

Notes to the accounts

Note 1 - General information

Mahindra Two Wheelers Europe Holdings S.à r.l., hereinafter the "Company", was incorporated on December 2, 2014 as a "société à responsabilité limitée" for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 192 444.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

OBJECT

The purpose of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such ownership interests. The Company may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and any other securities, including without limitation any bonds, debentures, certificates of deposit, trust units, any other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever, including partnerships. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the creation, acquisition and management of a portfolio of patents or any intellectual property rights of whatsoever nature or origin.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of equity/debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favor of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks. The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

The accounts of the Company are included in the consolidated accounts of Mahindra & Mahindra Limited, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at Gateway Building, Apollo Bunder, in Mumbai (400 001), where the consolidated financial statements are available.

Note 2 - Summary of significant accounting policies

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the Lux GAAP with Fair Value option method. Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended by the law of December 10, 2010 (the "Law"), determined and applied by the managers of the Company (the "Board of "Managers"). The company changed its accounting policies from the historical cost convention in order to provide reliable and more relevant information about the effects of transactions.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto. They are subsequently measured at fair value.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are carried at costs which generally corresponds to their nominal value. A value adjustment is recorded when the estimated realisable value is lower than the nominal value. The realisable value is estimated on the basis of information available to the Board of Managers. These value adjustments are reversed if the reason for which the value adjustments were made have ceased to apply.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses and gains are recorded in the profit and loss account.

Prepayments

This asset caption comprises expenditures incurred during the financial year but relating to a subsequent financial year.

Creditors

Debts are recorded at their reimbursement value.

Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption "tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Notes to the accounts

Note 3 - Shares in affiliated undertakings

a) The movements for the year are as follows: (expressed in EUR)

	Number of Shares 31/03/2023	Value of Shares EUR 31/03/2023	Total EUR 31/03/2022
Gross book value - opening balance	**3,374,585**	**154,691,619.00**	**142,691,619.00**
Disposals for the year	(3,062,500)	–	–
Gross book value - closing balance	**312,085**	**154,691,619.00**	**154,691,619.00**
Value adjustments - opening balance		**(86,125,699.00)**	**(53,691,619.00)**
Allocations for the year		(67,961,920.00)	(32,434,080.00)
Value adjustments - closing balance		**(154,087,619.00)**	**(86,125,699.00)**
Net book value - closing balance	**312,085**	**604,000.00**	**68,565,920.00**
Net book value - opening balance	**3,374,585**	**68,565,920.00**	**89,000,000.00**

On July 7, 2020, the Company subscribed to 1,000,000 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 16,000,000.00.

On February 5, 2021, the Company subscribed to 1,312,500 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 21,000,000.00.

On February 11, 2021, a share capital decrease for Peugeot Motoclyes was decided for an amount of EUR 37,000,000.00. EUR 29,403,982.63 have been used to off set the loss and EUR 7,596,017.37 have been allocated to the unavailable reserve account of Peugeot Motoclyces S.A.S. In connection with the share capital decrease 2,312,500 existing shares with the nominal value of EUR 16.00 have been cancelled. Furthermore a further equity restructuration took place for an amount of 16,691,619.00.

On September 30, 2021, an internal valuation of Peugeot Motoclyes was performed and an impairment of EUR 32,434,080.00 was decided.

On September 30, 2022, an internal valuation of Peugeot Motoclyes was performed and an impairment of EUR 61,565,920.00 was decided.

On December 23, 2021 the Company subscribed to 750,00 new shares issued by Peugeot Motocycles S.A.S for an aggregate amount of EUR 12,000,000.00.

On January 27, 2023, the Company committed to convert its 312,085 ordinary shares in Peugeot Motoclyes into 312,085 preferred shares of category A of Peugeot Motoclyes. Mutares should subscribe to preferred shares of category B by investing an aggregate amount of EUR 7,000,000 in Peugeot Motoclyes. Following MTWE's conversion into Preferred A Shares and Mutares Investment, the total amount of Preferred A Shares and Preferred B Shares should equal to 50% of the share capital of PMTC respectively.

On March 31, 2023, an internal valuation of Peugeot Motoclyes was performed and an impairment of EUR 6,396,000.00 was decided.

On March 31, 2023, the Company holds 312,085 shares for a total amount of EUR 604,000.00.

b) Undertakings in which the Company holds at least 20% interests in their share capital or in which it is a general partner are as follows:

(expressed in EUR)

Undertaking's name	Registered office	Percentage of holding	Last balance sheet date	Net equity at the last balance sheet date EUR	Result for the last financial year EUR	Net book value 31/03/2023 EUR
Peugeot Motocycles S.A.S.	France	50.00%	31/12/2022	(6,496,831.00)	(10,420,549.00)	604,000.00
Total						

Notes to the accounts

Note 4 - Securities held as fixed assets

a) The movements for the year are as follows: (expressed in EUR)

	EUR 31/03/2023	TOTAL EUR 31/03/2023	TOTAL EUR 31/03/2022
Gross book value - opening balance	–	–	–
Additions for the year	74,131,611.00	74,131,611.00	–
Gross book value - closing balance	**74,131,611.00**	**74,131,611.00**	–
Value adjustments - opening balance	–	–	–
Allocations for the year	(67,735,611.00)	(67,735,611.00)	–
Value adjustments - closing balance	**(67,735,611.00)**	**(67,735,611.00)**	–
Net book value - closing balance	**6,396,000.00**	**6,396,000.00**	–
Net book value - opening balance	–	–	–

On January 31, 2023 Peugeot Motocycles issued 74,131,611 bonds redeemable into Preferred A Shares to which MTWE subscribed for an amount of EUR 74,131,611.00 for which the maturity date is January 31, 2033.

On March 31, 2023, an internal valuation of the ORA bonds was performed and an impairment of EUR 67,735,611.00 was decided.

The interest rate is determined by the relevant fiscal year maximum deductible interest as provided by Article 39.1.3 of the French tax code. There are no interest for the year due to impairment.

The ORA Bonds will be redeemed in new Preferred A Shares of PMTC which is the first to occur between the date of an exit and the final maturity date, or any other date agreed upon between PMTC and the Company.

Redemption ratio is based on the number of Preferred A Shares with respect to their Aggregate Principal amount, in a number of Preferred A Shares to be determined by dividing the Aggregate Principal Amount by EUR 22.43.

Note 5 - Debtors

This caption is detailed as follows: (expressed in EUR)

	31/03/2023 EUR	31/03/2022 EUR
Other debtors		
Becoming due and payable within one year:		
Net wealth tax - advance 2022	**–**	1,203.75
Net wealth tax - advance 2023	**1,203.75**	–
Total	**1,203.75**	1,203.75

Note 6 - Capital and reserves

Subscribed capital and share premium account

As at March 31, 2023, the share capital of the Company amounts to EUR 143,899,999.00 and is divided into 14,900,000 class A shares with a nominal value of EUR 1.00 each, 1,600,000,000 class B shares with a par value of EUR 0.05 each, 533,333,300 class C shares with a nominal value of EUR 0.03 and 1,650,000,000 class D shares with a nominal value of EUR 0.02.

The movements on the "Subscribed capital" caption during the year are as follows: (expressed in EUR)

	Share capital 31/03/2023 EUR	Share capital 31/03/2022 EUR	Total number of units 31/03/2023
Opening balance	**143,899,999.00**	**131,899,999.00**	**3,798,233,300**
Subscriptions for the year	–	12,000,000.00	–
Closing balance	**143,899,999.00**	**143,899,999.00**	**3,798,233,300**

On July 7, 2020, an EGM took place to approve the issuance of 533,333,300 Class C shares of nominal value EUR 0.03 each aggregating to EUR 15,999,999.00 to its sole shareholder.

On February 5, 2021, an EGM took place to approve the issuance of 1,050,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 21,000,000.00 to its sole shareholder.

On December 23, 2021, an EGM took place to approve the issuance of 600,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 12,000,000.00 to its sole shareholder.

Share premium account

The movements on the "Share premium account" caption during the year are as follows: (expressed in EUR)

	Share premium 31/03/2023 EUR	Share premium 31/03/2022 EUR
Opening balance	**11,254,683.00**	11,254,683.00
Movements for the year	**–**	–
Closing balance	**11,254,683.00**	11,254,683.00

Notes to the accounts

Note 7 - Convertible loans

(expressed in EUR)

	EUR 31/03/2023	Total EUR 31/03/2023	Total EUR 31/03/2022
Gross book value - opening balance	**–**	**–**	–
Additions for the year	74,131,611.00	74,131,611.00	–
Gross book value - closing balance	**74,131,611.00**	**74,131,611.00**	–
Value adjustments - opening balance	**–**	**–**	–
Allocations for the year	(67,131,611.00)	(67,131,611.00)	–
Value adjustments - closing balance	**(67,131,611.00)**	**(67,131,611.00)**	–
Net book value - closing balance	**7,000,000.00**	**7,000,000.00**	–
Net book value - opening balance	**–**	**–**	**–**

On January 27, 2023 the Company issued convertible bonds redeemable into Preferred A Shares each of them having a nominal value of INR 1 to which Mahindra & Mahindra Limited (M&M Ltd.) subscribed for an amount of EUR 74,131,611.00 for which the maturity date is January 27, 2033. The interest rate is determined at 7.91% p.a. No interest for the year due to impairment.

Each bondholder of the Company may decide, at any time between the issue date and the maturity date, the conversion of all or part of the convertible bonds.

The number of shares to be issued is determined by the sum of the amount of the nominal value of the Bonds and the amount of compound interest not yet compunded divided by the fair market value as at conversion date of one share.

On March 31, 2023, an internal valuation of the ORA bonds was performed and an impairment of EUR 67,131,611.00 was decided.

Note 8 - Trade creditors and other creditors

(expressed in EUR)

	Within one year EUR	After more than one year EUR	Total 31/03/2023 EUR	Total 31/03/2022 EUR
Trade creditors	25,122.27	–	**25,122.27**	34,426.94
Tax debts:				
Net wealth tax - estimated tax payable 2022	–	–	**–**	4,815.00
Net wealth tax - estimated tax payable 2023	4,815.00	–	**4,815.00**	–
Total	**29,937.27**	**–**	**29,937.27**	**39,241.94**

Note 9 - Other external expenses

(expressed in EUR)

This caption is detailed as follows:	**31/03/2023 EUR**	31/03/2022 EUR
Accounting fees	**29,651.94**	32,675.89
Audit fees	**10,310.60**	8,877.42
Tax consulting fees	**6,818.95**	10,377.88
Domiciliation fees	**6,671.96**	3,233.61
Other fees	**3,521.38**	1,135.88
Bank fees	**3,456.54**	3,070.12
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
Other comissions and professional fees	**–**	5,616.00
Notary fees	**–**	5,225.01
Total	**60,781.37**	70,561.81

Note 10 - Staff

There were no staff employed during the year (31/03/2022: nil).

Note 11 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 12 - Related party transactions

Related party transactions were disclosed in Notes 4 and 7.

Note 13 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 14 - Subsequent events

No other matters or circumstances of importance have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

For and on behalf of the Board

Date: 28th April, 2023
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA AGRI SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Agri Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 42 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) i. The management has represented that, to the best of its knowledge and belief, as disclosed in the note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   ii. The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXL6298

Place: Mumbai
Date: 25 April 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Agri Solutions Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year ended 31 March 2021. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Employees' State Insurance and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Service Tax, VAT, Central Excise or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

Name of statute	Nature of the dues	Amount demanded (Rs. in lakhs)	Amount paid under dispute (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax and Value Added Tax	Central Sales Tax	7.73	0.77	2016-17	Joint Commissioner Commercial Taxes, Kolkata South Circle
West Bengal Sales Tax and Value Added Tax	Value Added Tax	27.68	2.73	2016-17	Joint Commissioner Commercial Taxes, Kolkata South Circle
Gujarat Sales Tax and Value Added Tax	Value Added Tax	19.76	3.94	2016-17 2017-18	Assistant Commissioner of Stale Tax, Unit- 13. Ahmedabad
Gujarat Sales Tax and Value Added Tax	Central Sales Tax	56.15	11.23	2016-17 2017-18	Assistant Commissioner of Stale Tax, Unit- 13. Ahmedabad
Madhya Pradesh Commercial Tax	Value Added Tax	10.93	2.75	2017-18	Madhya Pradesh Commercial Tax Appellate Board
Madhya Pradesh Commercial Tax	Central Sales Tax	5.54	1.4	2017-18	Madhya Pradesh Commercial Tax Appellate Board
Telangana VAT department	Value Added Tax	121.9	15.24	2017-18	Appellate Deputy Commissioner, Punjagutta Division, Hyderabad
Gujarat Service Tax and Central Excise	Service Tax	4.91	0.86	2015-16 2016-17 2017-18	Customs, Excise & Service tax Appellate Tribunal
Gujarat Service Tax and Central Excise	Service Tax	0.94	0.16	2016-17 2017-18	Customs, Excise & Service tax Appellate Tribunal
Bihar Value Added Tax	Value Added Tax	47	15	2016-17	Office of Additional Commissioner of Sales tax (Appeal) Central Division, Patna
UP Value Added Tax	Value Added Tax	55	55	2016-17 2017-18	Deputy Commissioner (Assmt), Commercial Tax Dept, Lucknow, UP

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs 810.47 lakhs in the current financial year and Rs 816.01 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXL6298

Place: Mumbai
Date: 25 April 2023

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Agri Solutions Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Agri Solutions Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXL6298

Place: Mumbai
Dated: 25 April 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Currency : Indian rupees in lakhs)

		Note No.	As at 31 March 2023	As at 31 March 2022
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipment	4	**3,041.76**	3,153.16
	(b) Capital work-in-progress	4	**–**	6.61
	(c) Other intangible assets	5A	**172.04**	239.46
	(d) Intangible assets under development	5B	**351.74**	192.65
	(e) Financial assets			
	(i) Investments	6	**3,444.59**	9,316.59
	(ii) Other financial assets	7	**546.69**	512.35
	(f) Deferred tax assets (net)	8	**–**	–
	(h) Other non-current assets	10	**5.08**	5.23
	TOTAL NON-CURRENT ASSETS		**7,561.90**	13,426.05
	CURRENT ASSETS			
	(a) Inventories	11	**5,658.43**	7,414.68
	(b) Financial assets			
	(i) Trade receivables	12	**7,345.61**	5,683.48
	(ii) Cash and cash equivalents	13	**8.66**	16.50
	(iii) Bank balances other than (ii) above	13	**93.35**	90.62
	(iv) Loans	14	**–**	–
	(v) Other financial assets	7	**590.02**	1,091.03
	(c) Current tax assets (net)	9	**2.57**	24.51
	(d) Other current assets	10	**1,266.59**	1,181.98
			14,965.23	15,502.80
	TOTAL CURRENT ASSETS		**14,965.23**	15,502.80
	TOTAL ASSETS		**22,527.13**	28,928.85
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity share capital	15	**9,417.31**	9,417.31
	(b) Other equity	16	**(11,464.90)**	(4,412.10)
	TOTAL EQUITY		**(2,047.59)**	5,005.21
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	17A	**7,639.38**	5,785.47
	(ii) Lease liabilities		**74.08**	–
	(b) Provisions	18	**287.22**	421.72
	TOTAL NON-CURRENT LIABILITIES		**8,000.68**	6,207.19
	3 CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	17B	**4,468.68**	5,930.63
	(ii) Lease liabilities		**15.56**	–
	(iii) Trade payables	19		
	a.) Total outstanding dues of micro enterprises and small enterprises and		**484.41**	85.69
	b.) Total outstanding dues of creditors other than micro enterprises and small enterprises		**8,120.19**	8,181.42
	(iv) Other financial liabilities	20	**287.08**	247.20
	(b) Provisions	18	**782.13**	469.85
	(c) Other current liabilities	21	**2,415.99**	2,801.66
	TOTAL CURRENT LIABILITIES		**16,574.04**	17,716.45
	TOTAL EQUITY AND LIABILITIES		**22,527.13**	28,928.85

The accompanying notes 1 to 44 forms integral part of financial statements

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
Date: 25 April 2023

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

		Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	**Income**			
	Revenue from operations	22	**25,338.83**	22,659.19
	Other income	23	**560.90**	191.50
	Total Income (I)		**25,899.73**	22,850.69
II	**Expenses**			
	Purchases of stock-in-trade		**13,679.62**	13,438.62
	Changes in inventories of stock-in-trade and packing material	24	**1,756.25**	(1,258.82)
	Employee benefits expense	25	**2,343.83**	2,591.90
	Finance costs	26	**893.96**	665.73
	Depreciation and amortisation expense	27	**424.52**	439.20
	Other expenses	28	**8,036.55**	8,302.03
	Total Expenses (II)		**27,134.73**	24,178.66
III	**Loss before exceptional item and tax for the year (I-II)**		**(1,235.00)**	(1,327.97)
	Exceptional item	41		
	Impairment of certain investments		**(5,872.00)**	(350.00)
	Allowance for advances towards equity share capital		**–**	(140.00)
	Gain on slump sale of dairy business		**–**	227.74
IV	**Tax expense**			
	Current tax	29	–	–
	Deferred tax	8	**–**	–
	Total tax expense		**–**	–
V	**Loss for the year**		**(7,107.00)**	(1,590.23)
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the employee defined benefit plans	30	**30.90**	4.42
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	33	**1.73**	(19.71)
	Income tax relating to items that will not be reclassified to profit or loss	29	**–**	–
	Total other comprehensive income (net of taxes)		**32.63**	(15.29)
VII	**Total comprehensive loss for the year (V-VI)**		**(7,074.37)**	(1,605.52)
	Loss per equity share: Basic and Diluted (in Rs.)	31	**(7.55)**	(1.69)

The accompanying notes 1 to 44 forms integral part of financial statements

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
Date: 25 April 2023

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Loss before tax for the year	**(7,107.00)**	(1,590.23)
Adjustments for:		
Finance costs	**893.96**	665.73
Interest income	**(5.19)**	(4.72)
Provision for doubtful debts	**–**	12.23
Impairment of certain investments	**5,872.00**	350.00
Gain on slump sale of dairy business	**–**	(227.74)
Depreciation and amortisation expense	**424.52**	439.20
Net foreign exchange losses / (gain)	**–**	(84.52)
Liabilities no longer required written back	**–**	(9.28)
Expenses recognised in respect of ESOP	**21.57**	74.67
Dividend income	**(516.27)**	–
Gain on disposal of Property, plant and equipment (net)	**(14.73)**	(8.08)
	(431.14)	(382.74)
Movements in working capital:		
(Increase) / decrease in trade and other receivables	**(1,662.13)**	596.00
Decrease / (increase) in inventories	**1,756.25**	(1,258.83)
Decrease / (increase) in other assets	**384.01**	(36.55)
Increase / (decrease) in trade and other payables	**196.51**	(581.21)
	674.64	(1,280.60)
Cash generated from / (used in) operations	**243.50**	(1,663.34)
Income taxes refund	**21.93**	47.36
Net cash generated from / (used in) operating activities	**265.43**	(1,615.98)
Cash flows from investing activities		
Interest received	**8.39**	2.90
Payment to acquire non-current investments - Subsidiaries	**–**	(634.76)
Banks deposits placed during the year	**(7.88)**	(2.42)
Dividend received from subsidiary company	**516.27**	–
Proceeds from sale of dairy business	**–**	275.00
Proceeds from sale of property, plant and equipment	**50.55**	98.70
Payments for purchase of property, plant and equipment	**(331.36)**	(358.83)
Net cash generated from / (used in) investing activities	**235.97**	(619.41)
Cash flows from financing activities		
Repayments of long-term Borrowings	**(280.00)**	(200.25)
Proceeds from short-term borrowings	**10,400.00**	6,188.22
Repayments of short-term borrowings	**(9,861.95)**	(7,337.58)
Repayment of intercorporate deposit	**(2,000.00)**	(1,000.00)
Proceeds from long-term intercorporate deposit	**1,900.00**	1,500.00
Proceeds from short-term intercorporate deposit	**–**	3,000.00
Payments for principal portion of lease liability	**(5.29)**	–

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT...)

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Payments for interest portion of lease liability	**(3.69)**	–
Interest paid	**(658.30)**	(444.29)
Net cash flow (used in) / generated from financing activities	**(509.23)**	1,706.10
Net decrease in cash and cash equivalents	**(7.84)**	(529.28)
Cash and cash equivalents at the beginning of the year	**16.50**	545.78
Cash and cash equivalents at the end of the year (refer note 13)	**8.66**	16.50

Notes :

1 The above cash flow statement has been prepared under the ‘Indirect Method’ as set out in the Accounting Standard (Ind AS) 7 - “Statement of Cash Flows” .

2 The Company has a lien on its fixed deposits aggregating Rs 122.35 lakhs (31 March 2022: Rs 119.65 lakhs) against the bank guarantees / performance guarantees issued by the Company in favour of various customers.

3 **Components of cash and cash equivalents**

	As at 31 March 2023	As at 31 March 2022
Balance with banks		
- In current accounts	**8.66**	16.50
	8.66	16.50

4 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

The movement of borrowings as per Ind AS 7 is as follows:

	31 March 2023	31 March 2022
Opening balances		
Long-term borrowings	**5,785.47**	6,681.57
Short-term borrowings	**5,930.63**	4,800.00
Movements		
Long-term borrowings	**1,853.91**	(896.10)
Short-term borrowings	**(1,461.95)**	1,130.63
Closing balances		
Long-term borrowings	**7,639.38**	5,785.47
Short-term borrowings	**4,468.68**	5,930.63

The accompanying notes 1 to 44 forms integral part of financial statements

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No : 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
Date: 25 April 2023

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

(a) Equity share capital

For the year ended 31 March 2023

Particulars	No. of shares	Amount
At 1 April 2022	94,173,080	9,417.31
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2022	94,173,080	9,417.31
Issue of share capital	–	–
At 31 March 2023	**94,173,080**	**9,417.31**

For the year ended 31 March 2022

Particulars	No. of shares	Amount
At 1 April 2021	94,173,080	9,417.31
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	94,173,080	9,417.31
Issue of share capital	–	–
At 31 March 2022	**94,173,080**	**9,417.31**

(b) Other equity

	Reserves and Surplus					Other comprehensive income	
Particulars	Equity component of Optionally convertible redeemable preference shares	Securities premium	Capital reserve for bargain purchase business combination	Employee stock option outstanding	Retained earnings	Effective portion of cash flow hedges	Total
As at 31 March 2021	**2,134.45**	**27,387.49**	**(9,100.45)**	**748.54**	**(24,073.47)**	**22.18**	**(2,881.25)**
Loss for the year	–	–	–	–	(1,590.23)	–	(1,590.23)
Other comprehensive income/(loss)	–	–	–	–	4.42	(19.71)	(15.29)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(1,585.80)**	**(19.71)**	**(1,605.52)**
Share issue (ESOP to employees)	–	–	–	74.67	–	–	74.67
As at 31 March 2022	**2,134.45**	**27,387.49**	**(9,100.45)**	**823.21**	**(25,659.27)**	**2.47**	**(4,412.10)**
Loss for the year	–	–	–	–	(7,107.00)	–	(7,107.00)
Other comprehensive income/(loss)	–	–	–	–	30.90	1.73	32.63
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(7,076.10)**	**1.73**	**(7,074.37)**
Share issue (ESOP to employees)	–	–	–	21.57	–	–	21.57
As at 31 March 2023	**2,134.45**	**27,387.49**	**(9,100.45)**	**844.78**	**(32,735.37)**	**4.20**	**(11,464.90)**

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
Date: 25 April 2023

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

1. **Corporate information**

Mahindra Agri Solutions Limited (Formerly Known as Mahindra Shubhlabh Services Limited) ("the Company") a Public Limited Company domiciled in India and incorporated on 11 April 2000 under the provisions of the Companies Act, 1956 (CIN : U01400MH2000PLC125781).

The Company is engaged in the business of Agri inputs products and Food businesses. Grapes, Banana Cultivation, Seeds, Dairy and Banana Export etc. businesses are in operations during the year.

The Company is the subsidiary of Mahindra and Mahindra Limited.

The financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 25 April 2023.

2. **Statement of compliance and basis of preparation and presentation**

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Going concern

During the year ended 31 March 2023, the Company has incurred loss after tax of Rs 7,107.00 lacs (31 March 2022: Rs 1,590.23 lacs), which includes impairment of investment in Mahindra Summit of Rs 5,872 lacs, as exceptional items and as at that date, the Company's current liabilities exceed current assets by Rs 1,608.78 lacs (31 March 2022: 2,213.66 lacs). The Company has Positive net worth of Rs 7,052.85 as at 31 March 2023 excluding Goodwill arising on acquisition of Agri businesses from Holding Company of Rs 9,100.45 lacs (31 March 2022 – Positive net worth -Rs 14,105.21).

The financial statements for the year ended 31 March 2023 are prepared on a going concern basis, the validity of which is premised on the continuing availability of credit facilities from banks to the Company for the foreseeable future to meet its working capital requirements, in addition to the funds expected to be generated from the operating activities, to be achieved by bringing operational efficiencies and increase in sales volumes in the coming years. Further, the Company has sanctioned limit for additional investment / financial assistance up to Rs. 5,000 lakhs by way of debt / equity infusion which will be decided by the Holding Company, approved by the Board of the Holding Company at its meeting held on 28 October 2021. The Company has received long-term borrowing of Rs 3,400 lacs as at 31 March 2023 from the Holding Company, which is due for conversion into equity in FY 24, as and when the Company goes in for a rights issue or extension of the repayment period.

Based on aforesaid assessment. management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2023.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rs. lakhs, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.5 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant the fair value measurement is unobservable

2.6 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. **Critical Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material

(Currency : Indian rupees in lakhs)

adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3.5, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

Impairment of investments

The Company assesses impairment of investments in subsidiaries and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the Statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

2.7 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements."

3. Significant accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

(Currency : Indian rupees in lakhs)

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

Export benefits

Export benefits for sale of goods are accounted for in the year of export based on eligibility and accrual basis, when there is no uncertainty in receiving the same.

3.2 Interest income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.3 Employee benefits

The Company's contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident fund

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioners and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Employee stock option scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

3.4 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(Currency : Indian rupees in lakhs)

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.5 Property, plant and equipment

Property, plant and equipment (other than bearer plant) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Bearer Plant cost includes cost of plant and land preparation upto the planting. Bearer plant are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment:

(a) Certain items of Plant and Equipment – 1 to 15 years

(b) Buildings (Roads) – 15 years

(c) Vehicles – 5 years

(d) Bearer Plant – 3 Years

3.6 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years, 10 years
Non-compete fees	5 years
Trademarks	10 years
Technical knowhow	10 years

3.7 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.8 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges.

Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

3.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the

(Currency : Indian rupees in lakhs)

cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.10 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments.

All other investments are classified as long-term investments.

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

3.11 Government grants

Government grants related to property, plant and equipment's are recognised and presented by deducting the grant from the carrying amount of the assets at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

3.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

(Currency : Indian rupees in lakhs)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts to manage its exposure to foreign exchange. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.13 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.14 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, cost of hardware and software bought for reselling, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight and octroi etc.

Finance costs

The Company's finance costs include:

(i) Interest expense on borrowings and overdrafts

(ii) Interest expense on inter corporate deposits

Interest expense is recognised using effective interest method based on interest rates specified/ implicit in the transactions.

3.15 Earnings per share

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares except where the results would be anti-dilutive.

3.16 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.17 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

(Currency : Indian rupees in lakhs)

3.19 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.20 Leases

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of- use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.21 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and CEO of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.22 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.23 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(Currency : Indian rupees in lakhs)

4 Property, plant and equipment and Capital work in-progress

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Freehold land	**501.46**	501.46
Building	**1,335.30**	1,390.57
Plant and equipment	**577.91**	617.85
Computer equipment	**35.75**	51.97
Office equipment	**21.58**	9.58
Furniture and fixtures	**116.43**	130.13
Vehicles	**303.46**	379.43
Bearer plant	**62.99**	72.17
Right to use of assets- Building	**86.88**	–
Capital work-in-progress	**–**	6.61
Total	**3,041.76**	3,159.77

Description of assets	Freehold land	Buildings	Plant and equipment	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Bearer plant	Right to use of Assets-Building	Capital work-in-progress	Total
I. Cost											
(a) Balance as at 1 April 2021	**501.46**	**1,602.47**	**1,187.63**	**126.30**	**56.25**	**218.35**	**727.40**	**96.63**	**–**	**32.12**	**4,548.61**
Additions	–	–	20.19	49.78	1.21	10.97	66.97	–	–	134.17	283.29
Deduction/Adjustments during the year	–	–	–	–	–	–	–	–	–	(159.68)	(159.68)
Disposals (refer note i below)	–	–	(230.14)	(13.40)	(1.64)	–	(62.04)	–	–	–	(307.22)
(b) Balance as at 31 March 2022	**501.46**	**1,602.47**	**977.68**	**162.68**	**55.82**	**229.32**	**732.33**	**96.63**	**–**	**6.61**	**4,365.00**
Additions	–	–	29.12	9.15	21.87	6.84	63.93	–	94.93	129.95	355.79
Deduction / Adjustments during the year	–	–	–	–	–	–	–	–	–	(136.56)	(136.56)
Disposals (refer note i below)	–	–	–	(0.43)	–	–	(93.88)	–	–	–	(94.31)
(c) Balance as at 31 March 2023	**501.46**	**1,602.47**	**1,006.80**	**171.40**	**77.69**	**236.16**	**702.38**	**96.63**	**94.93**	**–**	**4,489.92**
II. Accumulated depreciation and impairment											
(d) Balance as at 1 April 2021	**–**	**156.63**	**459.58**	**92.87**	**38.32**	**78.74**	**281.14**	**15.28**	**–**	**–**	**1,122.56**
Depreciation expense for the year	–	55.27	82.45	30.00	9.36	20.45	102.95	9.18	–	–	309.66
Disposals (refer note i below)	–	–	(182.20)	(12.16)	(1.44)	–	(31.19)	–	–	–	(226.99)
(e) Balance as at 31 March 2022	**–**	**211.90**	**359.83**	**110.71**	**46.24**	**99.19**	**352.90**	**24.46**	**–**	**–**	**1,205.23**
Depreciation expense for the year	–	55.27	69.06	25.35	9.87	20.54	104.10	9.18	8.05	–	301.42
Disposals (refer note i below)	–	–	–	(0.41)	–	–	(58.08)	–	–	–	(58.49)
(f) Balance as at 31 March 2023	**–**	**267.17**	**428.89**	**135.65**	**56.11**	**119.73**	**398.92**	**33.64**	**8.05**	**–**	**1,448.16**
III. Net carrying amount 31 March 2023 (c)-(f)	**501.46**	**1,335.30**	**577.91**	**35.75**	**21.58**	**116.43**	**303.46**	**62.99**	**86.88**	**–**	**3,041.76**
IV. Net carrying amount 31 March 2022 (b)-(e)	**501.46**	**1,390.57**	**617.85**	**51.97**	**9.58**	**130.13**	**379.43**	**72.17**	**–**	**6.61**	**3,159.77**

Note:

(i) Dairy Business Slump Sale

In FY 2021-22, the Board has approved in its meeting held on 11 June 2021, to transfer its dairy business to White Spread Foods Private Limited (WSFPL) and Jalpak Foods Private Limited on the basis of valuation report by a registered valuer.

Further during the previous year, the Mahindra Agri Solutions Limited (“”the Company””) had entered into a business transfer agreement (BTA) dated 15 June 2021 with White Spread Foods Private Limited and Jalpak Foods Private Limited . Pursuant to this agreement, Dairy business of the Company has been transferred to WSFPL on slump sale basis for total consideration of Rs 343 lakhs comprising of Rs 275 lakhs as cash consideration and balance in form of Equity consideration valued at Rs 68 lakhs and acquired 19.83% shareholding in WSFPL.

(Currency : Indian rupees in lakhs)

Details of Carrying value of Assets sold on Slump sale

Description of assets	As at 31 March 2023	As at 31 March 2022
Computer Equipment	–	0.97
Office Equipment	–	0.05
Plant and Equipment	–	47.94
Vehicles	–	7.35
Total	–	56.31

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2023	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	–	–	–	–	6.61
Projects temporarily suspended	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**6.61**

As at 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.61	–	–	–	6.61
Projects temporarily suspended	–	–	–	–	–
Total	**6.61**	**–**	**–**	**–**	**6.61**

5A Other intangible assets

Carrying amount of:-	As at 31 March 2023	As at 31 March 2022
Computer software	**38.84**	46.97
Non compete fees	**–**	–
Intangible development	**53.19**	72.42
Trademarks	**8.60**	15.74
Technical knowhow	**71.43**	104.33
Intangible assets under development	**351.74**	192.65
Total	**523.80**	432.11

(Currency : Indian rupees in lakhs)

Description of assets	Computer software	Non compete fees	Intangible development	Trademarks	Technical knowhow (See note 1)	Intangible assets under development	Total
Intangible Assets							
I. Cost							
(a) Balance as at 1 April 2021	**83.18**	**32.00**	**256.17**	**70.87**	**326.88**	**101.24**	**870.34**
Additions through internal development	10.56	–	63.10	–	–	154.51	228.17
Deduction / Adjustments during the year	(3.61)	–	–	–	–	(63.10)	(66.71)
(b) Balance as at 31 March 2022	**90.13**	**32.00**	**319.27**	**70.87**	**326.88**	**192.65**	**1,031.80**
Additions through internal development	5.66	–	50.04	–	–	209.13	264.83
Deduction / Adjustments during the year	–	–	–	–	–	(50.04)	(50.04)
(c) Balance as at 31 March 2023	**95.79**	**32.00**	**369.31**	**70.87**	**326.88**	**351.74**	**1,246.59**
II. Accumulated amortisation and impairment							
(d) Balance as at 1 April 2021	**31.17**	**32.00**	**169.36**	**47.99**	**189.65**	**–**	**470.16**
Amortisation expense for the year	12.00	–	77.49	7.14	32.90	–	129.53
Deduction / Adjustments during the year	(0.01)	–	–	–	–	–	(0.01)
(e) Balance as at 31 March 2022	**43.16**	**32.00**	**246.85**	**55.13**	**222.55**	**–**	**599.69**
Amortisation expense for the year	13.79	–	69.27	7.14	32.90	–	123.10
Deduction / Adjustments during the year	–	–	–	–	–	–	–
(f) Balance as at 31 March 2023	**56.95**	**32.00**	**316.12**	**62.27**	**255.45**	**–**	**722.79**
III. Net carrying amount 31 March 2023 (c)-(f)	**38.84**	**–**	**53.19**	**8.60**	**71.43**	**351.74**	**523.80**
IV. Net carrying amount 31 March 2022 (b)-(e)	**46.97**	**–**	**72.42**	**15.74**	**104.33**	**192.65**	**432.11**

Note : Significant intangible asset

The Company holds a Technical knowhow for Seeds germination. The carrying amount of the Technical knowhow of Rs 71.43 lakhs (31 March 2022 Rs 104.33 lakhs), out of which Rs 40.27 lakhs will be amortised in balance 5 years and balance Rs 31.16 lakhs will be amortised in next years.

5B Intangible assets under development

Carrying amount of :-	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	**351.74**	192.65
Total	**351.74**	192.65

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2023	**Amount in IADU for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	210.87	121.39	19.48	–	351.74
Projects temporarily suspended	–	–	–	–	–
Total	**210.87**	**121.39**	**19.48**	**–**	**351.74**

As at 31 March 2022	**Amount in IADU for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	154.62	38.03	–	–	192.65
Projects temporarily suspended	–	–	–	–	–
Total	**154.62**	**38.03**	**–**	**–**	**192.65**

(Currency : Indian rupees in lakhs)

6 Investments

Particulars	Face value Per share (Rs)	As at 31 March 2023 Nos	As at 31 March 2023 Amount Non-current	As at 31 March 2022 Nos	As at 31 March 2022 Amount Non-current
At Cost					
A. In Subsidiary companies					
Equity shares-fully paid (Unquoted)					
Mahindra Fruits Private limited (formerly known as Mahindra Greenyard Private Limited)	10	**1,23,30,000**	**815.80**	1,09,30,000	675.80
Mahindra HZPC Private Limited	10	**2,97,59,125**	**2,975.91**	2,97,59,125	2,975.91
Mahindra Fresh Fruits Distribution Holding Company Europe BV Euro 10,000 - 10,000 shares @ 1 euro each		**10,000**	**7.67**	10,000	7.67
Mera Kisan Private Limited (refer note ii below)	10	**–**	**–**	1,16,05,000	1,160.50
Warrant (Unquoted)					
Mera Kisan Private Limited (refer note iii below)	10	**–**	**–**	32,20,000	41.86
B. In Joint venture company					
Equity shares- fully paid (Unquoted)					
Mahindra Summit Agriscience Limited	10	**7,68,66,000**	**7,686.60**	7,68,66,000	7,686.60
C. Fair value through other comprehensive income - FVTOCI					
Unquoted Investments (fully paid)					
Investments in Equity shares					
Equity shares of Rs. 10 each of Vayugrid Marketplace Services Private Limited	10	**21,21,000**	**58.75**	21,21,000	58.75
D. Fair value through profit and loss - FVTPL					
Unquoted Investments (all fully paid)					
Investments in Equity shares					
Equity shares of Rs. 10 each of White Spread Foods Private Limited	10	**6,80,000**	**68.00**	**6,80,000**	**68.00**
E. Less: Aggregate amount of impairment in value of investments			**(8,168.14)**		(3,358.50)
TOTAL INVESTMENTS (A) + (B) + (C) + (D) - (E)			**3,444.59**		9,316.59
Total impairment loss on value of investments			**8,168.14**		3,358.50

Note :

(i) The Company has filed for dissolution with the Chamber of Commerce, Netherlands for Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V., a wholly owned subsidiary of the Company effective 28 February 2023, pending approval from Chamber of Commerce, Netherlands.

(ii) The Company, has sold its entire stake aggregating 91.59% of the paid-up Equity Share Capital and warrant in Merakisan Private Limited (“MKPL”), a subsidiary of MASL, to Mr. Prashant Patil on 12 July 2022 at Rs 1.

7 Other financial assets

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non-current	As at 31 March 2022 Current	As at 31 March 2022 Non-current
Financial assets at amortised cost :				
Security deposits	**20.05**	**57.93**	13.55	28.73
Export incentive receivable	**287.16**	**–**	351.78	–
Interest accrued on bank deposits	**0.54**	**–**	3.74	–
Earmarked bank deposit with maturity more than 12 months	**–**	**488.76**	–	483.62
Insurance claim receivable	**121.56**	**–**	150.88	–
Accrual of incentive from State Government	**158.30**	**–**	570.40	–
Derivative financial instruments designated and effective as hedging instruments carried at fair value	**2.41**	**–**	0.67	–
Total	**590.02**	**546.69**	1,091.03	512.35

(Currency : Indian rupees in lakhs)

8 Deferred tax assets

Particulars	**As at 31 March 2023**	As at 31 March 2022
Deferred tax assets	**68.84**	75.96
Deferred tax liability	**(68.84)**	(75.96)
Deferred tax assets (net)	**–**	–
Deferred tax assets (net) #	**–**	–

31 March 2023

Particulars	**Net balance 1 April 2022**	**Recognised in profit or loss**	**Recognised in OCI**	**Net #**	**Deferred tax asset**	**Deferred tax liability**
Tax effect of items constituting deferred tax assets						
Employee benefits	60.75	(14.87)	–	45.88	45.88	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	(0.28)	–	7.78	7.50	7.50	
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.21	–	(0.44)	14.77	14.77	–
ROU Asset- Building	–	0.69	–	0.69	0.69	–
Tax effect of items constituting deferred tax liabilities						
Difference between WDV as per books and income tax	(75.68)	6.84	–	(68.84)	–	(68.84)
Deferred tax assets (net)	**(0.00)**	**(7.34)**	**7.34**	**(0.00)**	**68.84**	**(68.84)**

31 March 2022

Particulars	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Net #	Deferred tax asset	Deferred tax liability
Tax effect of items constituting deferred tax assets						
Employee benefits	40.99	19.76	–	60.75	60.75	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	(1.40)	–	1.12	(0.28)	–	(0.28)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	20.18	–	(4.96)	15.21	15.21	–
Tax effect of items constituting deferred tax liabilities		–				
Difference between WDV as per books and income tax	(59.77)	(15.91)	–	(75.68)	–	(75.68)
Deferred tax assets (net)	(0.00)	3.85	(3.84)	(0.00)	75.96	(75.96)

Amounts on which deferred tax asset has not been created and related expiry period

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Unused tax losses (revenue in nature) Expiry period upto five years	15,575.10	13,088.65
Unused tax losses (revenue in nature) Expiry period more than five years	2,611.73	4,491.41
Unused tax losses (capital in nature) Expiry period upto five years	1,452.48	114.85
Unused Depreciation losses (no expiry date)	8,610.03	8,229.98
Others (no expiry date)	1,166.32	1,269.50
Total	**29,415.66**	**27,194.39**

(Currency : Indian rupees in lakhs)

The unrecognised tax losses brought forward expire as follows

Financial years	As at 31 March 2023	As at 31 March 2022
2024-2025	3,449.78	3,449.78
2025-2026	5,145.00	5,145.00
2026-2027	4,493.87	4,493.87
2027-2028	2,486.45	2,486.45
2028-2029	1,508.62	1,508.62
2029-2030	496.34	496.34
2030-2031	606.77	–
Total	**18,186.83**	**17,580.06**

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

9 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current tax assets		
Tax refund receivables	–	–
TDS receivable	**42.80**	64.74
Total	**42.80**	64.74
Current tax liability		
Provision for tax	**40.23**	40.23
Total	**40.23**	40.23
Current tax assets (net)	**2.57**	24.51

10 Other current and Non-current assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-current**	Current	Non-current
(a) Capital advances				
(i) For Capital work-in-progress	–	–	–	0.15
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**695.75**	**2.50**	459.75	2.50
(ii) Advances to employees				
Considered good	**23.85**	–	28.58	–
Considered doubtful	–	–	17.63	–
Provision for doubtful advances	–	–	(17.63)	–
(iii) Advances to vendor				
Considered good	**136.23**	**2.58**	348.08	2.58
Considered doubtful	–	–	87.04	–
Provision for doubtful advances	–	–	(87.04)	–
(iv) Advances for Equity subscription				
Considered good	–	–	–	–
Considered doubtful	–	–	**140.00**	–
Provision for doubtful advances	–	–	**(140.00)**	–
(v) Prepaid expenses	**129.55**	–	**130.23**	–
(vi) Expected returns from Customers	**281.22**	–	215.34	–
Total	**1,266.60**	**5.08**	1,181.98	5.23

11 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Stock-in-trade (*refer below note 3*)	**3,623.69**	4,065.95
Stock-in-transit	**1,152.51**	2,287.91
Packing Materials, stores and spares	**882.23**	1,060.82
Total	**5,658.43**	7,414.68

Notes:

1 The cost of inventories recognised as an expense during the year was Rs 15,435.87 lakhs (31 March 2022: Rs 12,179.80 lakhs)

2 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 17B).

3 It includes inter-unit transfer of stock amounting to Rs 116.36 lakhs (31 March 2022: Rs 166.26 lakhs).

4 The mode of valuation of inventories has been stated in note 3.8

12 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - Secured	–	–
Considered good - Unsecured	**7,345.61**	5,683.48
Significant increase in credit risk	–	–
Credit impaired	**790.55**	808.90
Less :- Loss allowance for expected credit losses	**(790.55)**	(808.90)
Total	**7,345.61**	5,683.48

(Currency : Indian rupees in lakhs)

Trade receivables Ageing Schedule

As at 31 March 2023	**Outstanding for following periods from due date of payment**						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	6,548.25	729.34	68.02	–	–	–	7,345.61
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	44.21	62.10	15.97	668.27	790.55
Undisputed Trade receivable – credit impaired	–	–	(44.21)	(62.10)	(15.97)	(668.27)	(790.55)
Disputed Trade receivables – considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**6,548.25**	**729.34**	**68.02**	**–**	**–**	**–**	**7,345.61**

As at 31 March 2022	**Outstanding for following periods from due date of payment**						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	3,872.93	1,690.80	103.30	16.45	–	–	5,683.48
Undisputed Trade Receivables – which have significant increase in credit risk	–	46.36	50.59	88.79	57.55	565.61	808.90
Undisputed Trade receivable – credit impaired	–	(46.36)	(50.59)	(88.79)	(57.55)	(565.61)	(808.90)
Disputed Trade receivables – considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	3,872.93	**1,690.80**	**103.30**	**16.45**	**–**	**–**	**5,683.48**

Notes:

1 Of the above, trade receivables from:

	As at 31 March 2023	As at 31 March 2022
– Related parties	**280.61**	433.68
– Others	**7,065.00**	5,249.80
	7,345.61	5,683.48

2 The Average credit period on sale of goods is as under :

– Agri Input businesses - Seeds 90 days each

– Food businesses - Grapes Export - As per agreement with Consignment agent / Customers, Grapes Domestic - 15 days;

– Dairy business - 7 days.

3 The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain business / parties.

4 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 17B).

5 Movement in the expected credit loss allowance

Particulars	**As at 31 March 2023**	As at 31 March 2022
Balance at the beginning of the year	**808.90**	802.54
Add: provision made during the year	**–**	12.23
Less: balances written off during the year	**(18.35)**	(5.87)
Balance at the end of the year	**790.55**	808.90

(Currency : Indian rupees in lakhs)

13 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and bank balance		
A. Cash and cash equivalents		
(a) Balances with banks		
In current accounts	**8.66**	16.50
(b) Cash on hand	**–**	–
	8.66	16.50
B. Other bank balances		
(a) Earmarked balances with banks:		
Fixed deposits with original maturity less than 3 months	**90.93**	88.31
Fixed deposits with original maturity greater than 3 months but less 12 months	**2.42**	2.31
	93.35	90.62
Total	**102.01**	107.12

14 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term loan		
Considered good - Secured	**–**	–
Considered good - Unsecured	**–**	–
Significant increase in credit risk	**–**	–
Credit impaired	**–**	98.22
Allowance for credit losses	**–**	(98.22)
Total	**–**	**–**

Note:
The Company has evaluated the credit risk associated with the loan provided. In terms of such assessment, the entire principal amount of loan along with accrued interest thereon has been fully provided for.

15 Equity share capital

Equity share capital	Amount
As at 31 March 2021	8,127.10
Changes in equity share capital during the year	1,290.21
As at 31 March 2022	9,417.31
Changes in equity share capital during the year	**–**
As at 31 March 2023	**9,417.31**

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	**95,600,000**	**9,560.00**	95,600,000	9,560.00
6% Optionally Convertible Redeemable Preference Shares of Rs 46 each	**10,870,000**	**5,000.20**	10,870,000	5,000.20
	106,470,000	**14,560.20**	106,470,000	14,560.20

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Issued, subscribed and paid up capital comprises:				
Equity shares of Rs 10 each with voting rights	**94,173,080**	**9,417.31**	94,173,080	9,417.31
Total	**94,173,080**	**9,417.31**	94,173,080	9,417.31

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
Equity Shares with Voting rights				
As at 31 March 2023				
No. of Shares	**94,173,080**	**–**	**–**	**94,173,080**
Amount	**9,417.31**	**–**	**–**	**9,417.31**
As at 31 March 2022				
No. of Shares	94,173,080	–	–	94,173,080
Amount	9,417.31	–	–	9,417.31

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
6% Optionally Convertible Redeemable Preference Shares with voting rights				
As at 31 March 2023				
No. of Shares	**10,754,230**	**–**	**–**	**10,754,230**
Amount	**4,946.95**	**–**	**–**	**4,946.95**
As at 31 March 2022				
No. of Shares	10,754,230	–	–	10,754,230
Amount	4,946.95	–	–	4,946.95

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings. During the FY 2020-21, the Company has raised fund through right issue of equity shares 1,29,02,055 of Rs.10 each to existing equity shareholders in their shareholding ratio.

Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRs shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the Company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

(Currency : Indian rupees in lakhs)

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

c) Details of shares held by the Holding Company

Particulars	Equity shares	Preference shares
As at 31 March 2023		
Mahindra & Mahindra Limited	**93,032,592**	**10,696,170**
Total	**93,032,592**	**10,696,170**
As at 31 March 2022		
Mahindra & Mahindra Limited	93,032,592	10,696,170
Total	93,032,592	10,696,170

d) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2023		As at 31 March 2022	
Class of shares/Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**93,032,592**	**98.79%**	93,032,592	98.79%
6% Optionally Convertible Redeemable Preference Shares				
Mahindra & Mahindra Limited	**10,696,170**	**99.46%**	10,696,170	99.46%

e) Details of shares held by Promoters

As At 31 March 2023

S. No.	**Promoter Name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of Total Shares**	**% change during the year**
1. Equity Shares	Mahindra & Mahindra Limited	93,032,592	–	93,032,592	98.79%	0.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	10,696,170	–	10,696,170	99.46%	0.00%
Total		**93,032,592**	**–**	**93,032,592**		

As At 31 March 2022

S. No.	**Promoter Name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of Total Shares**	**% change during the year**
1. Equity Shares	Mahindra & Mahindra Limited	93,032,592	–	93,032,592	98.79%	0.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	10,696,170	–	10,696,170	99.46%	0.00%
Total		**93,032,592**	**–**	**93,032,592**		

f) As per records of the Company as at 31 March 2023, no calls remain unpaid by the directors and officers of the Company.

(Currency : Indian rupees in lakhs)

16 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
– Capital reserve on business combination *(refer note (a) below)*	**(9,100.45)**	(9,100.45)
– Securities premium *(refer note (b) below)*	**27,387.49**	27,387.49
– Share option outstanding *(refer note (c) below)*	**844.78**	823.21
– *Retained earnings*	**(32,735.37)**	(25,659.27)
– Effective portion of cash flow hedges *(refer note (d) below)*	**4.20**	2.47
– Equity component of 6% Optionally Convertible Redeemable Preference Shares *(refer note 15A (b))*	**2,134.45**	2,134.45
Total	**(11,464.90)**	(4,412.10)

Notes:

		As at 31 March 2023	As at 31 March 2022
a)	**Capital redemption reserve**		
	Balance as at the beginning of the year	**(9,100.45)**	(9,100.45)
	Add: Additions during the year	**–**	–
	Balance as at the end of the year	**(9,100.45)**	(9,100.45)
b)	**Securities premium**		
	Balance as at the beginning of the year	**27,387.49**	27,387.49
	Add: Additions during the year	**–**	–
	Balance as at the end of the year	**27,387.49**	27,387.49
c)	**Share Option outstanding**		
	Balance as at the beginning of the year	**823.21**	748.54
	Add: Additions during the year	**21.57**	74.67
	Balance as at the end of the year	**844.78**	823.21
d)	**Effective portion of cash flow hedges**		
	Balance as at the beginning of the year	**2.47**	22.18
	Add: Additions during the year	**1.73**	(19.71)
	Balance as at the end of the year	**4.20**	2.47

The description of the nature and purpose of each reserve within equity is as follows:

a) Capital reserve is created on account of business combination.

b) Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except f'or the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

ii) for the purchase of its own shares or other securities;

iii) in writing off the preliminary expenses of the Company;

iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

c) Share options outstanding account represent the equity-settled shares and share options granted to employees (refer note 36). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

d) The Company has designated its hedging instruments obtained after 1 April 2017 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of profit and loss.

e) **Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)**

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRs shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

17A Long-term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term loan from bank (refer note (i) below)	**943.89**	1,223.89
Less : Current maturities of long-term debt (refer note 17b)	**280.00**	280.00
Inter corporate deposit from holding company (refer below note (ii) below)	**3,400.00**	1,500.00
Liability component of Optionally convertible redeemable preference shares (refer note 15 (b))	**3,575.49**	3,341.58
Total	**7,639.38**	5,785.47

Notes:

i) Term loan from HDFC bank is taken for setting up of a Packhouse, having interest rate of 7.05-8.75% p.a.

Term loan is secured by way of mortgage on Packhouse at Nashik.

Term loan is payable in 24 equated quarterly installments, commencing at the end of 4th quarter from the date of disbursement.

ii) Intercorporate loan from Mahindra & Mahindra Limited Rs 3,400 lakhs carries interest rate ranging from @8.5% to 8.95% pa. This loan is repayable within a period of eighteen month along with interest and principal.

(Currency : Indian rupees in lakhs)

17B Short-term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Working capital facility from banks (refer below note (i) & (ii) below)	**2,000.00**	1,500.00
Current maturities of long-term debt	**280.00**	280.00
Inter corporate deposit (refer below note (iii) below)	**–**	2,000.00
Bank overdrafts (refer below note (iv) and (v) below)	**2,188.68**	2,150.63
Total	**4,468.68**	5,930.63

Details of the security and repayment terms:

i) Working capital demand loan from Kotak Mahindra Bank Ltd Rs 2,000 lakhs (31 March 2022: Nil) carry interest rate @ 8.7 % p.a., computed on a monthly basis on the actual amount utilised, and repayable within a period of 6 months. This is secured by first pari passu charges on the entire current assets of the Company present and future.

ii) Working capital demand loan from Citi bank is Nil (31 March 2022: Rs 1,500 lakhs) carry interest rate ranging from 4.75% to 4.91% p.a., computed on a monthly basis on the actual amount utilised, and repayable within a period of 12 months. This is secured by first pari passu charges on the entire current assets of the Company present and future.

iii) Intercorporate loan from Mahindra Defence Systems Limited is Nil (31 March 2022 Rs 2,000 lakhs) carried interest rate of @5.85% pa.

iv) Borrowings from Kotak bank Rs 1,685.24 lakhs (31 March 2022 Rs 1,376.59 lakhs) are secured on First paripasu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 8.70% repayble on demand.

v) Borrowings from HDFC bank Rs 503.44 lakhs (31 March 2022 Rs 774.04 lakhs) are secured on First paripasu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 8.70% repayble on demand.

18 Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
– Compensated absences	**84.35**	**102.18**	56.70	154.54
– Gratuity	**99.44**	**185.04**	36.33	267.18
Expected returns from Customers	**598.34**	**–**	**376.82**	**–**
Total	**782.13**	**287.22**	469.85	421.72

Note:
The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note no 30 on employee benefits expense.

19 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	**484.41**	85.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8,120.19**	8,181.42
Total	**8,604.60**	8,267.11
Out of the above trade payable amounts due to related parties are as below :		
Trade Payable due to related parties	**666.67**	611.72

Trade payables Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	484.41	–	–	–	484.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,628.79	36.51	8.21	63.61	3,737.12
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Accrued Expenses	–	–	–	–	4,383.07
	4,113.20	**36.51**	**8.21**	**63.61**	**8,604.60**

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	85.69	–	–	–	85.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,266.76	468.43	78.93	117.76	3,931.89
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Accrued Expenses					4,249.53
	3,352.45	468.43	78.93	**117.76**	**8,267.11**

(Currency : Indian rupees in lakhs)

20 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Other Financial Liabilities Measured at Amortised Cost - Current		
Interest accrued on borrowings	**8.96**	10.88
Interest accrued on micro enterprises and small enterprises	**–**	0.88
Trade deposit	**269.18**	234.90
Creditors for capital supplies / services	**7.66**	0.12
Others	**1.28**	0.41
Total	**287.08**	247.20

21 Other Current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advances received from customers	**1,924.53**	2,097.24
Statutory dues payable		
– Tax deducted at source	**72.75**	71.89
– Employee recoveries and employer contributions	**20.68**	20.83
Employee benefits payables	**398.03**	611.70
Total	**2,415.99**	2,801.66

Notes:

There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

22 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Sale of products		
– Traded Products	**25,084.31**	22,120.50
(b) Other operating revenue		
– Export incentive	**226.17**	321.91
– Incentive from state government	**28.35**	216.77
– Interest from customers	**–**	0.01
Total	**25,338.83**	22,659.19

Details of gross revenue from sale of product :-

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Traded goods		
Grapes	**12,966.98**	11,130.60
Seeds	**12,117.33**	10,052.70
Others	**–**	937.20
Total	**25,084.31**	22,120.50

23 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
– Bank deposits	**5.19**	4.72
– Income tax refund	**3.20**	–
Other gains and losses		
– Gain on disposal of property, plant and equipment (net)	**14.73**	8.08
– Foreign currency gains (net)	**–**	84.52
Liabilities no longer required written back	**–**	9.28
Dividend from Subsidiary company	**516.27**	–
Reversal of provision for doubtful trade receivables	**18.34**	–
Other non-operating income	**3.17**	84.90
Total	**560.90**	191.50

24 Changes in inventories of stock-in-trade and packing material

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year:		
Stock-in-trade	**3,623.69**	4,065.95
Stock-in-transit	**1,152.51**	2,287.91
Packing materials and stores and spares	**882.23**	1,060.82
	5,658.43	7,414.68
Inventories at the beginning of the year:		
Stock-in-trade	**4,065.95**	2,450.40
Stock-in-transit	**2,287.91**	3,305.36
Packing materials and stores and spares	**1,060.82**	400.09
	7,414.68	6,155.86
Net decrease / (increase) in inventories	**1,756.25**	(1,258.82)

25 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages, including bonus *(Refer note below)*	**2,097.57**	2,302.41
Employee stock option cost *(refer note 36)*	**22.65**	80.54
Contribution to provident and other funds (refer note 30 and 42)	**187.07**	191.81
Staff welfare expenses	**36.54**	17.14
Total	**2,343.83**	2,591.90

Note :-This is net of recoveries in respect of employees working in other group companies.

26 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on :		
Interest on term loan	**50.59**	64.59
Interest on bank overdrafts and loans (other than those from related parties)	**449.02**	295.25
Interest on loans from related parties	**372.47**	294.18
Delayed payment to micro enterprises and small enterprises (refer note 38)	**12.26**	6.09
Interest on Lease liability	**3.69**	–
Others	**5.93**	5.62
Total	**893.96**	665.73

(Currency : Indian rupees in lakhs)

27 Depreciation and amortisation expenses

Particular	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	**301.42**	309.67
Amortisation of intangible assets (refer note 5A)	**123.10**	129.53
Total	**424.52**	439.20

28 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Stores and tools consumed	**69.05**	10.55
Freight outward	**2,032.24**	2,822.58
Clearing and forwarding charges	**1,602.78**	1,219.53
Subcontracting, hire and service charges	**817.09**	965.97
Legal and professional expenses	**328.67**	257.59
Rent including lease rentals	**211.37**	216.50
Insurance	**157.15**	154.21
Rebate, claim and discount	**379.05**	460.20
Sales promotion expenses	**310.90**	265.67
Commission on sales / contracts	**235.56**	412.07
Stockyard expenses	**124.52**	96.67
Travelling and conveyance expenses	**334.60**	250.34
Research and development expenses	**201.31**	212.73
Power and fuel	**93.82**	75.27
Postage, telephone and subscription expenses	**151.65**	88.86
Provision for doubtful trade receivables	**–**	12.23
Foreign currency losses (net)	**21.77**	–
Bad debts	**18.34**	–
Rates and taxes	**25.32**	30.87
Business support charges	**711.75**	539.65
Directors sitting fees	**11.00**	13.20
Repairs and maintenance		
– Buildings	**4.17**	4.24
– Machinery	**10.41**	9.78
– Others	**22.37**	18.24
Auditors remuneration		
– Audit fees	**25.00**	25.00
– Other services	**0.50**	1.85
– Reimbursement of expenses	**1.00**	0.07
Export team expenses	**58.03**	62.26
Others	**77.13**	75.90
Total	**8,036.55**	8,302.03

29 Income tax expenses

Income tax recognised in profit or loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
In respect of current year	**–**	**–**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	**–**
Total income tax expense on operations	**–**	**–**

(b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
Effective portion of gains and loss on designated portion of hedging instrument in a cash flow hedge	**–**	–
Total	**–**	–
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Total	**–**	–

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss before tax	**(7,107.00)**	(1,590.23)
Tax using the Company's domestic tax rate (*refer note 1*)	**25.17%**	25.17%
Expected income tax expenses	**(1,788.83)**	(400.26)
Tax effect of:		
Current year losses for which no deferred tax asset is created	**248.08**	195.19
Effect of expenses that is non-deductible in determining taxable profit	**1,541.93**	229.71
Any other reconciling items	**(1.18)**	(24.64)
Tax expenses as per Statement of profit and loss	**–**	–

Notes:

1. With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

30 Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs.108.19 lakhs 31 March 2023 (31 March 2022 : Rs.116.73 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee benefits expenses.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Particulars	Funded Plan Gratuity Year ended 31 March 2023	Year ended 31 March 2022
Expense recognised in the Statement of Profit and Loss:		
Current service cost	**45.80**	44.83
Net interest expense	**17.01**	16.43
Components of defined benefit costs reconised in profit or loss	**62.81**	61.26
1. Changes in financial assumptions	**(16.02)**	(1.27)
2. Changes in demographic assumptions	**–**	–
3. Experience adjustments	**(12.73)**	(1.01)
4. Actual return on plan assets less interest on plan assets	**(2.15)**	(2.14)
Total	**31.91**	56.84
I. Net liability recognised in the Balance sheet		
1. Present value of defined benefit obligation	**319.77**	336.46
2. Fair value of plan assets as at 31 March	**(35.29)**	(32.95)
3. Surplus	**284.48**	303.51
4. Current portion of the above	**99.44**	36.33
5. Non current portion of the above	**185.04**	267.18
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**336.46**	329.20
2. Expenses recognised in Statement of Profit and Loss		
– Current service cost	**45.80**	44.83
– Past Service Cost		
– Interest expense (income)	**17.20**	16.43
3. Recognised in other comprehensive income	**–**	–
Remeasurement gains / (losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**(16.02)**	(1.27)
iii. Experience Adjustments	**(12.73)**	(1.01)
4. Benefit payments	**(42.15)**	(51.72)
5. Others (transfer of Cropcare buisness)	**(8.79)**	–
6. Present value of defined benefit obligation at the end of the year	**319.77**	336.46

(Currency : Indian rupees in lakhs)

Particulars	Funded Plan Gratuity Year ended 31 March 2023	Year ended 31 March 2022
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**32.95**	30.81
2. Expenses recognised in Profit and Loss Account		
– Expected return on plan assets	**–**	–
3. Recognised in other comprehensive income		
Remeasurement gains / (losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**2.15**	2.14
– Interest on plan assets	**0.19**	0.00
4. Contributions by employer (including benefit payments recoverable)	**42.15**	51.72
5. Benefit payments	**(42.15)**	(51.72)
6. Fair value of plan assets at the end of the year	**35.29**	32.95
IV. The major categories of plan assets		
Life insurance corporation fund	**35.29**	32.95
V. Actuarial assumptions		
1. Discount rate	**7.15%**	5.70%
2. Salary escalation	**8.50%**	8.50%
3. Attrition rate	**23%**	23%
4. Mortality rate	**The Indian Assured Lives Mortality (2012-14) Ult table**	The Indian Assured Lives Mortality (2012-14) Ult table

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**31 March 2023**	**1.00%**	**(3.17%)**	**3.40%**
	31 March 2022	1.00%	(3.64%)	3.92%
Salary growth rate	**31 March 2023**	**1.00%**	**3.32%**	**(3.16%)**
	31 March 2022	1.00%	3.78%	(3.58%)

(Currency : Indian rupees in lakhs)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Maturity profile of defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
Within 1 year	**134.73**	69.28
1 - 2 year	**46.63**	109.75
2 - 3 year	**41.69**	42.08
3 - 4 year	**34.31**	37.00
4 - 5 year	**41.50**	30.95
5 - 6 year	**21.64**	34.70
6 - 7 year	**22.81**	19.28
7 - 8 year	**19.63**	18.77
8 - 9 year	**10.81**	16.01
10 year and above	**45.86**	50.24

Plan assets

The fair value of Company's pension plan asset as of 31 March 2023 and 31 March 2022 by category are as follows:

	As at 31 March 2023	As at 31 March 2022
Asset category:		
Deposits with Insurance companies	**35.29**	32.95
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 3.28 years (31 March 2022- 3.77 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year 2023 an amount of Rs 62.81 lakhs (31 March 2022 : Rs. 61.26 lakhs) has been included in statement of profit or loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 186.53 lakhs (31 March, 2022 - Rs. 211.24 lakhs) expected to be paid in exchange for the services recognised as a expenses during the year. (refer note 25)

Note No. 31 - Earnings per Share

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
	Per Share	Per Share
Basic and Diluted loss per share (Rs.)	**(7.55)**	(1.69)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Loss for the year attributable to owners of the Company	**(7,107.00)**	(1,590.23)
Weighted average number of equity shares for the purpose of basic earnings per share	**94,173,080**	94,173,080
Basic loss per share (Rs.)	**(7.55)**	(1.69)
Weighted average number of equity shares for the purpose of dilutive earnings per share	**#**	#
Diluted loss per share (Rs.)	**#**	#

The effect of conversion of 6% Optionally Convertible Redeemable Preference Shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted loss per share being anti dilutive

(Currency : Indian rupees in lakhs)

32 Fair value measurement

Fair valuation techniques and inputs used - recurring items

Financial assets/ financial liabilities measured at fair value	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
	As at 31 March 2023	As at 31 March 2022				
Financial assets						
Investments						
Investments in equity instruments at FVTOCI-unquoted	**12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs NIL**	12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs NIL	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Investments in equity instruments at FVTPL-unquoted	**19.83% per cent equity investment in White Spread Private Limited engaged in dairy business - Rs NIL**	19.83% per cent equity investment in White Spread Private Limited engaged in dairy business - Rs NIL	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Financial liabilities						
Other financial liabilities						
1) Foreign currency forward contracts	**–**	–	Level 2	Discounted cash Flow. Future cash flows are estimated based on forward exchange rates(from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	–	–

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	**As at 31 March 2023**	As at 31 March 2022
Opening balance (investment in Vayugrid Marketplace Services Private Limited) *	**–**	–
Purchase (Investments in White Spread Private limited)**	**–**	68.00
Total gains or losses:		
– In other comprehensive incomea	**–**	–
– In profit & Loss Account	**–**	(68.00)
Closing balance	**–**	–

* The Investment in Vayugrid Market Place Services Private Limited fully provided for prior to date of transition. Accordingly there is no movement in fair value of this investment.

** The Investment in White spread Private Limited fully provided for from date of investment. Accordingly there is no movement in fair value of this investment.

(Currency : Indian rupees in lakhs)

Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)

Particulars	As at 31 March 2023 Carrying amount	As at 31 March 2023 Fair value (level 2)	As at 31 March 2022 Carrying amount	As at 31 March 2022 Fair value (level 2)
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	**7,345.61**	**7,345.61**	5,683.48	5,683.48
– Investments	**3,444.59**	**3,444.59**	9,316.59	9,316.59
– Deposits and similar assets	**1,136.71**	**1,136.71**	1,603.38	1,603.38
Financial liabilities				
Financial liabilities at Amortised Cost				
– Long-term borrowings	**7,639.38**	**7,639.38**	5,785.47	5,785.47
– Short-term Bank loans	**4,468.68**	**4,468.68**	3,930.63	3,930.63
– Loans from related parties	**–**	**–**	2,000.00	2,000.00
– Deposits and similar liabilities	**287.08**	**287.08**	247.20	247.20
– Trade and other payables	**8,604.60**	**8,604.60**	8,267.11	8,267.11
Total	**20,999.73**	**20,999.73**	20,230.40	20,230.40

The carrying values of financial assets and liabilities represent their approximate fair value.

There were no transfer between level 1 and level 2 during the year.

33 Financial risk management

A) Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Net debt-to-equity ratio as of 31 March 2023 and 31 March 2022

	As at 31 March 2023	As at 31 March 2022
Borrowing from banks	**5,132.57**	4,874.52
Borrowing from related party	**3,400.00**	3,500.00
Gross debt	**8,532.57**	8,374.52
Less :		
Cash and cash equivalents	**102.01**	107.12
Adjusted Net debt (A)	**8,430.56**	8,267.40
Equity share capital	**9,417.31**	9,417.31
Other equity	**(11,464.90)**	(4,412.10)
Goodwill created on business combination (Refer note 16(a))	**9,100.45**	9,100.45
Adjusted Equity (B)	**7,052.86**	14,105.66
Debt equity ratio (A / B)	**1.20**	0.59

B) Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers. The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The Company also take security cheques from its domestic market customers.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

Ageing	For the year ended 31 March 2023 Expected credit loss (%)	For the year ended 31 March 2023 Expected credit loss (Rs. In lakhs)	For the year ended 31 March 2022 Expected credit loss (%)	For the year ended 31 March 2022 Expected credit loss (Rs. In lakhs)
Within the credit period	**0.21%**	**14.01**	0.00%	–
0-3 month past due	**2.73%**	**9.61**	2.67%	37.93
3-6 month past due	**3.85%**	**14.51**	2.66%	8.43
6 -12 month past due	**30.15%**	**33.84**	28.74%	44.22
>1 year	**96.28%**	**718.58**	98.62%	718.32
Total		**790.55**		808.90

(Currency : Indian rupees in lakhs)

Age of receivables	As at 31 March 2023	As at 31 March 2022
Within the credit period	**6,548.25**	3,872.93
0-3 month past due	**352.52**	1,419.71
3-6 month past due	**376.82**	317.46
6 -12 month past due	**112.23**	153.88
>1 year	**746.34**	728.40
Total	**8,136.17**	6,492.38

Reconciliation of provision for doubtful Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	**808.90**	802.54
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Provision created during the year	**–**	12.23
Transferred on account of transfer of Business	**–**	–
Impairment losses reversed / written back	**(18.35)**	(5.87)
Balance at end of the year	**790.55**	808.90

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The Company has pledged an aggregated carrying amount of Rs 8,136.17 lakhs (31 March 2022: Rs 6,492.38 lakhs) for bank loans.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2023				
Borrowings	**4,468.68**	**4,063.89**	**–**	**3,575.49**
Trade payables	**8,604.60**	**–**	**–**	**–**
Other financial liabilities	**287.08**	**–**	**–**	**–**
Lease liabilities	**23.44**	**49.02**	**38.63**	**–**
Total	**13,383.80**	**4,112.91**	**38.63**	**3,575.49**
As at 31 March 2022				
Borrowings	5,930.63	2,443.89	–	3,341.58
Trade payables	8,267.11	–	–	–
Other financial liabilities	247.20	–	–	–
Lease liabilities	–	–	–	–
Total	14,444.94	2,443.89	–	3,341.58

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2023				
Non-interest bearing	**7,944.29**	**546.69**	**–**	**3,444.59**
Fixed interest rate instruments	**93.35**	**–**	**–**	**–**
Total	**8,037.65**	**546.69**	**–**	**3,444.59**
As at 31 March 2022				
Non-interest bearing	7,393.98	–	–	9,316.59
Fixed interest rate instruments	–	–	–	–
Total	7,393.98	–	–	9,316.59

In the case of assets falling short of liabilities, banking facilities are available to honor the obligation through as cash credit, short-term borrowing / long-term borrowing and other necessary banking facilities.

The carrying amount of inventories pledged as security for working capital loan is Rs.5,659.91 lakhs (31 March 2022: Rs 7,414.68 lakhs).

The following table details the Company's / Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2023				
Net settled:				
– Foreign exchange forward contracts	**–**	**–**	**–**	**–**
Gross settled:				
– Foreign exchange forward contracts	**2.41**	**–**	**–**	**–**
Total	**2.41**	**–**	**–**	**–**
As at 31 March 2022				
Net settled:				
– Foreign exchange forward contracts	–	–	–	–
Total	–	–	–	–

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Gross settled:				
– Foreign exchange forward contracts	0.67	–	–	–
Total	0.67	–	–	–

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex & investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade receivables	USD	**2,192.50**	832.10
	EUR	**1,413.33**	1,383.51
	CAD	**446.41**	741.98
Trade payables	USD	**482.47**	873.53
	EUR	**124.82**	3.22
Advances received	USD	**260.70**	276.93
	EUR	**–**	94.01

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade receivables	USD	**–**	674.57
	EUR	**–**	1,383.51
	CAD	**–**	636.75
Trade payables	USD	**482.47**	873.53
	EUR	**124.82**	3.22
	CAD	**–**	–

Note :- Forward Cover in EURO 27.77 lakhs (Rs. 2489.13 lakhs), USD 27.53 lakhs (Rs. 2262.97 lakhs) and CAD 9.6 lakhs (Rs. 583.42 lakhs) as at 31 March 2023 Forward Cover in USD 2.08 lakhs (Rs. 158.02 lakhs), CAD 1.74 lakhs (Rs. 105.86 lakhs) and EURO 7.99 lakhs (Rs 678.46 lakhs) as at 31st March 2022.

(Currency : Indian rupees in lakhs)

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

Period	Currency	Change in rate	Effect on profit/ (loss) before tax	Effect on pre-tax equity
As at 31 March 2023	**USD**	**5%**	**(24.12)**	**(24.12)**
	USD	**3%**	**(14.47)**	**(14.47)**
	EUR	**5%**	**(6.24)**	**(6.24)**
	EUR	**3%**	**(3.74)**	**(3.74)**
	CAD	**5%**	**–**	**–**
	CAD	**3%**	**–**	**–**
As at 31 March 2022	USD	5%	(9.95)	(9.95)
	USD	3%	(5.97)	(5.97)
	EUR	5%	69.01	69.01
	EUR	3%	41.41	41.41
	CAD	5%	31.84	31.84
	CAD	3%	19.10	19.10

c) Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Period	Currency	Increase/ decrease in basis points	Effect on profit/(loss) before tax
As at 31 March 2023	**INR**	**100**	**(51.33)**
As at 31 March 2022	INR	100	(48.75)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Hedge accounting - forwards

It is the policy of the Company to enter into forward foreign exchange contracts to cover maximum up to 80% of the expected foreign currency exposure based on estimated cash flow. Forex Committee decide the time & quantum of hedging based on outlook.

(Currency : Indian rupees in lakhs)

(i) Details of forward foreign currency contracts outstanding at the end of reporting period

Outstanding contracts	Average exchange rate	Notional value	Hedge ratio	Carrying amount included in Other Financial Assets / (Liabilities)	Change in the fair value of hedging instrument for the period	Change in the value of hedged item used to determine hedge effectiveness
31 March 2023						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	**83.11**	**2,288.19**	**1 : 1**	**11.62**	**11.62**	**11.62**
– EUR/INR	**89.31**	**2,480.43**	**1 : 1**	**(8.50)**	**(8.50)**	**(8.50)**
– CAD/INR	**60.76**	**583.27**	**1 : 1**	**(0.71)**	**(0.71)**	**(0.71)**
				2.41	**2.41**	**2.41**
31 March 2022						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	75.95	158.02	1 : 1	1.66	1.66	1.66
– EUR/INR	–	–	–	–	–	–
– CAD/INR	60.84	105.86	1 : 1	(0.99)	(0.99)	(0.99)
				0.67	0.67	0.67

(ii) Details of hedge ineffectiveness in respect of outstanding contracts

Outstanding contracts	Ineffectiveness recognisned in Profit or Loss		Effective portion recognisned in OCI	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Cash flow hedges	**5.17**	–	–	1.09

(iii) The movement in Cash flow hedge reserve for instruments designated in a cash flow hedge is as follows:

Particulars	Exchange Rate Risk hedges	
	31 March 2023	31 March 2022
Balance as the beginning of the year		
– Gross	**2.47**	22.18
– Deferred tax	**–**	–
– Net	**2.47**	22.18
(Gains) / losses transferred to Profit or loss on occurrence of the forecast transaction	**3.02**	(21.52)
(Gains) / losses transferred to Profit or Loss due to cash flows no longer expected to occur	**(6.46)**	**0.72**
Change in fair value of effective portion of cash flow hedges	**5.17**	1.09

Particulars	Exchange Rate Risk hedges	
	31 March 2023	31 March 2022
Total	**1.73**	(19.71)
Balance as the end of the year		
– Gross	**4.20**	2.47
– Deferred tax	**–**	–
– Net	**4.20**	2.47
Of the above:		
Balance relating to continuing hedges	**4.20**	2.47
Balance relating to hedge accounting is no longer applied	**–**	–
Total	**4.20**	2.47

(Currency : Indian rupees in lakhs)

34 Segment information

A. Product and services from which reportable segments derive their revenue

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Company reportable segments under IND AS 108 are as follows:

1) Input Business

2) Food Business

3) Other Business

The Company is in the business of agricultural related products, Input business segment comprises of trading of Crop inputs. Food business comprises of trading of agricultural related outputs.

B. Segment revenue and results

The following is an analysis of the Company's revenue and results

Particulars	Segment revenue		Segment profit (loss)	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Input Business	**12,117.33**	10,045.78	**(191.77)**	(386.72)
Food Business	**13,221.50**	12,613.41	**(177.13)**	277.63
Other Business	**–**	–	**–**	(2.10)
Total	**25,338.83**	22,659.19	**(368.90)**	(111.19)
Other income	–	–	**560.90**	191.50
Administration cost and directors' salary	–	–	**(533.06)**	(742.56)
Finance cost	–	–	**(893.94)**	(665.72)
Exceptional items	–	–	**(5,872.00)**	(262.26)
Loss before tax			**(7,107.00)**	(1,590.23)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, director salary, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

There is one customer contributed 10% or more to the Company's revenue in current year Rs 4,126.68 Lakhs (31 March 2022- Rs 3,738.02 Lakhs)

C. Segment assets and liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Segment assets		
Input Business	**8,857.11**	8,307.68
Food Business	**8,595.90**	9,646.77
Total segment assets	**17,453.01**	17,954.45
Unallocated	**5,074.10**	10,974.40
Total assets	**22,527.11**	28,928.85
Segment liabilities		
Input Business	**4,610.26**	3,994.27
Food Business	**5,984.96**	6,327.37
Other Business	**0.09**	0.07
Total segment liabilities	**10,595.31**	10,321.71
Unallocated	**13,979.39**	13,601.25
Total liabilities	**24,574.70**	23,922.96

For the purpose of monitoring segment performance:

(i) Unallocated asset includes investment in subsidaries, current and deferred taxes, loan , cash and bank balances etc.

(ii) Unallocated liability includes borrowings, current and deferred taxes, other statutory dues etc.

D. Segment depreciation and amortisation

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Input Business	**254.51**	247.15
Food Business	**143.49**	160.62
Unallocated	**26.54**	31.43
Total	**424.54**	439.20

E. Geographical Information:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Domestic	**Overseas**	Domestic	Overseas
Revenue from external Customers comprising of:				
– Revenue from contract with customers	**12,183.01**	**12,901.30**	11,007.35	11,113.17
– Revenue from other sources	**254.52**	**–**	538.67	–
	12,437.53	**12,901.30**	11,546.02	11,113.17

*All assets are based in the domestic segment. Hence, separate disclosure not required.

(Currency : Indian rupees in lakhs)

35 Related party disclosures

List of related parties and relationships:

Name of the Related Parties where control exists	**Relation**
Mahindra & Mahindra Limited	Holding Company
Mahindra Fruits Private Limited	Subsidiary Company
Mahindra HZPC Private Limited	Subsidiary Company
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company
Mera Kisan Private Limited	Subsidiary Company (Till 12 July 2022)
Mahindra Summit Agriscience Limited	Joint Venture
Mahindra Defence Systems	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
EPC Industries Limited	Fellow Subsidiary Company
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company (Till 28 April 2022)
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company
Dr. Pawan Goenka	Chairman (Till 27 July 2022)
Mr. Shriprakash Shukla	Chairman (From 27 July 2022)
Mr. Hardeep Singh	Director
Mr. Aruna Bhinge	Director
Mr. Ramesh Iyer	Non Executive Director
Mr. S. Durgashankar	Non Executive Director
Mr. Ashok Sharma	Key Managerial Personnel
Mr. Meghnad Mitra	Key Managerial Personnel
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel

35 Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

Name of the Related Parties where control exists	Relation	Year	Transaction during the year																
			Sale of goods	Sale of property and other assets	Purchase of property and other assets	Rendering of services	Receiving of services	Other Expenses	Reimbursement of expenses charged to the Company	Reimbursement of expenses charged by the Company	Dividend income	Interest on unsecured Loan / OCRP	Rent	Inter company loan taken	Inter company loan repaid	Investment during the period	Advances for Equity subscription	Director Sitting Fees	Remuneration
Mahindra & Mahindra Limited	Holding Company	**31-Mar-23**	**–**	**–**	**34.51**	**–**	**35.63**	**–**	**801.20**	**1.47**		**370.86**	**0.51**	**1,900.00**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	32.11	–	21.62	–	616.47	1.48		219.76	18.77	1,500.00	–	–	–	–	–
Mahindra Fruits Private Limited	Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**140.00**	**–**	**–**	**–**
		31-Mar-22	4.41	–	–	–	–	–	–	0.92		–	–	–	–	50.00	140.00	–	–
Mahindra HZPC Private Limited	Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**76.92**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–	–	43.85		–	–	–	–	284.76	–	–	–
Mahindra Fresh Fruits Distribution Holding company	Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**516.27**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mera Kisan Private Limited	Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–	–	4.63		–	–	–	–	300.00	–	–	–
Mahindra Defence Systems	Fellow Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**0.51**	**–**		**1.60**	**–**	**–**	**2,000.00**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–	–	–		73.25	–	3,000.00	1,000.00	–	–	–	–
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**111.64**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	141.20	–	–	–		–	–	–	–	–	–	–	–
NBS International Limited	Fellow Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**2.24**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	0.59	–	3.94	–		–	–	–	–	–	–	–	–
Mahindra Summit Agriscience Limited	Joint Venture (w.e.f. 12 April 2019)	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**246.67**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	0.11	0.01	–	–	–	–	402.74		–	–	–	–	–	–	–	–
Bristlecone India Limited	Fellow Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**–**	**7.48**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	2.18	–	–	–		–	–	–	–	–	–	–	–
EPC Industries Limited	Fellow Subsidiary Company	**31-Mar-23**	**–**	**–**	**–**	**36.00**	**–**	**–**	**0.89**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	36.00	–	–	3.46	22.26		–	–	–	–	–	–	–	–

35 Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

			Transaction during the year																
Name of the Related Parties where control exists	**Relation**	**Year**	**Sale of goods**	**Sale of property and other assets**	**Purchase of property and other assets**	**Rendering of services**	**Receiving of services**	**Other Expenses**	**Reimbursement of expenses charged to the Company**	**Reimbursement of expenses charged by the Company**	**Dividend income**	**Interest on unsecured Loan / OCRP**	**Rent**	**Inter company loan taken**	**Inter company loan repaid**	**Investment during the period**	**Advances for Equity subscription**	**Director Sitting Fees**	**Remuneration**
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	–
		31-Mar-22	148.47	–	–	–	–	15.47	–	–		–	–	–	–	–	–	–	–
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–		–	–
		31-Mar-22	2.59	–	–	–	–	–	–	–		–	–	–	–	–		–	–
Dr. Pawan Goenka	Chairman	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	**1.80**	–
		31-Mar-22	–	–	–	–	–	–	–	–		0.70	–	–	–	–		1.80	–
Mr. Hardeep Singh	Director	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	**4.90**	–
		31-Mar-22	–	–	–	–	–	–	–	–		–	–	–	–	–		6.00	–
Mr. Aruna Bhinge	Director	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	**4.30**	–
		31-Mar-22	–	–	–	–	–	–	–	–		–	–	–	–	–		5.40	–
Mr. Ashok Sharma	Key Managerial Personnel	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	248.83
		31-Mar-22	–	–	–	–	–	–	–	–		–	–	–	–	–		–	236.98
Mr. Meghnad Mitra	Key Managerial Personnel	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	**157.51**
		31-Mar-22	–	–	–	–	–	–	–	–		–	–	–	–	–		–	150.01
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel	**31-Mar-23**	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	**5.73**
		31-Mar-22	–	–	–	–	–	–	–	–		–	–	–	–	–		–	2.76

35 Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

Name of the Related Parties where control exists	Relation	Year	Balances as at year end					
			Trade payables	**Trade receivables**	**Loans & advances taken**	**Other Receivables**	**Interest accrued on OCRPS**	**Other payable**
Mahindra & Mahindra Limited	Holding Company	31-Mar-23	**661.42**	–	**3,400.00**	–	758.93	**–**
		31-Mar-22	608.54	–	1,500.00	–	526.28	–
Mahindra Fruits Private Limited	Subsidiary Company	31-Mar-23	**–**	**–**	**–**	**0.50**	**–**	**–**
		31-Mar-22	–	–	–	0.50	–	–
Mahindra HZPC Private Limited	Subsidiary Company	31-Mar-23	–	**9.91**	**–**	**–**	**–**	**–**
		31-Mar-22	–	30.48	–	–	–	–
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Mera Kisan Private Limited Associate	Associate	31-Mar-23	–	**–**	–	–	–	–
		31-Mar-22	–	20.36	–	–	–	–
Mahindra Defence Systems	Fellow Subsidiary Company	31-Mar-23	–	–	**–**	–	–	**–**
		31-Mar-22	–	–	2,000.00	–	–	50.77
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	31-Mar-23	**1.06**	–	–	–	–	–
		31-Mar-22	1.24	–	–	–	–	–
NBS International Limited	Fellow Subsidiary Company	31-Mar-23	**0.73**	–	–	–	–	–
		31-Mar-22	0.38	–	–	–	–	–
Mahindra Summit Agriscience Limited	Subsidiary Company	31-Mar-23	–	**263.92**	–	–	–	–
		31-Mar-22	–	301.85	–	–	–	–
Bristlecone India Limited	Fellow Subsidiary Company	31-Mar-23	**3.46**	–	–	–	–	–
		31-Mar-22	1.57	–	–	–	–	–
EPC Industries Limited	Fellow Subsidiary Company	31-Mar-23	–	**6.78**	–	–	–	–
		31-Mar-22	–	17.19	–	–	–	–
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company	31-Mar-23	–	**–**	–	–	–	–
		31-Mar-22	–	63.81	–	–	–	–
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Dr. Pawan Goenka	Chairman	31-Mar-23	**–**	**–**	**–**	**–**	–	**–**
		31-Mar-22	–	–	–	–	17.55	–
Mr. Hardeep Singh	Director	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Mr. Aruna Bhinge	Director	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Mr. Ashok Sharma	Key Managerial Personnel	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Mr. Meghnad Mitra	Key Managerial Personnel	31-Mar-23	**–**	**–**	**–**	**0.25**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	–	–	–	–	–	–

(Currency : Indian rupees in lakhs)

36 Employee benefits expenses - ESOP

Share based payment

A. Employees Stock Option Scheme - 2016:

This Plan shall be termed as the MASL Employees Stock Option Scheme - 2016 ("Plan"). The Plan has been approved by a Special Resolution at a General Meeting of the Shareholders held on 24 November 2016. The Plan has been approved for Eligible Employees of Mahindra Agri Solutions Limited. The Plan has also been approved to reward eligible employees whether they are working in India or abroad or Directors of the Company (including Managing Director/ Whole Time Director(s) but excluding Independent Directors) or Directors and Employees of the Holding Company or of the Subsidiary Company(ies) or of the Subsidiaries of its Holding Company.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Fair Value Method.

Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction, is recognised and amortised on straight line basis over the vesting period.

Eligibility:

Based on the criteria as may be decided by the Committee at its own discretion, including, but not limited to the date of joining of the Eligible Employee with the Company or the Group, performance evaluation, current compensation, criticality or any other criteria, KRA, future potential, such Eligible Employees, as determined by the Committee, may participate in the Plan. Employees joining the Company after the date of implementation of the Plan will be entitled to participate in the Plan, on a case to case basis and subject to such criteria as may be decided solely by the Committee.

The objective of the Plan is:

- To retain the best talent in the Industry
- To infuse a sense of entrepreneurship and ownership.

This purpose is sought to be achieved through the grant of Options to the Eligible Employees, to subscribe to the Equity Shares of the Company.

Details of the ESOP granted as per the above scheme

Particulars	Number of options	Grant date	Exercise price	Fair value of the option at Grant date
Cycle-I Equity Settled MASL Employees Stock Option Scheme - 2016	1,536,605	1 Feb 2017	47.5	24.15
Cycle-II Equity Settled MASL Employees Stock Option Scheme - 2016	159,213	1 May 2018	47.5	18.1
MASL RSU Scheme 2020	547,176	31–Jan–20	10	22.87

Cycle-I Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 14 months, 25% on the expiry of 26 months, 25% on the expiry of 38 months and 25% on the expiry of 50 months from the date of grant date.

Cycle-II Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 23 months, 25% on the expiry of 35 months, 25% on the expiry of 47 months and 25% on the expiry of 59 months from the date of grant date.

The options may be exercised on any day over a period of 3 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 250 or number of options vested whichever is lower.

MASL RSU Scheme 2020 under MASL Employees Stock Option Scheme - 2020, vest in 3 instalments from the date of grant date.

Movement in share options

	Particulars	Equity-settled share-based payments: Number of options	Weighted average exercise price
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	3,937,550	47.50
2	Granted during the year	–	–
3	Forfeited during the year	–	–
4	Exercised during the year	–	–
5	Expired during the year	1,694,556	–
6	Outstanding at the end of the year	2,242,994	47.50
7	Exercisable at the end of the year	–	–

The share options outstanding at the end of the year had a weighted average exercise price of Rs 47.50, and a weighted average remaining contractual life of 2.9 years.

The fair value of the equity instruments is calculated based on Black Scholes model. The Black Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share option programmes

Particulars	MASL Employees Stock Option Scheme - 2016		MASL RSU Scheme 2020	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Share price at grant date	**21.12**	21.12	**22.87**	22.87
Exercise price	**47.50**	47.50	**10.00**	10.00
Expected volatility (weighted-average)	**58.3**	58.3	**45.8**	45.8
Expected life / option life (weighted-average)	**2.66**	2.66	**3**	3
Expected dividends yield	**0.00%**	0.00%	**0.00%**	0.00%
Risk-free interest rate (based on government bonds)	**6.25%**	6.25%	**4.70%**	4.70%

(Currency : Indian rupees in lakhs)

Employee share based payment	For the Year 31 March 2023	For the Year 31 March 2022
MASL ESOP Plan	**21.57**	74.67
Total	**21.57**	74.67

ESOP scheme of parent company:

Certain employees of the Company are also covered by share option schemes offered by Parent Company, Mahindra & Mahindra Limited. The Company treats such share based payment as an equity settled share based payments arrangement. Options granted under Parent's ESOP scheme vests in 4 or 5 equal instalments on expiry of 12 months, 24 months, 36 months, 48 months and where applicable 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on any day over a period of four or five years, as the case may be from the date of vesting. The parent Company charges the subsidiary for the equity it provides to the employees of the subsidiary over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge in FY 2022-23 Rs 1.08 lakhs (FY 21-22 of Rs 5.87 lakhs) is recognised as share based payment expenses under Employee Benefit Expenses.

37 Capital commitments

Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2023 is Rs NIL (31 March 2022 is Rs Nil).

38 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
I	Principal amount remaining unpaid to any supplier at the end of the accounting year	**472.15**	85.69
	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**12.26**	0.88
II	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	**0.88**	0.10
III	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**12.26**	0.88
IV	Amount of interest accrued and remaining unpaid as at the year end	**12.26**	0.88
V	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**NIL**	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39 Research and development expenditure:

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
	In recognised Research and development units		
(i)	Debited to the Statement of profit and loss account other than depreciation and amortisation	**871.52**	651.30
(ii)	Depreciation and amortisation	**105.10**	113.24
(iii)	Capital expenditure	**209.13**	192.65
	Total	**1,185.75**	957.19

40 Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold / adjustments during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2023
1	Mahindra Greenyard Private Limited	**31-Mar-23**	**675.80**	**140.00**	**–**	**–**	**815.80**
		31-Mar-22	625.80	50.00	–	–	675.80
2	Mahindra HZPC Private Limited	**31-Mar-23**	**2,975.91**	**–**	**–**	**–**	**2,975.91**
		31-Mar-22	2,691.15	284.76	–	–	2,975.91
3	Mahindra Fresh Fruits Distribution Holding Company Europe BV	**31-Mar-23**	**7.67**	**–**	**–**	**–**	**7.67**
		31-Mar-22	7.67	–	–	–	7.67
4	Mera Kisan Private Limited	**31-Mar-23**	**1,160.50**	**–**	**1,160.50**		**–**
		31-Mar-22	50.00	250.00	–	860.50	1,160.50

(Currency : Indian rupees in lakhs)

Investments in optionaly convertible preference shares

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2023
1	Mera Kisan Private Limited	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**
		31-Mar-22	760.50	–	–	(760.50)	–

Investments in Optionally redeemable cumulative preference share

Sr. No.	Name of the entity	Year	As at 1 April 2022	Investment made during the year	Investment sold during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2023
1	Mera Kisan Private Limited	**31-Mar-23**	**–**				**–**
		31-Mar-22	50.00	50.00	–	(100.00)	–

Investments in warrants

Sr. No.	Name of the entity	Year	As at 1 April 2022	Investment made during the year	Investment sold / adjustments during the year	As at 31 March 2023
1	Mera Kisan Private Limited	**31-Mar-23**	**41.86**	**–**	**41.86**	**–**
		31-Mar-22	41.86	–	–	41.86

Investments in Joint Ventures

Sr. No.	Name of the entity	Year	As at 1 April 2022	Investment made during the year	Investment sold during the year	As at 31 March 2023
1	Mahindra Summit Agriscience Limited	**31-Mar-23**	**7,686.60**	**–**	**–**	**7,686.60**
		31-Mar-22	7,686.60	–	–	7,686.60

41 Exceptional items

The Company classifies items of income and expense within profit or loss from ordinary activities as exceptional items when they are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Exceptional Items (net) recognised in profit or loss

Particulars	31 March 2023	31 March 2022
Impairment of certain investments (Refer note i)	**5,872.00**	350.00
Allowance for advances towards equity share capital (Refer note i)	**–**	140.00
Gain on slump sale of dairy business (Refer note ii)	**–**	(222.74)

(i) The Company has long-term investments in subsidiaries, associates and joint ventures which are measured at cost less impairment or at fair value through profit or loss.

The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available. The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the year ended 31 March 2023, the performance of joint ventures along with the relevant economic and market indicators, resulted in indicators of impairment. Accordingly, the Company determined the recoverable amounts of these investments and recorded a provision of Rs. 5,872 lakhs (31 March 2022 : Rs. 350 lakhs) for the year ended 31 March 2023. The value-in-use calculation use discount rates ranging from 19% - 20% and the terminal growth rates ranging from 4% - 5%.

(ii) Gain on Slump sale of Dairy business

During the previous financial year, the Mahindra Agri Solutions Limited ("the Company") had entered into a business transfer agreement (BTA) dated 15 June 2021 with White Spread Foods Private limited and Jalpak Foods private limited . Pursuant to this agreement, Dairy business of the Company is transferred to WSFPL on slump sale basis for total consideration of Rs 343 Lakhs comprising of Rs 275 lakhs as cash consideration and balance in form of Equity consideration valued at Rs 68 lakhs and acquired 19.83% shareholding in WSFPL.The Company had recorded a gain of Rs 227.74 lakhs on this transaction as an exceptional item for the year ended 31 March 2022.

42 Contingent liabilities

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Company in respect of these cases have been summarised below.

(Currency : Indian rupees in lakhs)

A. **Tax contingencies**

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	31 March 2023	31 March 2022
Value added tax	**282.27**	60.56
Sales tax	**69.42**	67.41
Central Excise and service tax	**5.85**	–
Total	**357.54**	127.97

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

B. In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

43 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	0.90	0.88	3%	–
Debt Equity ratio	Total Debt	Shareholder Equity	1.20	0.59	104%	Unfavourable increase in ratio is on mainly on account of company has taken inter corporate borrowings from group company and utilised unused credit facility to meet its working capital requirement.
Debt Service coverage ratio	Earning for Debt service	Debt Service	0.07	(0.00)	(524399%)	Unfavourable increase in ratio is on account of increase in borrowings
Return on Equity	Net profit after taxes	Total Shareholder Equity	3.47	(0.32)	(1192%)	Unfavourable increase in ratio is mainly on account of increase in Impairment of investment in current year vis–à–vis previous year
Inventory Turnover ratio	Cost of goods sold	Average inventory	2.36	1.80	32%	Unfavourable increase in ratio is mainly on account of increase in purchase price of raw material.
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	3.85	3.69	4%	–
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.62	1.51	7%	–
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(15.59)	(9.99)	56%	Favourable increase is mainly on account of increase in turnover as compared to previous year combined with reduction in short term borrowings
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.28)	(0.07)	294%	Unfavourable increase in net profit ratio is mainly on account of increase in impairment of investment.
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.62)	(0.06)	1017%	Unfavourable increase in return on capital employed ratio is mainly on account of increase in impairment of investment.
Return on Investment	Interest (Finance Income)	Investment (Fixed Deposit)	0.01	0.01	9%	–

(Currency : Indian rupees in lakhs)

44 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off during the year.

(iii) The Company has not revaluaed its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

(ix) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
Date: 25 April 2023

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

FORM AOC-1

(Pursuant to first proviso to subsection (3) of section 129 read with rule 5
of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Part “A”: Subsidiaries

Rs in lakhs

Sr No	Particulars	Details	Details	Details
1.	Name of Subsidiary	Mahindra Fruits Private Limited	MHZPC Private Limited	Mahindra Summit Agriscience Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	31st March, 2023 Same as Holding Company	31st March, 2023 Same as Holding Company	31st March, 2023 Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable
4.	Share capital	Rs. 1233.00	Rs. 4964.00	Rs.12811.00
5.	Reserves & Surplus	(-) Rs. 1222.20	(-) Rs. 4621.77	(-) Rs. 10362
6.	Total Assets	Rs. 13.88	Rs. 5980.95	Rs. 15557.08
7.	Total Liabilities	Rs. 3.08	Rs. 5638.72	Rs. 13108.08
8.	Investment	Nil	Nil	Nil
9.	Turnover	Nil	Rs. 5830.34	Rs. 19070.37
10.	Profit before taxation	(-) Rs. 10.46	Rs. 103.89	(-) Rs. 7527.02
11.	Provision for taxation	Nil	Nil	Nil
12.	Profit after taxation	(-) Rs. 10.46	Rs. 103.89	(-) Rs. 7527.02
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	59.95%	60%

Additional Information

1) Names of subsidiaries which are yet to commence operations: Nil

2) Names of subsidiaries which have been liquidated or sold during the year:

a. MeraKisan Private Limited,

b. Mahindra Fresh Fruits Distributions Holding Company (Europe) B.V

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
25 April 2023

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
25 April 2023

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 25 April 2023

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
Date: 25 April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA SUMMIT AGRISCIENCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Summit Agriscience Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company does not have any pending litigations which would impact its financial position.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 35 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The Company has neither declared nor paid any dividend during the year.

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXK3233

Place: Mumbai
Date: 21 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA SUMMIT AGRISCIENCE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year ended 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year ended 31 March 2023. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Employees' State Insurance and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

Name of the statute	Nature of the dues	Amount Demanded (Rs. in lakhs)	Amount paid under dispute (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5.21	5.21	AY 2021 - 22	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year ended 31 March 2023.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year ended 31 March 2023. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not hold any investments in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year ended 31 March 2023. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism under the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3 (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the

Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 2,061.13 lakhs in the current financial year and Rs 360.72 in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year ended 31 March 2023. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXK3233

Place: Mumbai
Date: 21 April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA SUMMIT AGRISCIENCE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Summit Agriscience Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXK3233

Place: Mumbai
Date: 21 April 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Currency: Indian Rupees in lakhs)

	Note No.	**As at 31 March 23**	As at 31 March 22
I **ASSETS**			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	*4*	**1,947.47**	1,801.71
(b) Capital work-in-progress	*4*	**5.25**	75.98
(c) Goodwill	*31*	**–**	4,185.22
(d) Other intangible assets	*5A*	**–**	411.05
(e) Intangible assets under development	*5B*	**135.54**	454.32
(f) Financial assets			
(i) Other financial assets	*6*	**22.74**	1.84
TOTAL NON-CURRENT ASSETS		**2,111.00**	6,930.12
CURRENT ASSETS			
(a) Inventories	*8*	**5,406.79**	6,090.92
(b) Financial assets			
(i) Trade receivables	*9*	**6,948.75**	5,652.29
(ii) Cash and cash equivalents		**–**	–
(iii) Bank balances other than (ii) above		**–**	–
(iv) Other financial assets	*6*	**6.64**	8.30
(c) Current tax assets (net)	*12A*	**4.10**	8.08
(d) Other current assets	*7*	**1,079.80**	945.59
TOTAL CURRENT ASSETS		**13,446.08**	12,705.18
TOTAL ASSETS		**15,557.08**	19,635.30
II **EQUITY AND LIABILITIES**			
1 **EQUITY**			
(a) Equity share capital	*10A*	**12,811.00**	12,811.00
(b) Other equity	*10B*	**(10,362.00)**	(2,829.57)
TOTAL EQUITY		**2,449.00**	9,981.43
LIABILITIES			
2 **NON-CURRENT LIABILITIES**			
(a) Provisions	*11*	**126.24**	110.77
(b) Lease liabilities		**196.03**	–
TOTAL NON-CURRENT LIABILITIES		**322.27**	110.77
3 **CURRENT LIABILITIES**			
(a) Financial liabilities			
(i) Borrowings	*13*	**3,283.15**	2,469.27
(ii) Lease liabilities		**34.69**	–
(iii) Trade payables	*14*		
Total outstanding dues of micro enterprises and small enterprises		**42.45**	184.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		**7,190.44**	3,972.68
(iv) Other financial liabilities	*15*	**320.94**	354.82
(b) Provisions	*11*	**217.11**	1,238.45
(c) Other current liabilities	*16*	**1,697.03**	1,323.45
TOTAL CURRENT LIABILITIES		**12,785.81**	9,543.11
TOTAL EQUITY AND LIABILITIES		**15,557.08**	19,635.30

The accompanying notes 1 to 35 forms integral part of financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Nishant Sayani
Partner
Membership No.132439

Place : Mumbai
Date : 21 April 2023

Sandeep Gadre
Whole Time Director & CEO
DIN : 06685790

Place : Mumbai
Date : 21 April 2023

Ashok Sharma
Director
DIN : 02766679

Place : Mumbai
Date : 21 April 2023

Kuldeep Singh
Chief Financial Officer
Membership No. 508864

Place : Mumbai
Date : 21 April 2023

Anwaya Kadu
Company Secretary
Membership No. A26392

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian Rupees in lakhs)

		Note No.	**Year ended 31 March 2023**	Year ended 31 March 2022
I	**Income**			
	Revenue from operations	*17*	**19,070.37**	17,506.23
	Other income	*18*	**210.70**	398.63
	Total Income (I)		**19,281.07**	17,904.86
II	**Expenses**			
	Cost of materials consumed	*19A*	**9,909.29**	8,527.17
	Purchases of stock-in-trade		**5,219.80**	5,843.12
	Changes in stock of finished goods	*19B*	**490.24**	(1,299.75)
	Employee benefit expense	*20*	**2,258.82**	2,113.39
	Finance costs	*21*	**276.65**	178.42
	Depreciation and amortisation expense	*22*	**231.57**	206.14
	Other expenses	*23*	**3,265.72**	2,771.06
	Total Expenses (II)		**21,652.09**	18,339.55
III	**Loss before exceptional items and tax (I-II)**		**(2,371.02)**	(434.69)
	Exceptional items	*31*	**5,156.00**	–
IV	**Loss before tax**		**(7,527.02)**	(434.69)
IV	**Tax expenses**	*24*		
	Current tax		**–**	–
	Deferred tax		**–**	–
	Total tax expenses		**–**	–
VI	**Loss for the year**		**(7,527.02)**	(434.69)
VII	**Other comprehensive loss**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**(5.40)**	(3.12)
	(ii) Income tax relating to defined benefit plans that will not be reclassified to profit or loss		**–**	–
	Total other comprehensive income		**(5.40)**	(3.12)
VIII	**Total comprehensive loss for the year (V-VI)**		**(7,532.42)**	(437.81)
	Earnings / (loss) per equity share: Basic (in Rs.)	*25*	**(5.88)**	(0.34)

The accompanying notes 1 to 35 forms integral part of financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Nishant Sayani	**Sandeep Gadre**	**Ashok Sharma**	**Kuldeep Singh**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Director	Chief Financial Officer	Company Secretary
Membership No.132439	DIN : 06685790	DIN : 02766679	Membership No. 508864	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	
Date : 21 April 2023	Date : 21 April 2023	Date : 21 April 2023	Date : 21 April 2023	

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2023

(a) Equity share capital

(Currency: Indian Rupees in lakhs)

Equity share capital	**Amount**
As at 31 March 2021	12,811.00
Issued equity share capital during the year	–
As at 31 March 2022	12,811.00
Issued equity share capital during the year	–
As at 31 March 2023	**12,811.00**

(b) Other equity

Particulars	**Retained earnings**	**Total**
As at 31 March 2021	(2,391.78)	(2,391.78)
Loss for the year	(434.69)	(434.69)
Other comprehensive loss	(3.11)	(3.11)
As at 31 March 2022	(2,829.58)	(2,829.58)
Loss for the year	(7,527.02)	(7,527.02)
Other comprehensive loss	(5.40)	(5.40)
As at 31 March 2023	**(10,362.00)**	**(10,362.00)**

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Nishant Sayani	**Sandeep Gadre**	**Ashok Sharma**	**Kuldeep Singh**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Director	Chief Financial Officer	Company Secretary
Membership No.132439	DIN : 06685790	DIN : 02766679	Membership No. 508864	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	
Date : 21 April 2023	Date : 21 April 2023	Date : 21 April 2023	Date : 21 April 2023	

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Loss before exceptional items and tax	**(2,371.02)**	(434.69)
Adjustments for:		
Finance costs	**276.65**	178.42
Provision / (reversal) for credit loss allowance	**78.32**	(132.94)
Bad debts	**–**	10.35
Write back of advance from customers	**(95.28)**	(35.27)
Depreciation and amortisation expense	**231.57**	206.14
Unrealised (gain) / loss on foreign exchange transactions and translations	**(0.21)**	0.78
Gain on sale of property, plant and equipment (net)	**(4.52)**	9.54
Intangible assets under development written off during the year	**33.56**	–
	(1,850.93)	(197.67)
Movements in working capital:		
(Increase) / decrease in trade receivables	**(1,374.78)**	1,254.16
Decrease / (increase) in inventories	**684.12**	(1,140.54)
(Increase) / decrease in other assets	**(153.45)**	815.77
Increase / (decrease) in trade and other payables	**2,507.38**	(1,694.81)
	1,663.26	(765.42)
Cash used in operating activities	**(187.66)**	(963.09)
Income taxes received / (paid)	**3.98**	(2.86)
Net cash used in operating activities (A)	**(183.68)**	(965.95)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**10.99**	–
Payments for acquisition of property, plant and equipment	**(349.39)**	(598.55)
Net cash used in investing activities (B)	**(338.40)**	(598.55)
Cash flows from financing activities		
Proceeds from Short-term borrowings	**10,503.88**	5,800.00
Repayment of Short-term borrowings	**(9,190.00)**	(4,645.81)
Proceeds from Intercompany borrowings	**–**	2,600.00
Repayment of Intercompany borrowings	**(500.00)**	(2,100.00)
Interest paid	**(277.12)**	(125.22)
Payments for the principal portion of the lease liability	**(7.45)**	–
Payments for the interest portion of the lease liability	**(7.23)**	–
Net cash flow generated from financing activities (C)	**522.08**	1,528.97
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**–**	(35.53)
Cash and cash equivalents at the beginning of the year	**–**	35.53
Cash and cash equivalents at the end of the year (refer note 10)	**–**	–

Notes :

1 The above cash flow statement has been prepared under the ‘Indirect Method’ as set out in the Indian Accounting Standard (Ind AS) 7 - “Statement of Cash Flows”

(Currency: Indian Rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
2 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including non-cash changes, suggesting inclusing of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosur is made below :		
	–	–
	–	–
Opening balances		
Short-term borrowing	**2,469.27**	815.08
Cash flow movements		
Procees of short-term borrowings		
Repayment of short-term borrowings	**813.88**	1,654.19
Closing balances		
Short-term borrowing	**3,283.15**	2,469.27

The accompanying notes 1 to 35 forms integral part of financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Nishant Sayani Partner Membership No.132439	**Sandeep Gadre** Whole Time Director & CEO DIN : 06685790	**Ashok Sharma** Director DIN : 02766679	**Kuldeep Singh** Chief Financial Officer Membership No. 508864	**Anwaya Kadu** Company Secretary Membership No. A26392
Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CURRENCY: INDIAN RUPEES IN LAKHS)

1. Corporate information

Mahindra Summit Agriscience Limited ("the Company") a Public Limited Company domiciled in India and incorporated on 9 October 2018 under the provisions of the Companies Act, 1956 (CIN : U01400MH2018PLC315558).

The Company is primarily engaged in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells in India.

The financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 21 April 2023.

2. Statement of compliance and basis of preparation and presentation

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and .notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lakhs.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments and agricultural produce that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Goodwill impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

3. Significant accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

3.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts.

3.3 Employee benefits expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences, supplemental pay and director pension liability

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans:

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.4 Employee benefits expenses

Short-term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.7 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(a) Certain items of Plant and Equipment – 1 to 15 years

(b) Buildings (Roads) – 15 years

(c) Vehicles – 5 years

3.8 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Goodwill arising on acquisition of business represents excess of purchase consideration over the book value of net assets acquired based on a valuation conducted by an independent firm of Chartered Accountants and will be tested for Impairment annually as per Ind AS 36.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Intangible assets under development are carried at cost, comprising direct cost and related incidental expenses less impairment losses if any.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years and 5 years
Non-compete fees	5 years

3.9 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.10 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at :

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.13 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.14 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight etc.

3.15 Earnings per share

The basic earnings per share ('EPS ') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

3.16 Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.17 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.18 "Recent pronouncements"

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements."

4 Property, plant and equipment and Capital work in-progress

(Currency: Indian Rupees in lakhs)

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Freehold land	352.00	352.00
Building	641.44	662.34
Plant and equipment	579.16	607.19
Computer equipment	22.66	23.23
Office equipment	6.39	8.99
Furniture and fixtures	11.82	14.70
Vehicles	107.33	133.28
Right to Use Assets - Vehicles	58.08	–
Right to Use Assets - Buildings	168.59	–
	1,947.47	1,801.73
Capital work-in-progress	**5.25**	75.98

Description of assets	Freehold land	Buildings	Plant and equipment	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Right to Use Assets - Vehicles	Right to Use Assets - Buildings	Capital work in Progress	Total
I. Gross block											
Balance as at 31 March 2021	352.00	737.88	598.84	10.50	15.48	24.37	221.38	–	–	–	1,960.45
Additions for the year	–	–	195.57	22.06	0.28	0.08	7.28	–	–	75.98	301.25
Disposal for the year	–	–	–	–	–	–	(10.09)	–	–	–	(10.09)
Balance as at 31 March 2022	352.00	737.88	794.41	32.56	15.76	24.45	218.57	–	–	75.98	2,251.61
Additions for the year	–	4.21	65.41	10.01	0.15	–	22.45	65.26	172.91	5.25	345.65
Disposal for the year	–	–	–	–	–	–	(15.09)	–	–	(75.98)	(91.07)
Balance as at 31 March 2023	**352.00**	**742.09**	**859.82**	**42.57**	**15.91**	**24.45**	**225.94**	**65.26**	**172.91**	**5.25**	**2,506.20**
II. Accumulated depreciation and impairment											
Balance as at 31 March 2021	**–**	**50.48**	**104.79**	**3.84**	**3.75**	**6.69**	**50.68**	**–**	**–**	**–**	**220.23**
Depreciation expense for the year	–	25.06	82.42	5.49	3.02	3.06	41.84	–	–	–	160.89
Disposal for the year	–	–	–	–	–	–	(7.23)	–	–	–	(7.23)
Balance as at 31 March 2022	**–**	**75.54**	**187.22**	**9.33**	**6.77**	**9.75**	**85.29**	**–**	**–**	**–**	**373.90**
Depreciation expense for the year	–	25.11	93.44	10.58	2.75	2.88	41.94	7.18	4.32	–	188.20
Disposal for the year	–	–	–	–	–	–	(8.62)	–	–	–	(8.62)
Balance as at 31 March 2023	**–**	**100.65**	**280.66**	**19.91**	**9.52**	**12.63**	**118.61**	**7.18**	**4.32**	**–**	**553.48**
III. Net block 31 March 2023	**352.00**	**641.44**	**579.16**	**22.66**	**6.39**	**11.82**	**107.33**	**58.08**	**168.59**	**5.25**	**1,952.72**
IV. Net block 31 March 2022	**352.00**	**662.34**	**607.19**	**23.23**	**8.99**	**14.70**	**133.28**	**–**	**–**	**75.98**	**1,877.71**

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2023	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	5.25	–	–	–	5.25
Total	**5.25**	**–**	**–**	**–**	**5.25**

As at 31 March 2022	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	75.98	–	–	–	75.98
Total	**75.98**	**–**	**–**	**–**	**75.98**

5A Other intangible assets

Carrying amount of:-	**As at 31 March 2023**	As at 31 March 2022
Computer software	**–**	–
Brand value	**–**	409.44
Intangible development	**–**	1.62
	–	411.06

Description of assets	**Computer software**	**Brand value**	**Intangible development**	**Total**
Intangible assets				
I. Gross block				
Balance as at 31 March 2021	**5.96**	**536.99**	**4.16**	**547.11**
Additions for the year	–	–	–	–
Disposal for the year	–	–	–	–
Balance as at 31 March 2022	**5.96**	**536.99**	**4.16**	**547.11**
Additions for the year	–	–	–	–
Disposal for the year	–	–	.	–
Impairment during the year (refer note no 31)	–	(536.99)	(4.16)	(541.15)
Balance as at 31 March 2023	**5.96**	**–**	**–**	**5.96**
II. Accumulated amortisation and impairment				
Balance as at 31 March 2021	4.08	85.03	1.69	90.80
Amortisation expense for the year	1.88	42.52	0.85	45.25
Disposal for the year	–	–	–	–
Balance as at 31 March 2022	5.96	127.55	2.54	136.04
Amortisation expense for the year	–	42.52	0.85	43.37
Disposal for the year	–	–	–	–
Impairment during the year (refer note no 31)	–	(170.08)	(3.39)	(173.46)
Balance as at 31 March 2023	**5.96**	**–**	**–**	**5.95**
III. Net block 31 March 2023	**–**	**–**	**–**	**–**
IV. Net block 31 March 2022	–	409.44	1.62	411.06

5B Intangible assets under development

Carrying amount of:-	**As at 31 March 2023**	As at 31 March 2022
Intangible assets under development	**135.54**	454.32
Total	**135.54**	454.32

Intangible assets under development	**As at 31 March 2023**	As at 31 March 2022
Opening Intangible assets under development	**454.32**	163.71
Additions during the year	**317.88**	290.61
Capitalised during the year	**–**	–
Deduction during the year	**33.56**	–
Impairment during the year (refer note no 31)	**603.10**	–
Closing Intangible assets under development	**135.54**	454.32

Ageing of Intangible assets under development

As at 31 March 2023

	Amount in Intangible assets under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	135.54	–	–	–	135.54
Total	**135.54**	**–**	**–**	**–**	**135.54**

As at 31 March 2022

	Amount in Intangible assets under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	324.41	129.91	–	–	454.32
Total	**324.41**	**129.91**	**–**	**–**	**454.32**

6 Other financial assets

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non-current**	Current	Non-current
Financial assets at amortised cost :				
Security deposit	**6.64**	22.74	8.30	1.84
	6.64	**22.74**	8.30	1.84

7 Other current assets

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2023 Current**	**As at 31 March 2022** Current
Balances with Government authorities (other than income taxes)	**974.84**	836.17
Advances to employees		
Considered good	**–**	13.03
Considered doubtful	**29.56**	29.56
Provision for doubtful advance	**(29.56)**	(29.56)
Sub total of advance to employees	**–**	13.03
Advance to vendors		
Considered good	**77.02**	57.40
Sub total of advance to vendors	**77.02**	57.40
Prepaid expenses	**27.94**	38.99
	1,079.80	945.59

8 Inventories (at lower of cost and net realisable value)

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2023**	At 31 March 2022
Raw materials	**1,306.35**	623.07
Finished goods	**2,041.13**	2,965.39
Stock-in-trade	**1,819.62**	2,301.84
Packing materials	**193.65**	182.96
Stock-in-transit *	**46.04**	17.66
	5,406.79	6,090.92

Notes:

(i) * It represents inter unit transfer of stock inventories.

(ii) The cost of inventories recognised as an expense includes Rs. 606.68 lakhs (31 March 2022 Rs. 28.24 lakhs) in respect of adjustment of inventories to net realisable value/slow moving.

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Material, Finished goods, Stock-in-trade, Packing Materials and Stock-in-transit), and book debts.

(iv) The mode of valuation of inventories has been stated in note 3.10

9 Trade receivables

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2023**	At 31 March 2022
Unsecured - considered good	**6,948.75**	5,652.29
Credit impaired	**2,048.97**	1,970.65
Less :- Loss allowance for expected credit losses	**(2,048.97)**	(1,970.65)
	6,948.75	5,652.29

Trade receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						
As at 31 March 2023	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	4,207.89	2,325.31	196.25	219.30	–	–	6,948.75
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	30.09	156.88	19.45	92.96	145.61	1,603.98	2,048.97
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Less : Loss allowances	30.09	156.88	19.45	92.96	145.61	1,603.98	2,048.97
Total	**4,207.89**	**2,325.31**	**196.25**	**219.30**	**–**	**–**	**6,948.75**

Particulars	Outstanding for following periods from due date of payment						
As at 31 March 2022	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	3,662.04	1,679.23	110.99	200.03	–	–	5,652.29
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	41.71	131.62	62.03	13.67	308.75	1,412.87	1,970.65
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Less : Loss allowances	41.71	131.62	62.03	13.67	308.75	1,412.87	1,970.65
Total	**3,662.04**	**1,679.23**	**110.99**	**200.03**	**–**	**–**	**5,652.29**

(i) Notes:

Particulars	As at 31 March 2023	At 31 March 2022
Of the above, trade receivables from:		
- Related parties	**–**	12.60
- Others	**6,948.75**	5,639.69
	6,948.75	5,652.29

(ii) Movement in the expected credit loss allowance

Particulars	As at 31 March 2023	At 31 March 2022
Balance at the beginning of the year	**1,970.66**	2,070.96
Less: Reversal of provision	**–**	(100.30)
Add: provision made during the year	**78.32**	–
Balance at the end of the year	**2,048.98**	1,970.66

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Material, Finished goods, Stock-in-trade, Packing Materials and Stock-in-transit), and book debts (refer note no. 13).

(iv) The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain parties.

(v) The credit period ranges from 90 days to 120 days.

10A Equity share capital

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023		At 31 March 2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	**130,000,000**	**13,000.00**	130,000,000	13,000.00
Issued, subscribed and fully paid:				
Equity shares of Rs 10 each with voting rights	**128,110,000**	**12,811.00**	128,110,000	12,811.00
	128,110,000	**12,811.00**	128,110,000	12,811.00

A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening balance	Rights issue	Fresh issues	Closing balance
Equity Shares				
As at 31 March 2023				
No. of Shares	**128,110,000**	**–**	**–**	**128,110,000**
Amount	**12,811**	**–**	**–**	**12,811**
As at 31 March 2022				
No. of Shares	128,110,000	–	–	128,110,000
Amount	12,811	–	–	12,811

B) Rights, preferences and restrictions attached to equity shares

The Company has issued one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Details of shares held by the Holding Company

(Currency: Indian Rupees in lakhs)

Particulars	No. of shares
As at 31 March 2023	
the Holding Company	76,866,000
Others	51,244,000
Total	128,110,000
As at 31 March 2022	
the Holding Company	**76,866,000**
Others	**51,244,000**
Total	**128,110,000**

D) Details of shares held by each shareholder holding more than 5% shares:

(Currency: Indian Rupees in lakhs)

Class of shares / Name of shareholder	As at 31 March 2023		At 31 March 2022	
	Number of fully paid equity shares	**% holding in that class of shares**	Number of fully paid equity shares	% holding in that class of shares
Equity shares with voting rights	–	–	–	–
Mahindra Agri Solutions Limited	**76,866,000**	**60.00%**	76,866,000	60.00%
Summit Agro International Limited	**51,244,000**	**40.00%**	51,244,000	40.00%

E) Details of shares held by promoters at the end of the year:

As at 31 March 2023

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	76,866,000	60%	–

As at 31 March 2022

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	76,866,000	60%	–

10B Other equity

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	At 31 March 2022
Balance at the beginning of the year	**(2,829.58)**	(2,391.78)
Loss for the year	**(7,527.02)**	(434.69)
Other comprehensive income / (loss)	**(5.40)**	(3.11)
Balance at the end of the year	**(10,362.00)**	(2,829.58)

The description of the nature and purpose of each reserve within equity is as follows:

a) Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

11 Provisions

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023		At 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 30)				
- Compensated absences	29.10	45.46	36.41	47.45
- Gratuity	**28.24**	**80.78**	37.19	63.32
Expected returns from Customers	**159.77**	**–**	1,164.85	–
Total	**217.11**	**126.24**	1,238.45	110.77

Movement in provision - expected returns from Customers

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**1,164.85**	1,000.00
Add : Provision made during the year	**4,001.61**	4,216.24
Less: Provision used during the year	**4,293.39**	4,051.39
Less : Cost of goods	**713.30**	–
Balance at the end of the year	**159.77**	1,164.85

Note:

The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note 30 on Defined benefit and contribution.

12A Non-current tax assets & Current tax assets (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Non-current tax assets				
Tax refund receivables	**3.43**	**–**	–	–
TCS receivable	**0.67**	**–**	8.08	–
Total	**4.10**	**–**	8.08	–

12B Deferred tax liabilities (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	**58.16**	111.08
Deferred tax liability	**(58.16)**	(111.08)
Deferred tax (net) #	**–**	–

31 March 2023

Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(111.08)	**52.92**	–	–	**(58.16)**	**–**	**(58.16)**
Employee benefits	46.41	**(0.20)**	–	–	**46.21**	**46.21**	**–**
Provision for doubtful debts	64.67	**(53.75)**	–	–	**10.93**	**10.93**	**–**
Right to use Assets	–	**1.03**			**1.02**	**1.02**	**–**
Deferred tax assets (net) #	–	**–**	**–**	**–**	**–**	**58.16**	**(58.16)**

31 March 2022

Particulars	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(97.58)	(13.51)	–	–	(111.08)	–	(111.08)
Employee benefits	41.70	4.71	–	–	46.41	46.41	–
Provision for doubtful debts	55.88	8.80	–	–	64.67	64.67	–
Deferred tax assets (net) #	–	–	–	–	–	111.08	(111.08)

Amounts on which deferred tax asset has not been created and related expiry period

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unused business losses (revenue in nature) Expiry period upto five years	**932.12**	932.12
Unused business losses (revenue in nature) Expiry period more than five years	**2,455.51**	–
Unused Depreciation losses (no expiry date)	**2,305.76**	1,832.13
Others	**2,005.54**	1,681.06
Total	**7,698.93**	4,445.31

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised .

13 Borrowings

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As 31 March 2022
Unsecured		
Cash credit facility from Banks (refer note below)	**1,483.15**	269.27
Working capital Facility from banks (refer note below)	**1,800.00**	1,700.00
Inter Corparate Deposits (refer note below)	**–**	500.00
	3,283.15	2,469.27

Notes:

i) Working capital demand loan and Cash credit facility from Kotak Mahindra Bank and HDFC Bank is secured by first paripassu charge on inventories (including raw material, finished goods and stock in trade) and book debts.

ii) Loan carried interest rate of 9% p.a. for Working capital demand loan and 8.80% for Cash credit.

14 Trade payables

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As 31 March 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 29)	**42.45**	184.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,190.44**	3,972.68
	7,232.89	4,157.12
Out of the above trade payable amounts due to related parties are as below :		
Trade Payable due to related parties	**552.66**	850.05

Trade payables Ageing Schedule

Particulars	Unbilled dues	Trade Payables which are not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Total outstanding dues of micro enterprises and small enterprises	8.44	33.56	0.45	–	–	–	42.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.81	2,432.41	3,637.76	19.62	11.37	0.74	6,145.71
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises			–	–	–	–	–
Accrued Expenses							1,044.73
Total	**52.25**	**2,465.97**	**3,638.21**	**19.62**	**11.37**	**0.74**	**7,232.89**

Particulars	Unbilled dues	Trade Payables which are not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
As at 31 March 2022							
Total outstanding dues of micro enterprises and small enterprises	–	44.00	140.44	–	–	–	184.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.38	828.02	1,256.83	849.55	256.51	173.14	3,377.43
Disputed dues of micro enterprises and small enterprises			–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises			–	–	–	–	–
Accrued Expenses							595.24
Total	**13.38**	**872.02**	**1,397.27**	**849.55**	**256.51**	**173.14**	**4,157.12**

15 Other financial liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As 31 March 2022
Other financial liabilities measured at amortised cost - Current		
Interest accrued on dues to micro enterprises and small enterprises	**3.15**	40.16
Interest accured on working capital loan	**5.35**	13.04
Trade deposit	**312.44**	301.62
	320.94	354.82

16 Other current liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As 31 March 2022
Advances received from customers	**1,313.64**	1,037.45
Payable to employees	**282.64**	219.24
Statutory remittances		
- Tax deducted at source	**41.14**	40.02
- Goods and service tax	**45.30**	13.85
- Provident fund	**14.10**	12.65
- Professional Tax	**0.21**	0.23
	1,697.03	1,323.44

17 Revenue from operations

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customers :		
Finished goods	**11,246.81**	9,649.68
Traded goods	**7,823.56**	7,856.55
	19,070.37	17,506.23

18 Other income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on :-		
Delayed payment from customers	**110.90**	167.08
Gain on disposal of property, plant and equipment (Net)	**4.52**	9.54
Write back of advance from customers	**95.28**	35.27
Provision for doubtful debts written back	**–**	132.95
Other income	**–**	53.80
	210.70	398.64

19A Cost of materials consumed

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year	**806.03**	1,853.09
Add:- Purchases	**10,603.26**	7,480.11
	11,409.29	9,333.20
Less: Inventories at end of year	**1,500.00**	806.03
Cost of materials consumed	**9,909.29**	8,527.17

19B Changes in inventories of finished goods and stock-in-trade

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year:		
Finished goods	**2,041.13**	2,077.53
Stock-in-trade	**1,819.62**	2,301.84
Goods in transit	**46.04**	17.66
	3,906.79	4,397.03
Inventories at the beginning of the year:		
Finished goods	**2,077.53**	1,452.72
Stock-in-trade	**2,301.84**	1,587.33
Goods in transit	**17.66**	57.23
	4,397.03	3,097.28
Net increase / (decrease)	**490.24**	(1,299.75)

20 Employee benefits expense *

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages, including bonus	**2,076.93**	1,991.76
Contribution to provident and other funds (refer note 30)	**125.57**	112.98
Staff welfare expenses	**56.32**	8.65
	2,258.82	2,113.39

* This includes payments of Rs 189.81 lakhs as at 31 March 2023 (31 March 2022 Rs 331.42 lakhs) in respect of employees charged by other group companies.

21 Finance cost

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on:-		
- Cash credit	**86.64**	97.09
- Working capital demand loan	**179.10**	37.57
- Inter company loan	**3.50**	30.47
- Delayed payment to micro enterprises and small enterprises (refer note 29)	**0.18**	13.29
- Interest on Lease liability	**7.23**	–
	276.65	178.42

22 Depreciation and amortisation expense

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	**188.20**	160.90
Amortisation of intangible assets (refer note 5)	**43.37**	45.24
	231.57	206.14

23 Other expenses

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent including lease rentals	**109.40**	90.11
Freight charges	**691.39**	710.65
Sales promotion expenses	**609.59**	506.04
Commission on sales	**34.16**	28.87
Travelling and conveyance expenses	**539.54**	449.84
Business support charges from group companies	**178.27**	232.60
Legal and other professional costs	**187.36**	91.48
Subcontracting, hire and service charges	**204.71**	223.64
Clearing and forwarding charges	**164.35**	159.58
Insurance	**100.63**	94.96
Printing and stationary	**4.55**	4.47
Rates and taxes	**7.85**	16.91
Repairs and maintenance		
Plant and machinery	**27.32**	5.97
Others	**21.90**	31.39
Net loss on foreign currency transactions and translation	**29.77**	6.55
Bad debts	**–**	10.36
Provision for doubtful debts	**78.32**	–
Telephone charges	**9.18**	11.13
Power and fuel	**29.64**	22.55
Auditors remuneration		
As Auditors		
Audit fees	**15.00**	15.00
For other services	**–**	0.05
Miscellaneous expenses	**222.79**	58.92
	3,265.72	2,771.07

24 Tax expenses

(a) Income tax recognised in profit or loss

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
In respect of current year	**–**	–
Deferred tax:		
Attributable to the origination and reversal of temporary differences	**–**	–
Total income tax recognised in profit or loss	**–**	–

(b) Income tax recognised in other comprehensive income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
	–	–

Reconciliation of effective tax rate

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit /(loss) before tax	**(7,527.02)**	(434.69)
Tax using the Company's domestic tax rate	**25.17%**	25.17%
Expected income tax expenses	**(1,894.54)**	(109.41)
Tax effect of:		
Current year losses for which no deferred tax asset is created	**571.17**	76.11
Non deductibe expenses	**1,317.79**	42.09
Others	**5.58**	(8.79)
Tax expenses as per Statement of profit and loss	**–**	–

Notes:

With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

25 Earnings per share

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Earnings / (loss) per share (basic / diluted) (Rs)	**(5.88)**	(0.34)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

A. Basic earnings per share

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss for the year attributable to owners of the Company	**(7,527.02)**	(434.69)
Weighted average number of equity shares for the purpose of basic earnings per share	**128,110,000**	128,110,000
Earnings / (loss) per share (basic / diluted) (Rs)	**(5.88)**	(0.34)

Note:

1. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

26 Related party disclosures

A. List of related parties and relationships:

Name of the Related Parties	Relationship
Name of the Related Parties where control exists	
Mahindra & Mahindra Limited	Ultimate Holding Company of Mahindra Agri Solutions Ltd
Mahindra Agri Solutions Limited	Co-venturer
Sumitomo Corporation	Ultimate Holding Company of Sumitomo Corporation
Summit Agro International Limited	Co-venturer
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Sumisho Agro India Private Limited	Fellow Subsidiary Company
NBS Interanational Limited	Fellow Subsidiary Company
Swaraj Engines Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
Mahindra Defense System Limited	Fellow Subsidiary Company
Mahindra Engineering & Chemical Limited	Fellow Subsidiary Company
Mahindra First Choice Wheels Limited	Fellow Subsidiary Company
Mahindra EPC Irrigaton Limited	Fellow Subsidiary Company
Mahindra EMarket Limited	Fellow Subsidiary Company
Mahindra Waste to Energy Solution	Fellow Subsidiary Company
Smas Auto Leasing India Private Limited	Fellow Subsidiary Company
Key Managerial Personnel	
Mr. Ashok Hiralal Sharma	Non Executive Director
Mr. Sandeep Bhargav Gadre	Chief Executive Officer and Whole Time Director
MS. Manaswini Goel	Non Executive Director
Mr. Kiyotaka Masuda	Non Executive Director
Mr. Hiromichi Maruyama	Non Executive Director
Ms.Anwaya Sachin Kadu	Company Secretary
Mr. Kuldeep Singh	Chief Financial Officer

B. Related party transactions and balances

			Transaction during the year										Closing balances	
Name of the related parties where control exists	Relation	Year	Sale of goods	Purchase of goods	Sale of property and other assets	Purchase of property and other assets	Receiving of services	Reimbursement of expenses charged to the Company	Inter-company loan taken / Repaid	Interest on unsecured Loan	Rent	Managerial Remuneration	Trade payables	Trade receivables
Mahindra Agri Solutions Limited	Co-venturer	**31-Mar-23**	–	**–**	**–**	**–**	–	**246.67**	–	–	–	–	**263.92**	**–**
		31-Mar-22	–	0.11	–	–		409.81	–	–	–	–	313.96	12.11
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary company	**31-Mar-23**	–	–	–	–	6.85	0.79	–	–	–	–	2.54	–
		31-Mar-22	–	–	–	–		–	–	–	–	–	–	–

			Transaction during the year										Closing balances	
Name of the related parties where control exists	Relation	Year	Sale of goods	Purchase of goods	Sale of property and other assets	Purchase of property and other assets	Receiving of services	Reimbursement of expenses charged to the Company	Inter-company loan taken / Repaid	Interest on unsecured Loan	Rent	Managerial Remuneration	Trade payables	Trade receivables
Mahindra & Mahindra Limited	Ultimate Holding Company	31-Mar-23	–	12.09	–	–	–	148.60	–	–	–	–	177.86	–
		31-Mar-22	–	6.10	–	196.40		98.90	–	–	1.93	–	33.00	0.21
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	204.33	–	–	–	–	18.64	–
		31-Mar-22	–	–	–	–		157.95	–	–	–	–	2.60	–
Sumisho Agro India Private Limited	Fellow subsidiary company	31-Mar-23	–	516.77	–	–	–	–	–	–	–	–	87.01	–
		31-Mar-22	100.22	262.85	–	–		0.16	–	–	–	–	–	–
NBS International Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-22	–	–	–	–		0.81	–	–	–	–	0.29	–
Swaraj Enginees Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	0.29	–	–	1.03	–	0.22	–
		31-Mar-22	–	–	–	–		0.22	–	–	0.99	–	0.20	–
Mahindra Defense Systems Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	–	500.00	7.95	–	–	–	–
		31-Mar-22	–	–	–	–		–	2,600.00	26.01	–	–	500.00	–
Mahindra Engineering & Chemical Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-22	40.40	–	–	–		–	–	–	–	–	–	0.27
Mahindra First Choice Wheels Limited	Fellow subsidiary company	31-Mar-23	–	–	4.62	–	–	–	–	–	–	–	–	–
		31-Mar-22	–	–	–	–		–	–	–	–	–	–	–
Mahindra Emarket Limited	Fellow subsidiary company	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-22	0.01	–	–	–		–	–	–	–	–	–	0.01
Smas Auto Leasing India Pvt Ltd	Fellow subsidiary company	31-Mar-23	–	–	–	–	6.10	–	–	–	–	–	–	–
		31-Mar-22	–	–	–	–	6.12	–	–	–	–	–	–	–
Mahindra Waste to Energy Solutions	Fellow subsidiary company	31-Mar-23	–	13.73	–	–	–	–	–	–	–	–	2.48	–
		31-Mar-22	–	0.64	–	–		–	–	–	–	–	–	–
Mr. Sandeep Gadre	Director	31-Mar-23	–	–	–	–	–	–	–	–	–	221.32	–	–
		31-Mar-22	–	–	–	–		–	–	–	–	220.44	–	–
Mr. Kiyotaka Masuda	Director	31-Mar-23	–	–	–	–	–	–	–	–	–	112.61	–	–
		31-Mar-22	–	–	–	–		–	–	–	–	99.02	–	–
Mr. Kuldeep Singh	Key Managerial Person	31-Mar-23	–	–	–	–	–	–	–	–	–	38.20	–	–
		31-Mar-22	–	–	–	–		–	–	–	–	33.29	–	–
Ms..Anwaya Kadu	Key Managerial Person	31-Mar-23	–	–	–	–	–	–	–	–	–	1.95	–	–
		31-Mar-22	–	–	–	–	–	–	–	–	–	1.60	–	–

27 Fair value

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

(Currency: Indian Rupees in lakhs)

		As at 31 March 2023			
Particulars	**Level of hierarchy**	**fair value through profit and loss (FVTPL)**	**Fair value through other comprehensive income (FVOCI)**	**Assets/ liabilities at amortised cost method**	**Carrying amount**
Financial assets					
Non-current					
Other financial assets	**2**	**–**	**–**	**22.74**	22.74
Lease liabilities				**196.03**	196.03
Current					
Trade receivables	**2**	**–**	**–**	**6,948.75**	6,948.75
Other financial assets	**2**	**–**	**–**	**6.64**	6.64
Total		**–**	**–**	**7,174.16**	**7,174.16**
Financial liabilities					
Current					
Borrowings	**2**	**–**	**–**	**3,283.15**	3,283.15
Lease liabilities				**34.69**	34.69
Trade payables	**2**	**–**	**–**	**7,232.90**	7,232.90
Other financial liabilities	**2**	**–**	**–**	**320.94**	320.94
Total		**–**	**–**	**10,871.67**	**10,871.67**

(Currency: Indian Rupees in lakhs)

		As at 31 March 2022			
Particulars	Level of hierarchy	fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Carrying amount
Financial assets					
Non-current					
Other financial assets	2	–	–	1.84	1.84
Lease liabilities				–	–
Current					
Trade receivables	2	–	–	5,652.29	5,652.29
Other financial assets	2	–	–	8.30	8.30
		–	–	5,662.43	5,662.43
Financial liabilities					
Current					
Borrowings	2	–	–	2,469.27	2,469.27
Lease liabilities				–	–
Trade payables	2	–	–	4,157.12	4,157.12
Other financial liabilities	2	–	–	354.82	354.82
Total		–	–	6,981.21	6,981.21

Note:

There are no transfer between level 1 and level 2 during the year.

28 Financial risk management

A. Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

The Company's Net debt-to-equity ratio as at 31 March 2023 and 31 March 2022 is as follows:

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowing from bank	**3,283.15**	2,469.27
Gross debt (A)	**3,283.15**	2,469.27
Less :		
Cash and cash equivalents	**–**	–
Net debt (A)	**3,283.15**	2,469.27
Equity share capital	**12,811.00**	12,811.00
Other equity	**(10,362.00)**	(2,829.57)
Equity (B)	**2,449.00**	9,981.43
Debt to Equity ratio (A / B)	**1.34**	0.25

B. Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers. The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The company also take security cheques from its domestic market customers.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

(Currency: Indian Rupees in lakhs)

Ageing	As at 31 March 2023 Expected credit loss (%)	As at 31 March 2023 Expected credit loss	As at 31 March 2022 Expected credit loss (%)	As at 31 March 2022 Expected credit loss
Within the credit period	**1.17%**	**49.41**	1.13%	41.72
0-3 month past due	**4.45%**	**74.07**	4.10%	45.06
3-6 month past due	**13.22%**	**108.14**	12.15%	86.57
6 -12 month past due	**36.88%**	**79.56**	35.85%	62.03
>1 year	**84.27%**	**1,737.78**	89.66%	1,735.27
Total		**2,048.96**		1,970.65

Age of receivables	As at 31 March 2023	As at 31 March 2022
Within the credit period	**4,237.98**	3,703.75
0-3 month past due	**1,664.33**	1,098.23
3-6 month past due	**817.86**	712.63
6 -12 month past due	**215.70**	173.02
>1 year	**2,062.16**	1,935.31
Total	**8,998.03**	7,622.94

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2023				
Short-term borrowings	**3,283.15**	**–**	**–**	**–**
Lease liability	**59.41**	**125.26**	**118.45**	
Trade payables	**7,232.90**	**–**	**–**	**–**
Other financial liabilities	**320.94**	**–**	**–**	**–**
Total	**10,896.39**	**125.26**	**118.45**	**–**
As at 31 March 2022				
Short-term borrowings	2,469.27	–	–	–
Lease liability	–	–	–	–
Trade Payables	4,157.12	–	–	–
Other Financial Liabilities	354.82	–	–	–
Total	**6,981.21**	–	–	**–**

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2023				
Non-interest bearing	**6,955.39**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
Total	**6,955.39**	**–**	**–**	**–**
As at 31 March 2022				
Non-interest bearing	5,660.59	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	5,660.59	–	–	–

In the case of assets falling short of liabilities, banking facilities are available to honor the obligation through as cash credit, short term borrowing / long term borrowing and other necessary banking facilities.

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex and investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade payables	USD	**8.63**	1.52
Trade receivable	USD	**0.45**	–

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade payables	USD	**8.63**	1.52
Trade receivable	USD	**0.45**	–

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

(Currency: Indian Rupees in lakhs)

Period	Currency	Change in rate	Effect on loss before tax	Effect on pre-tax equity
As at 31 March 2023	**USD**	**5%**	**(0.43)**	**(0.43)**
	USD	**3%**	**(0.26)**	**(0.26)**
As at 31 March 2022	USD	5%	(0.08)	(0.08)
	USD	3%	(0.05)	(0.05)

c) Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The Company does not have any derivative or non-derivative instrument which may have an impact due to changes in interest rates.

29 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows:

(Currency: Indian Rupees in lakhs)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
a.	Principal amount remaining unpaid to any supplier at the end of the year	**42.45**	184.44
	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**3.15**	40.87
b.	Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	**–**	–
c.	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**2.97**	27.58
d.	The amount of interest accrued and remaining unpaid as at the end of the year	**0.18**	13.29
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under MSMED Act, 2006	**NIL**	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

30 Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Pension scheme aggregating to Rs. 88.41 lakhs 31 March 2023 (31 March 2022 : Rs. 83.09 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee benefits expense.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1. Discount rate	**7.15%**	5.70%
2. Salary escalation	**8.50%**	8.50%
3. Attrition rate	**35%**	35.00%
4. Mortality rate*	**The Indian Assured Lives Mortality (2012-14) Ult table**	The Indian Assured Lives Mortality (2012-14) Ult table

* Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows

(Currency: Indian Rupees in lakhs)

Particulars	Gratuity Year ended 31 March 2023	Gratuity Year ended 31 March 2022
Service Cost:		
Current service cost	**18.52**	15.89
Net interest expense	**4.67**	4.00
Components of defined benefit costs reconised in profit or loss	**23.19**	19.89
Remeasurement on the net defined benefit liability:		
1. Changes in financial assumptions	**(5.08)**	**(0.28)**
2. Changes in demographic assumptions	**–**	**–**
3. Experience adjustments	**10.48**	**3.39**
4. Actual return on plan assets less interest on plan assets	**–**	**–**
Components of defined benefit costs recognised in Other Comprehensive Income	**5.40**	3.11
Total	**28.59**	23.00

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
I.	**Net liability recognised in the Balance sheet**		
1.	Present value of defined benefit obligation	**109.01**	100.51
2.	Current portion of the above	**28.24**	37.19
3.	Non current portion of the above	**80.77**	63.32
II.	**Change in the obligation during the year**		
1.	Present value of defined benefit obligation at the beginning of the year	**100.51**	89.37
2.	Expenses recognised in Profit and Loss Account		
	- Current service cost	**18.52**	15.89
	- Interest expense (income)	**4.67**	4.00
3.	Recognised in other comprehensive income		
Remeasurement gains/(losses):			
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	**–**	–
ii.	Financial Assumptions	**(5.08)**	(0.28)
iii.	Experience Adjustments	**10.48**	3.39
4.	Benefit payments	**(30.80)**	(11.86)
5.	Others : Impact of liability assumed (transfer from Mahindra Agri Solutions Limited)	**10.71**	–
6.	**Present value of defined benefit obligation at the end of the year**	**109.01**	100.51

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Currency: Indian Rupees in lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**31 March 2023**	**1.00%**	**-3.00%**	**3.17%**
	31 March 2022	1.00%	-2.67%	2.84%
Salary growth rate	**31 March 2023**	**1.00%**	**3.10%**	**-2.99%**
	31 March 2022	1.00%	2.74%	-2.63%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Maturity profile of defined benefit obligation:

(Currency: Indian Rupees in lakhs)

	As at 31 March 2023	As at 31 March 2022
Within 1 year	**28.24**	37.19
1 - 2 year	**28.95**	18.38
2 - 3 year	**22.04**	17.29
3 - 4 year	**19.34**	13.31
4 - 5 year	**11.68**	11.08
5 - 6 year	**8.47**	6.74
6 - 7 year	**6.42**	4.95
7 - 8 year	**4.20**	3.23
8 - 9 year	**3.16**	2.23
10 year and above	**6.53**	5.05

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 3.08 years (31 March 2022 - 2.75 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year, an amount of Rs 23.19 lakhs (31 March 2022 : Rs. 19.89 lakhs) has been included in statement of profit and loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 74.56 lacs (31 March 2022 : Rs 83.85 lacs) expected to be paid in exchange for the services recognised as a expenses during the year.

31 Exceptional Items

(Currency: Indian Rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Impairment loss :		
Goodwill	4,185.22	–
Brand Value	366.91	–
Intangible Development	0.77	–
Intangible under Development	603.10	–
	5,156.00	–

Impairment loss of Goodwill, Intangible Assets and Intangible under development has been recognised considering the performance of the Company and future projections.

The management assesses the performance including future projections and relavant economic and market conditions in which they operate to identify if there is a indicator of impairment in the carrying value of the assets / under development.

The Company determined the recoverable amount of long term assets and other exposures and recorded impairment loss of Rs. 5,156 lakhs for the year ended 31st Mar 2023 (Nil for the period 31st Mar 2022). The value-in-use calculation use discount rates at 19% and the terminal growth rates is 5%

32 Segment reporting

The Company is engaged in the business of production and trading of Crop inputs, which is the primary business segment and has only domestic sales. The Company has only one reportable business segment, which is production and trading of Crop inputs and only one reportable geographical segment. Accordingly, these financial statements are not reflective of the information required under Ind AS 108.

33 For the financial year ended 31 March 2023, managerial remuneration paid to the directors amounting to Rs. 333.93 lakhs is in compliance with the requirements of the Act. For the financial year ended 31 March 2022, total managerial remuneration paid to the Directors for the financial year amounting to Rs 319.46 Lakhs exceeds limits under the resolution passed by the shareholders in their meeting held on 17th August, 2021 by INR 143.66 Lakhs. As per the provisions of the Act, the excess remuneration has been approved by the shareholders at their extra-ordinary general meeting held on 6th May, 2022 subsequent to the year-end, before the adoption of the accounts.

34 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	1.05	1.33	-21%	-
Debt Equity ratio	Total Debt	Shareholder equity	1.34	0.25	442%	Increase in working capital investment
Debt Service coverage ratio	Profit before tax + Depreciation & Amortisation expenses + Finance cost	Finance cost + Current lease liabilities	(5.98)	(0.28)	2029%	Difference is due to operational loss in current year
Return on Equity	Net profit after taxes	Shareholder equity	(3.07)	(0.04)	6957%	Difference is due to operational loss in current year
Inventory Turnover ratio	Cost of goods sold	Average inventory	0.99	0.82	21%	–
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	3.03	2.82	8%	–
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	0.92	1.08	-15%	Increase in average credit period in current year due to extended credit availed from suppliers

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reasons for variances
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	28.88	5.54	422%	Increase is due to higher inventory in current year
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.39)	(0.02)	1490%	Margin decrease due to increase in material cost leading to lower net profit ratio in current year
Return on capital employed	Earnings before interest and taxes	Shareholder equity + Borrowings + Lease liability	(1.26)	(0.02)	6008%	Difference is due to operational loss in current year
Return on Investment	Interest (Finance Income)	Investment	–	–	0%	No Investments during current and previous year

35 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

i. The company doest not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

ii. The company does not have any transactions with struck off companies during the year.

iii. The company has not revaluaed its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

iv. The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

v. The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi. The company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii. The company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii. The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

ix. The company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

x. The company has complied with the number of layers prescribed under the Companies Act, 2013.

xi. The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Nishant Sayani Partner Membership No.132439	**Sandeep Gadre** Whole Time Director & CEO DIN : 06685790	**Ashok Sharma** Director DIN : 02766679	**Kuldeep Singh** Chief Financial Officer Membership No. 508864	**Anwaya Kadu** Company Secretary Membership No. A26392
Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	Place : Mumbai Date : 21 April 2023	

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra EPC Irrigation Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from sale of products and Expected credit loss (ECL) on Trade receivable
See Note 1 (K) & (V) of Significant Accounting Policies and Note 5 & 17 to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
Revenue from sale of products is recognised when the control of the underlying products has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. There is a presumed fraud risk of revenue being overstated during the year on account of variation in the timing of transfer of control due to pressure to achieve performance targets and meeting the external expectations. Trade receivables comprise of receivables from state government owned enterprises and private dealers. We have identified impairment of trade receivables as a key audit matter on account of the significant judgments and estimates involved especially around the customer's ability and willingness to pay the outstanding amounts and probability of default for each customer over the expected life of the receivables. Based on this assessment, credit loss rate is determined after considering the experience of actual credit losses over past years adjusted to reflect the expected collections, current economic conditions and forecasts. The company then records the impairment (Expected Credit Loss or ECL) towards trade receivables based on such credit loss rate.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of the systems, processes and controls implemented by the Company around recognition of revenue and for measurement of impairment towards trade receivables; • Evaluated the Company's accounting policies towards revenue recognition and measurement of impairment of trade receivable in the context of the applicable accounting standards; • We evaluated the design, implementation and operating effectiveness of the relevant internal financial controls, including automated controls, with respect to revenue recognition and impairment of trade receivables; • Tested revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts, sales orders, shipping documents and customer acceptances; • Testing of revenue recognized near the year- end, through statistical sampling, to verify only the revenue pertaining to current year is recognized based on shipping documents and customer acceptances; • We have evaluated the historical accuracy of ECL towards trade receivables by examining the actual write-offs / reversals and new allowances recorded in the current year; • We have verified the ECL provision working for trade receivables including the method, assumptions and data used to determine the ECL on non-current debtors; • We have tested the ageing analysis and subsequent receipt of trade receivables, for samples selected through random sampling; • Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and impairment of trade receivables as per relevant accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

    b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN:23116240BGWVCH9485

Date: 28th April, 2023
Place: Nashik

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties, written confirmations have been obtained during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Cr)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.44	FY 1995-96 and FY 1997-98	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	1.65	FY 2016-17, FY 2017-18 and FY 2019-20	Commissioner of Income Tax (Appeals)

* Net of amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs 5.95 crore in the current financial year and Rs 4.27 crore in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN:23116240BGWVCH9485

Date: 28th April, 2023
Place: Nashik

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra EPC Irrigation Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN:23116240BGWVCH9485

Date: 28th April, 2023
Place: Nashik

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Crores)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2A	18.37	19.90
	(b) Capital Work-in-Progress	2C	0.10	0.05
	(c) Right of Use Assets	2B	3.03	2.93
	(d) Other Intangible Assets	3	0.27	0.13
	(e) Intangible Assets Under Development	3A	–	0.16
	(f) Financial Assets			
	(i) Investments	4	0.48	0.69
	(ii) Trade Receivables	5	14.11	37.38
	(iii) Other Financial Assets	6	0.73	0.78
	(g) Income Tax Assets (Net)	–	5.37	3.99
	(h) Deferred Tax Assets (Net)	7	12.03	8.28
	(i) Other Non-Current Assets	8	2.29	1.95
	Total Non-Current Assets		**56.78**	76.24
II	**CURRENT ASSETS**			
	(a) Inventories	9	40.22	36.05
	(b) Financial Assets			
	(i) Trade Receivables	5	113.74	138.09
	(ii) Cash and Cash Equivalents	10	4.42	0.04
	(iii) Bank Balances other than (ii) above	10	2.61	2.10
	(iv) Other Financial Assets	6	1.09	0.58
	(c) Other Current Assets	8	34.32	26.62
	Total Current Assets		**196.40**	203.48
III	**Total Assets (I + II)**		**253.18**	279.72
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	11A	27.89	27.84
	(b) Other Equity	11B	135.52	147.46
	Total Equity		**163.41**	175.30
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease Liabilities	26	0.10	–
	(b) Provisions	14	0.42	0.72
	Total Non-Current Liabilities		**0.52**	0.72
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	15.00	25.19
	(ii) Lease Liabilities	26	0.05	–
	(iii) Trade Payables	15		
	a) Total outstanding dues of micro enterprises and small enterprises		3.67	3.75
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		53.05	58.28
	(iv) Other Financial Liabilities	12	11.27	10.48
	(b) Provisions	14	2.27	2.85
	(c) Other Current Liabilities	16	3.94	3.15
	Total Current Liabilities		**89.25**	103.70
VII	**Total Liabilities (V+VI)**		**89.77**	**104.42**
VIII	**Total Equity and Liabilities (IV+VII)**		**253.18**	**279.72**
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 28, 2023

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 28, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crores)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	17	210.37	211.94
II	Other Income	18	2.76	0.46
III	**Total Income (I + II)**		213.13	212.40
IV	**EXPENSES**			
	(a) Cost of materials consumed	19(a)	131.82	135.62
	(b) Purchases of Stock-in-trade	19(b)	0.18	0.26
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	19(c)	(5.58)	(2.42)
	(d) Employee benefit expense	20	29.17	30.13
	(e) Finance costs	21	2.22	1.98
	(f) Depreciation, amortisation and impairment expense	2A,2B,3	3.08	3.16
	(g) Other expenses	22	67.99	53.78
	Total Expenses (IV)		228.88	222.51
V	**Profit/(loss) before exceptional items and tax (III - IV)**		(15.75)	(10.11)
VI	**Exceptional items**	4	(0.21)	(1.11)
VII	**Profit/(loss) before tax (V - VI)**		(15.96)	(11.22)
VIII	**Tax Expense**			
	(1) Current tax	7	–	–
	(2) Deferred tax	7	(3.84)	(2.47)
	(3) Short/(Excess) provision for tax relating to prior years		0.12	(0.14)
	Total tax expense (VIII)		(3.72)	(2.61)
IX	**Profit/(loss) after tax for the year (VII - VIII)**		(12.24)	(8.61)
X	**Other comprehensive income/(loss)**			
	(i) Remeasurements of defined benefit plans		0.39	(0.09)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.10)	0.02
	Other comprehensive income for the year attributable to owners of the company		0.29	(0.07)
XI	**Total comprehensive income for the year attributable to owners of the company (IX+X)**		(11.95)	(8.68)
XII	**Earnings per equity share**			
	(1) Basic (Face value Rs. 10 per share)	23	(4.39)	(3.09)
	(2) Diluted (Face value Rs. 10 per share)	23	(4.39)	(3.08)
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 28, 2023

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 28, 2023

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crores)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(Loss)/Profit before tax for the period	**(15.96)**	(11.22)
Adjustments for:		
Finance costs recognised in profit or loss	**2.22**	1.98
Interest Income recognised in profit or loss	**(0.13)**	(0.09)
Liabilities no longer required written back	**(2.36)**	(0.02)
Loss/(Profit) on disposal of property, plant and equipment	**0.08**	(0.05)
Impairment Loss recognised on financial assets	**8.26**	1.93
Provision for Impairment of Investment in Joint Venture	**0.21**	1.11
Depreciation and amortisation expense	**3.08**	3.16
Expense recognised in respect of equity-settled share-based payments	**0.01**	0.61
	(4.59)	(2.58)
Movements in working capital:		
(Increase)/Decrease in trade receivables	**39.36**	(5.00)
(Increase)/Decrease in inventories	**(4.17)**	(1.76)
(Increase)/Decrease in other Financial and Non current assets	**0.05**	0.15
(Increase)/Decrease in other Financial and current assets	**(8.21)**	(9.72)
(Decrease)/Increase in trade payables	**(2.93)**	(2.16)
(Decrease)/Increase in provisions	**(0.49)**	(0.18)
(Decrease)/Increase in lease liability	**0.15**	–
(Decrease)/Increase in other Financial and Non financial current liabilities	**1.36**	0.45
	25.12	(18.22)
Cash (used in)/generated from operations	**20.53**	(20.80)
Income taxes paid (net)	**(1.50)**	(2.33)
Net cash (used in)/generated from operating activities	**19.03**	(23.13)
Cash flows from investing activities		
Payments to acquire property, plant and equipment and other Intangible assets	**(2.18)**	(0.82)
Proceeds from sale of plant and equipment and other Intangible assets	**0.03**	0.14
Interest received	**0.17**	0.09
Bank balance not considered as cash and cash equivalents matured (net)	**(0.42)**	(0.37)
Net cash (used in) investing activities	**(2.40)**	(0.96)
Cash flows from financing activities		
Proceeds from issue of equity instruments	**0.05**	–
Repayment/Proceeds from borrowings	**(10.19)**	25.19
Interest paid	**(2.11)**	(2.10)
Dividend paid for Equity shares (Including tax thereon)	**–**	(3.35)
Repayment in lease liability	**–**	(0.03)
Net cash generated from/(used in) financing activities	**(12.25)**	19.71
Net (Decrease) in cash and cash equivalents	**4.38**	(4.38)
Cash and cash equivalents at the beginning of the year	**0.04**	4.42
Cash and cash equivalents at the end of the period	**4.42**	0.04
Components of cash and cash equivalents		
Cash*	**–**	–
Cheques in hand	**1.67**	–
With Banks - on Current account/Balance in Cash Credit Accounts	**2.75**	0.04
	4.42	0.04

* Amount is below rounding off norm
** Refer note no. 13 for Cash & Non Cash movement as per Ind AS 7
See accompanying notes to the financial statements 1-37

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 28, 2023

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 28, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crores)

A. Equity share capital	
As at March 31, 2021	27.78
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2021	27.78
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	0.06
As at March 31, 2022	**27.84**
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2022	27.84
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	0.05
As at March 31, 2023	**27.89**

B. Other Equity

	Reserves and Surplus						
Particulars	**Capital Reserve**	**Securities Premium**	**General Reserve**	**Share based payments (ESOP)**	**Retained earnings**	**Share Application Money Pending Allotment**	**Total**
Balances as at March 31, 2021	0.40	94.28	4.25	0.64	59.30	–	158.87
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	–	–
Restated balance as at March 31, 2021	0.40	94.28	4.25	0.64	59.30	–	158.87
Profit for the year	–	–	–	–	(8.61)	–	(8.61)
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	(0.07)	–	(0.07)
Total Comprehensive Income for the year	–	–	–	–	(8.68)	–	(8.68)
Dividend paid on Equity Shares	–	–	–	–	(3.34)	–	(3.34)
Exercise of employee stock options	–	–	–	–	–	–	–
Share based payment to employees	–	–	–	0.61	–	–	0.61
Share Application money received	–	–	–	–	–	–	–
Balances as at March 31, 2022	0.40	94.28	4.25	1.25	47.28	–	147.46
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	–	–
Restated balance as at March 31, 2022	0.40	94.28	4.25	1.25	47.28	–	147.46
Profit for the year	–	–	–	–	(12.24)	–	(12.24)
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	0.29	–	0.29
Total Comprehensive Income for the year	–	–	–	–	(11.95)	–	(11.95)
Dividend paid on Equity Shares	–	–	–	–	–	–	–
Exercise of employee stock options	–	0.57	–	(0.57)	–	–	–
Share based payment to employees	–	–	–	0.01	–	–	0.01
Share Application money received	–	–	–	–	–	–	–
Balances as at March 31, 2023	**0.40**	**94.86**	**4.25**	**0.68**	**35.33**	**–**	**135.52**

Remeasurement gain (net) on defined benefit plans Rs. 0.29 Crores (March 31, 2022 loss (net) Rs. 0.07 Crores) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 28, 2023

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 28, 2023

Notes forming part of standalone financial statements for the year ended March 31, 2023

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information

Mahindra EPC Irrigation Limited (Company) is a Public Limited Company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It was incorporated on November 28, 1981 under the Companies Act, 1956. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Landscape Products. The Company is a public limited Company and domiciled in India. The address of its corporate office is H-109, MIDC, Ambad, Nashik, Maharashtra 422010. As at 31st March, 2023 Mahindra & Mahindra Limited, the holding company own 54.31% of the Company's equity share capital.

B. Basis of preparation

a. Statement of compliance

These standalone financial statements of Mahindra EPC Irrigation Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were approved by the Company's Board of Directors and authorised for issue on 28th April 2023.

b. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

C. Basis of measurement and fair value

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in crores (two decimals), unless otherwise indicated.

E. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

F. Property, Plant and equipment :

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Depreciation on all property, plant and equipment, is provided on Straight Line Method as per the estimated useful life. Leasehold Assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on additions to assets or on sale / disposal of assets is calculated from the date of such addition or up to the date of such sale / disposal as the case may be.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Assets	**Useful life**
Extrusion Machines	19 Years
Moulds and Dies	6 Years
Vehicles - Cars (For employee use)	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

G. Intangible Assets:

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of 36 months.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

H. Impairment of Assets:

The carrying value of assets / cash generating units at each balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss of the amount. They arrived at cost less accumulated amortisation and accumulated impairment losses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

I. Inventories:

Inventories comprise of raw materials, work in progress, finished goods and stock in trade, are valued at costs of purchase, conversion and other costs incurred if any in bringing the inventories to their present location and condition. Inventories are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

J. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

K. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service tax.

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

a) Sale of Products

The Company sells Micro Irrigation Systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 14).

For sales of MIS to open market, revenue is recognised when control of the good has transferred, being when the goods have been delivered to the dealer based on the terms and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the good has transferred, being when the goods have been installed at the farmers' place as per the approved design and acknowledged by the farmer. Following which farmer has full control of the MIS.

A receivable is recognised by the Company when the goods are delivered to the distributor /MIS installation acknowledged by the farmer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

Project revenue is recognised on the basis of cost completion after the threshold limit of 30% of the cost is completed.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

L. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

M. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

N. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respected of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(iii) Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

O. Leases:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

P. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

Q. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

R. Taxes on income:

- **Current Tax**

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

S. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits - Refer Note No. 28) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

T. Operating Segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM of the company reviews the operation of the company as Precision Farming Products & Services.

U. Investment in Joint Venture:

The Company accounts for its investments in Joint Venture at cost less accumulated impairment, if any.

V. Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets:</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

<u>Impairment of financial assets</u>

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

W. Use of judgements and estimates:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

– useful life of property, plant and equipment and intangible assets (Refer Note 1, Point F)
– estimation of defined benefit obligation (Refer Note 28)
– provision for warranty claims (Refer Note 14)
– income taxes - current and deferred taxes (Refer Note 7)
– impairment of trade receivables (Refer Note 5)

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

X Contingent Liabilities & Commitments

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

(ii) The Company does not expect any reimbursements in respect of the contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

Y Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits with banks & financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Notes forming part of standalone financial statements for the year ended March 31, 2023 (Contd.)

NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Rs. in Crores

	Description of Assets	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2022	**9.79**	**41.77**	**1.61**	**2.00**	**11.32**	**0.65**	**1.14**	**1.37**	**1.79**	**71.45**
	Additions	0.19	0.79	0.05	0.05	–	0.06	0.01	0.35		1.50
	Disposals		0.19	0.00	0.07		0.04	0.06	0.08	0.31	0.74
	Balance as at March 31, 2023	**9.98**	**42.37**	**1.66**	**1.98**	**11.32**	**0.67**	**1.09**	**1.65**	**1.48**	**72.21**
II.	**Accumulated depreciation**										
	Balance as at March 31, 2022	**7.05**	**27.53**	**1.44**	**1.29**	**10.54**	**0.43**	**0.93**	**1.18**	**1.16**	**51.55**
	Depreciation expense for the year	0.31	1.82	0.02	0.10	0.21	0.07	0.04	0.14	0.21	2.92
	Eliminated on disposal of assets		0.19	0.00	0.07		0.03	0.04	0.05	0.25	0.63
	Balance as at March 31, 2023	**7.36**	**29.16**	**1.46**	**1.32**	**10.75**	**0.47**	**0.93**	**1.26**	**1.12**	**53.84**
III.	**Net carrying amount (I-II)**	**2.62**	**13.21**	**0.20**	**0.66**	**0.57**	**0.20**	**0.16**	**0.39**	**0.36**	**18.37**
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2021	**9.79**	**41.66**	**1.61**	**1.87**	**11.31**	**0.61**	**1.14**	**1.47**	**2.10**	**71.55**
	Additions	–	0.11	–	0.14	0.01	0.04	0.00	0.10	0.10	0.50
	Disposals								0.19	0.41	0.60
	Balance as at March 31, 2022	9.79	41.77	1.61	2.00	11.32	0.65	1.14	1.37	1.79	71.45
II.	**Accumulated depreciation**										
	Balance as at March 31, 2021	**6.73**	**25.72**	**1.42**	**1.17**	**10.32**	**0.36**	**0.86**	**1.27**	**1.17**	**49.03**
	Depreciation expense for the year	0.32	1.81	0.02	0.11	0.22	0.07	0.07	0.10	0.32	3.03
	Eliminated on disposal of assets								0.19	0.32	0.51
	Balance as at March 31, 2022	7.05	27.53	1.44	1.29	10.54	0.43	0.93	1.18	1.16	51.55
III.	**Net carrying amount (I-II)**	**2.74**	**14.24**	**0.17**	**0.71**	**0.78**	**0.22**	**0.21**	**0.19**	**0.63**	**19.90**

NOTE NO. 2B - RIGHT OF USE ASSETS (REFER NOTE 26)

	Description of Assets	Lease Hold Land	Buildings	Total
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2022	**3.05**	**0.48**	**3.54**
	Additions	–	0.15	0.15
	Disposals	–	–	–
	Balance as at March 31, 2023	**3.05**	**0.63**	**3.69**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2022	**0.13**	**0.48**	**0.61**
	Depreciation expense for the year	0.04	0.00	0.05
	Disposals	–	–	–
	Balance as at March 31, 2023	**0.17**	**0.48**	**0.66**
III.	**Net carrying amount (I-II)**	**2.88**	**0.15**	**3.03**
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2021	**3.05**	**0.48**	**3.54**
	Additions	–	–	–
	Disposals	–	–	–
	Balance as at March 31, 2022	**3.05**	**0.48**	**3.54**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2021	**0.09**	**0.45**	**0.54**
	Depreciation expense for the year	0.04	0.02	0.07
	Disposals	–	–	–
	Balance as at March 31, 2022	**0.13**	**0.48**	**0.61**
III.	**Net carrying amount (I-II)**	**2.92**	**–**	**2.93**

NOTE NO. 2C - CAPITAL WORK-IN-PROGRESS

Rs. in Crores

CWIP Movement	31st March 2023	31st March 2022
Opening Balance	**0.05**	0.14
- Additions	**1.56**	0.41
- Capitalised & Transferred to Property, Plant & Equipments during the year	**1.51**	0.50
Closing balance	**0.10**	0.05

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2023

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	**0.10**	**–**	**–**	**–**	**0.10**
Project Name					
1. Servo Perforation Unit	**0.10**	**–**	**–**	**–**	**0.10**

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2022

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	0.05	–	–	–	0.05
Project Name					
1. JIB Crane & Trolly	0.04	–	–	–	0.04
2. Attendance data processing device for canteen	0.01	–	–	–	0.01

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Rs. in Crores

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2022	2.28	2.28
	Additions	0.26	0.26
	Disposals	–	–
	Balance as at March 31, 2023	**2.54**	**2.54**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2022	2.15	2.15
	Amortisation expense for the year	0.12	0.12
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2023	**2.27**	**2.27**
III.	**Net carrying amount (I-II)**	**0.27**	**0.27**

Rs. in Crores

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2021	2.18	2.18
	Additions	0.10	0.10
	Disposals	–	–
	Balance as at March 31, 2022	**2.28**	**2.28**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2021	2.08	2.08
	Amortisation expense for the year	0.07	0.07
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2022	**2.15**	**2.15**
III.	**Net carrying amount (I-II)**	**0.13**	**0.13**

NOTE NO. 3A - INTANGIBLE ASSET UNDER DEVELOPMENT

Rs. in Crores

Intangible asset under development Movement	31st March 2023	31st March 2022
Opening Balance	**0.16**	0.16
- Additions	**0.10**	0.10
- Capitalised & Transferred to Property, Plant & Equipments during the year	**0.26**	0.10
Closing balance	**–**	0.16

Intangible assets under development for the year ended 31st March 2023

Intangible assets under development	**Amount in Intangible assets under development for a period of**				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
None	**–**	**–**	**–**	**–**	**–**

Intangible assets under development for the year ended 31st March 2022

Intangible assets under development	**Amount in Intangible assets under development for a period of**				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
Project Name - Sales Project Digitization	–	0.16	–	–	0.16

NOTE NO. 4 - INVESTMENTS

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments (fully paid-up)		
Unquoted		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (March 23 - 18,00,000 shares of Rs.10 each), (March 22 - 18,00,000 shares of Rs.10 each)	**0.48**	0.69
Total	**0.48**	0.69

Other Disclosures:	As at March 31, 2023	As at March 31, 2022
Aggregate amount of unquoted investments (Gross)	**0.69**	1.80
Aggregate amount of impairment in value of investments	**0.21**	1.11
Aggregate amount of unquoted investments (Net)	**0.48**	0.69

Note for Impairment:
During the year ended 31st March 2023 the Company has recognised an aggregate impairment loss of Rs. 0.21 Crores on investment in joint venture considering the performance of the company.

NOTE NO. 5 - TRADE RECEIVABLES

Rs. in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good	**122.81**	**20.29**	144.97	35.14
Trade Receivables which have significant increase in credit risk	**1.26**	**1.43**	0.59	9.33
Trade Receivables - credit impaired	**7.45**	**2.70**	3.91	1.36
	131.52	**24.42**	149.47	45.83
Less: Expected credit loss	**(17.77)**	**(10.31)**	(11.38)	(8.44)
Total	**113.74**	**14.11**	138.09	37.38

Refer Note 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

The Company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note 29 for disclosures relating to receivables from related parties.

Trade receivables are hypothicated against the working capital facilities provided by the bank.

Refer Note 5A for trade receivables ageing schedule.

NOTE NO. 5A - TRADE RECEIVABLES AGEING SCHEDULE UNDER NON-CURRENT ASSETS AND CURRENT ASSETS AS ON 31ST MARCH 2023

Trade Receivables ageing schedule under Non-current assets as on 31st March 2023

Rs. in Crores

		Outstanding for following periods from due date of payment						
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	1.33	10.94	2.26	2.82	2.91	0.03	20.29
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	0.07	1.36	1.43
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	2.70	2.70
	Total	**1.33**	**10.94**	**2.26**	**2.82**	**2.98**	**4.09**	**24.42**
Less: Expected credit loss								**(10.31)**
Net outstanding for following periods from due date of payment								**14.11**

Trade Receivables ageing schedule under Current assets as on 31st March 2023

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	–	63.55	13.80	15.78	19.37	6.41	118.91
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	1.26	1.26
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	7.45	7.45
	Total	**–**	**63.55**	**13.80**	**15.78**	**19.37**	**15.12**	**127.62**
Less: Expected credit loss								**(17.77)**
Add: Unbilled								**3.90**
Net outstanding for following periods from due date of payment								**113.74**

Trade Receivables ageing schedule under Non-current assets as on 31st March 2022

Rs. in Crores

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	0.04	15.21	4.71	5.74	4.76	4.69	35.14
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	0.01	0.04	0.33	0.94	2.10	3.42
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.01	0.03	0.03	0.00	5.84	5.91
vi	Disputed Trade Receivables – credit impaired	–	–	0.06	–	–	1.30	1.36
	Total	**0.04**	**15.23**	**4.83**	**6.10**	**5.70**	**13.93**	**45.83**
Less: Expected credit loss								**(8.44)**
Net outstanding for following periods from due date of payment								**37.38**

Trade Receivables ageing schedule under Current assets as on 31st March 2022

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	1.67	54.44	19.32	41.48	24.80	2.88	144.59
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	0.01	0.00	0.04	0.20	0.34	0.59
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	3.91	3.91
	Total	**1.67**	**54.45**	**19.32**	**41.52**	**25.00**	**7.13**	**149.09**
Less: Expected credit loss								**(11.38)**
Add: Unbilled								**0.38**
Net outstanding for following periods from due date of payment								**138.09**

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Rs. in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	**Non-Current**	Current	Non-Current
Carried at amortised cost:				
Security deposits	**0.55**	**0.73**	0.36	0.78
Insurance and Other claims	**0.01**	**–**	–	–
Balance with Gratuity Fund (LIC)	**0.53**	**–**	0.22	–
Total	**1.09**	**0.73**	0.58	0.78

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax:		
In respect of current year	**–**	–
In respect of prior years	**0.12**	(0.14)
Deferred Tax:		
In respect of current year	**(3.84)**	(2.47)
In respect of prior years	**–**	–
Total income tax expense recognised in the current year	**(3.72)**	(2.61)

(b) Income tax recognised in other Comprehensive income (OCI)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred Tax		
Remeasurement of defined benefit obligations	**0.39**	(0.09)
	0.39	(0.09)
Income taxes related to items that will not be reclassified to profit or loss	**(0.10)**	0.02
Total	**0.29**	(0.07)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss before tax after exceptional items	**(15.96)**	(11.22)
Income tax expense calculated at 25.17% (2022: 25.17%)	**(4.02)**	(2.82)
Effect of expense that is non-deductible in determining taxable profit	**0.36**	0.40
Income tax relating to items that will not be reclassified to Profit or Loss Account	**–**	–
Others	**(0.18)**	(0.05)
	(3.84)	(2.47)
Adjustments recognised in the current year in relation to the current tax of prior years	**0.12**	(0.14)
Income tax expense recognised In profit or loss	**(3.72)**	(2.61)

The tax rate used for the March 31, 2023 and March 31, 2022 reconciliations above is the corporate tax rate of 25.17% on taxable profits under Indian Income Tax Act, 1961.

(d) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2023

Rs. in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	2.07	(0.16)	–	1.91
	2.07	**(0.16)**	**–**	**1.91**
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	0.69	0.02	(0.10)	0.60
Provision for receivables and advances	5.11	2.08	–	7.19
Deferred tax aseet on loss	2.12	1.48	–	3.60
Other items (TDS on Commission disallowed & EPCG Interest-Payment Basis)	2.44	0.11	–	2.55
	10.36	3.68	(0.10)	13.94
Net Deferred Tax Asset/(Liabilities)	**8.28**	**3.84**	**(0.10)**	**12.03**
Total	**8.28**	**3.84**	**(0.10)**	**12.03**

(e) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2022

Rs. in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	2.38	(0.31)	–	2.07
	2.38	**(0.31)**	**–**	**2.07**
Tax effect of items constituting deferred tax assets				
Employee Benefits	0.78	(0.11)	0.02	0.69
Provision for receivables and advances	4.62	0.49		5.11
Deferred tax aseet on loss	–	2.12	–	2.12
Other items (TDS on Commission disallowed & EPCG Interest-Payment Basis)	2.77	(0.33)	–	2.44
	7.84	2.16	0.02	10.36
Net Deferred Tax Asset/(Liabilities)	**5.31**	**2.47**	**0.02**	**8.28**
Total	**5.31**	**2.47**	**0.02**	**8.28**

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Rs. in Crores

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Prepayments	**0.26**	**0.07**	0.31	0.04
(b) Balances with government authorities	**23.29**	**1.88**	20.16	1.91
(i) VAT credit receivable	**–**	**0.21**	–	0.24
(ii) GST credit receivable	**23.29**	**–**	20.16	
(iii) Excise Refund Claim	**–**	**1.67**	–	1.67
(c) Contract Assets	**6.84**	**–**	4.00	–
(d) Others				
(i) Capital advances	**–**	**0.34**	–	–
(ii) Advance to Creditors				
Considered Good	**3.86**	**–**	2.09	–
Doubtful	**–**	**0.49**	–	0.22
Less: Provision for Doubtful advances	**–**	**(0.49)**	–	(0.22)
	3.86	**–**	2.09	–
(iii) Advances to employees				
Considered Good	**0.07**	**–**	0.06	–
Doubtful	**0.25**	**–**	0.25	–
Less: Provision for Doubtful advances	**(0.25)**	**–**	(0.25)	–
	0.07	**–**	0.06	–
Total	**34.32**	**2.29**	26.62	1.95

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials and components	**19.31**	20.72
(b) Work-in-progress	**4.23**	4.49
(c) Finished goods	**16.44**	9.94
(d) Stock-in-trade of goods acquired for trading	**0.24**	0.90
Total	**40.22**	36.05

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(I).

Out of the above, Rs. 3.34 crores are lying with third parties (year ended March 31, 2022 Rs. 1.41 crores).

The amount of inventories recognised as an expense is Rs. 126.42 crores (for the year ended 31 March 2022 Rs. 133.46 crores) including Rs. 0.47 crores (for the year ended 31 March 2022 Rs. 0.25 crores) in respect of write down of inventories to net realisable value, and has been reduced by Rs. 0.28 crores (for the year ended 31 March 2022 - Rs. 0.01 crores) in respect of reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

NOTE NO. 10 - CASH AND BANK BALANCES

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Cash and cash equivalents		
Balances with banks - Current and Cash Credit Accounts	**2.75**	0.04
Cash on hand	**–**	–
Cheques in hand	**1.67**	–
Total Cash and cash equivalents	**4.42**	0.04
Other Bank Balances		
Earmarked balances with banks	**1.58**	0.86
Balances with Banks - on margin accounts	**0.97**	1.14
Interest accrued on deposits	**0.05**	0.09
Total Other Bank Balances	**2.61**	2.10

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	No. of shares	**Rs. in Crores**	No. of shares	Rs. in Crores
<u>Authorised</u>				
Equity shares of Rs. 10 each	**32,000,000**	**32.00**	32,000,000	32.00
Preference share of Rs. 100 each	**1,800,000**	**18.00**	1,800,000	18.00
<u>Issued</u>				
Equity shares of Rs. 10 each	**27,891,504**	**27.89**	27,843,375	27.84
<u>Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each	**27,887,604**	**27.89**	27,839,475	27.84
Forfeited shares (Amount originally paid up)*	**3,900**	**–**	3,900	–
Total		**27.89**		27.84

Fully paid equity shares, which have a face value of Rs. 10, carry one vote per share and carry a right to dividends.

* Amount is below rounding off norm

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Crores

Particulars		Opening Balance	Issued during the year under ESOP Scheme	Closing Balance
Equity share- Issued, Subscribed and Paid-up:				
March 31, 2023	**No. of Shares**	**27,839,475**	**48,129**	**27,887,604**
	Amount	**27.84**	**0.05**	**27.89**
March 31, 2022	No. of Shares	27,839,475	–	27,839,475
	Amount	27.84	–	27.84

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having face value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Mahindra and Mahindra Ltd., the Holding Company	**15,144,433**	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	**15,144,433**	**54.31%**	15,144,433	54.40%

(iv) Shares reserved for issuance as follows: (Refer Note No. 20)

No. of shares

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding employee stock options granted/available for grant.	**295,843**	343,972

(v) Details of shares held by promoter at the end of the year:

Name of promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Mahindra and Mahindra Limited	**15,144,433**	**54.31%**	15,144,433	54.40%	0.00%

NOTE NO. 11 B - OTHER EQUITY

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	**0.40**	0.40
Securities Premium	**94.86**	94.28
General Reserve	**4.25**	4.25
Share based payments (ESOP)	**0.68**	1.25
Retained Earnings	**35.33**	47.29
Total	**135.52**	147.47

Nature of Reserves

Capital Reserve - Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of the Companise Act, 2013.

General Reserve - The general reserve comprises of transfer of profits from retained earrings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Share based payments (ESOP) - The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the company's employees in pursuance of the Employee Stock Option Plan.

Retained earnings: - Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Details of Dividend Proposed

Rs. in Crores

Particulars	**2023**	2022
Dividend per share (Rupees)	**–**	–
Dividend on Equity Shares	**–**	–
Total Dividend	**–**	–

NOTE NO. 12 - OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Carried at Amortised Cost:		
Interest payables to vendors/others	**1.77**	1.66
Unpaid matured deposits and interest accrued thereon*	**–**	0.00
Unclaimed Dividend**	**0.21**	0.08
Security Deposits	**5.06**	4.77
Employee benefits payable	**3.21**	3.19
Others***	**1.02**	0.78
Total	**11.27**	10.48

Notes:

* Amount is below rounding off norm

** There are no amounts due for transfer to Investor Education and Protection Fund.

*** Others include payable for capital assets, retention money and accruals towards claims.

NOTE NO. 13 - SHORT TERM BORROWINGS

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Secured (Carried at Amortised Cost):		
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	**15.00**	25.19
Total	**15.00**	25.19

Reconciliation of movement in borrowings to cash flows from financing activities as per Ind AS-7

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Opening Balance		
− Short term borrowings	**25.19**	–
Cash flow movements		
− Net increase/(decrease) in Loans repayable on demand and cash credit	**(10.19)**	25.19
Non-cash movements		
Closing Balance		
− Short term borrowings	**15.00**	25.19

BORROWING NOTES:

i. The Company has filed quarterly returns/statement with Banks and same are in agreement with the books of accounts. There are no material discrepancies found.

ii. Working capital facilities are secured by hypothecation of Inventory & Trade receivables.

iii. The Company has availed working capital facilities from Banks aggregating to Rs. 15 Crores with the interest rates which are linked to Repo rate with spread ranging from 0% p.a. to 2% p.a.

NOTE NO. 14 - PROVISIONS

Rs. in Crores

Particulars		**As at March 31, 2023**		As at March 31, 2022	
		Current	**Non-Current**	Current	Non-Current
(a)	Provision for employee benefits				
	Compensated absences	**2.08**	**–**	2.15	–
(b)	Other Provisions				
	Warranty	**0.19**	**0.42**	0.70	0.72
Total		**2.27**	**0.42**	2.85	0.72

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Crores
Balance at March 31, 2021	**1.27**
Additional provisions recognised	0.38
Amounts used during the year	(0.26)
Unused amounts reversed during the year	–
Unwinding of discount	0.02
Balance at March 31, 2022	**1.42**
Additional provisions recognised	0.34
Amounts used during the year	(0.19)
Unused amounts reversed during the year	(0.97)
Unwinding of discount	0.02
Balance at March 31, 2023	**0.61**

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

NOTE NO. 15 - TRADE PAYABLES

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current		
a) Total outstanding dues of micro and small enterprises	**3.67**	3.75
b) Total outstanding dues of creditors other than micro and small enterprises	**53.05**	58.28
Total	**56.72**	62.03

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as below:		
(a) Dues remaining unpaid as at 31st March 2023		
Principal	**3.67**	3.75
Interest on the above	**–**	–
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	**–**	–
Interest paid in terms of Section 16 of the Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at March 31	**–**	–
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

Refer Note 29 for disclosures relating to receivables from related parties.

NOTE NO. 15A - TRADE PAYABLES AGEING SCHEDULE

Ageing for trade payable outstanding as at March 31, 2023 is as follows:

		Outstanding for following periods from due date of payment				
Sr. No.	**Particulars**	**Less than 1 year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
(i)	MSME	**3.67**	**–**	**–**	**–**	**3.67**
(ii)	Others	**22.63**	**5.32**	**6.34**	**11.40**	**45.69**
(iii)	Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv)	Disputed dues - Others	**–**	**–**	**–**	**–**	**–**
	Total	**26.30**	**5.32**	**6.34**	**11.40**	**49.36**
	Unbilled dues (Accrued expenses)					**7.36**
	Total Trade Payable					**56.72**

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i)	MSME	3.75	–	–	–	3.75
(ii)	Others	28.65	10.24	8.92	7.31	55.12
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	32.40	10.24	8.92	7.31	58.87
	Unbilled dues (Accrued expenses)					3.16
	Total Trade Payable					62.03

NOTE NO. 16 - OTHER CURRENT LIABILITIES

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Revenue received in advance	**1.58**	1.09
(b) Others		
(i) Statutory dues		
– taxes payable (other than income taxes)	**1.70**	1.20
– Employee Recoveries and Employer Contributions	**0.07**	0.06
– Customs Duty Payable	**0.59**	0.80
Total	**3.94**	3.15

NOTE NO. 17 - REVENUE FROM OPERATIONS

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
From contract with customers for goods & services		
(a) Revenue from Sale of Products	**209.46**	210.44
(b) Revenue from Sale of Services	**0.64**	1.35
(c) Other operating revenue	**0.27**	0.15
Total	**210.37**	211.94

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Sale of products comprises		
Manufactured goods	**209.46**	210.44
Total - Sale of manufactured goods	**209.46**	210.44
Total - Sale of products	**209.46**	210.44
(ii) Sale of services comprises		
Installation Services	**0.64**	1.35
Total - Sale of services	**0.64**	1.35
(iii) Other operating revenues comprise:		
Sale of scrap	**0.27**	0.15
Total - Other operating revenues	**0.27**	0.15

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customer as per the contract price	**223.57**	213.59
Adjustments made to contract price		
– Trade discounts, volume rebates, return etc	**4.92**	3.27
– Deferment of revenue	**12.28**	0.52
– Recognition of revenue out of opening balance of contract	**4.00**	2.13
Revenue from contract with customer as per the Standalone statement of profit and loss	**210.37**	211.93

Changes in contract assets are as follows

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**4.00**	2.13
– Invoices raised that were included in the contract assets balance at the beginning of the year	**(4.00)**	(2.13)
– Increase due to revenue recognised during the year, excluding amounts billed during the year.	**6.84**	4.00
Balance at the end of the year	**6.84**	4.00

Segment information

Geographical Information:

Rs. in Crores

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Domestic	**Overseas***	Domestic	Overseas*
Revenue from contract with customer	**210.09**	**0.28**	206.08	5.85
Total Revenue	**210.09**	**0.28**	206.08	5.85

* Uganda, Nigeria & Bangkok

The company recognises revenue as per IND AS 115 'Revenue from contracts with customers'.

Accordingly, the Company recognises revenue when it transfers control of a product or service to a customer as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains the control or benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company believes that above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors . The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs 2.87 Crores out of which 100% is expected to be recognised as revenue in the next year . No consideration from contracts with customers is excluded from the amount mentioned above.

NOTE NO. 18 - OTHER INCOME

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits (at amortised cost)	**0.03**	0.07
2) Interest on Security Deposit (at amortised cost)	**0.02**	0.02
3) Interest on tax refunds	**0.08**	–
(b) Profit on sale of Property, Plant & Equipment	**–**	0.05
(c) Liabilities no longer required written back	**2.36**	0.02
(d) Miscellaneous income	**0.27**	0.30
Total	**2.76**	0.46

NOTE NO. 19 (A) - COST OF MATERIALS CONSUMED

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	**20.72**	21.37
Add: Purchases	**130.41**	134.97
	151.13	156.34
Less: Closing stock	**19.31**	20.72
Cost of materials consumed	**131.82**	135.62

NOTE 19 (B) - PURCHASES OF STOCK-IN-TRADE

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock-in-trade - Pumps, Greenhouses & Landscape	**0.18**	0.26
Total	**0.18**	0.26

NOTE 19 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year:		
Finished goods	**16.44**	9.94
Work-in-progress	**4.23**	4.49
Stock-in-trade	**0.24**	0.90
	20.91	15.33
Inventories at the beginning of the year:		
Finished goods	**9.94**	9.14
Work-in-progress	**4.49**	2.36
Stock-in-trade	**0.90**	1.41
	15.33	12.91
Net (increase)/decrease	**(5.58)**	(2.42)

NOTE NO. 20 - EMPLOYEE BENEFITS EXPENSE

Rs. in Crores

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries and wages, including bonus	**25.69**	26.41
(b)	Contribution to provident and other funds (Refer Note No. 28)	**2.15**	1.87
(c)	Share based payment transactions expenses	**0.01**	0.61
(d)	Staff welfare expenses	**1.32**	1.24
	Total Employee Benefit Expense	**29.17**	30.13

Pursuant to the “Employees Stock Option Scheme – 2014” (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424, 3,228, 1,33,432, 11,129, 80,110 and 71,459 Stock Options to the eligible employees on October 28, 2014, October 31,2015 , November 22,2016, November 22,2017, February 28, 2019 and March 12 , 2021 respectively as per the recommendations of the Nomination and Remuneration Committee, at an exercise price of Rs 10/- each. In respect of the options granted in 2014, 2016, 2017 , 2019 and 2021 the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date. In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing share based payment expenses is expected over the vesting period.

		Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled						
1	Series 1 Granted on October 28, 2014	80,424	October 28, 2014	October 28, 2019	10	170.97
2	Series 2 Granted on October 31, 2015	3,228	October 31, 2015	October 31, 2019	10	170.97
3	Series 3 Granted on November 22, 2016	133,432	November 22, 2016	November 22, 2021	10	131.75
4	Series 4 Granted on November 22, 2017	11,129	November 22, 2017	November 22, 2022	10	169.43
5	Series 5 Granted on February 28, 2019	80,110	February 28, 2019	February 28, 2024	10	83.51
6	Series 6 Granted on March 12, 2021	71,459	March 12, 2021	March 12, 2026	10	144.09

Movement in Share Options

	Particulars	**Year ended 31 March, 2023**		Year ended 31 March, 2022	
		Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
1	Outstanding at the beginning of the year	**147,280**	**10**	147,280	10
2	Granted during the year	**–**	**10**	–	10
3	Exercised during the year	**(48,129)**	**10**	–	10
4	Expired during the year	**(27,014)**	**10**	–	10
5	Outstanding at the end of the year	**72,137**	**10**	147,280	10

Options vested but not exercised on 31st March, 2023 - 25,204 options

Share Options Exercised in the Year

Particulars		Year end March 31, 2023			Year end March 31, 2022	
	Number Exercised	**Exercise Date**	**Share Price at Exercise Date**	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 3 Granted on November 22, 2016	**19,916**	**May 04 2022**	**102.15**	–	–	–
2 Series 4 Granted on November 22, 2017	**1,511**	**May 04 2022**	**102.15**	–	–	–
3 Series 5 Granted on February 28, 2019	**16,504**	**May 04 2022**	**102.15**	–	–	–
4. Series 6 Granted on March 12, 2021	**10,198**	**May 04 2022**	**102.15**	–	–	–

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share Option Programmes

Particulars	Series 1		Series 2		Series 3		Series 4		Series 5		Series 6	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Share price at grant date	**177.35**	177.35	**158.30**	158.30	**138.75**	138.75	**176.25**	176.25	**92.90**	92.90	**157.50**	157.50
Exercise price	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10
Expected volatility (weighted average)	**55%**	55%	**55%**	55%	**49%**	49%	**46%**	45%	**42%**	41%	**50%**	–
Expected life/Option Life	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.0 Years	**4.5 Years**	4.0 Years	**3.5 Years**	–
Expected dividends yield	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**0.54%**	0.54%	**0.76%**	–
Risk-free interest rate (based on government bonds)	**8.06%**	8.06%	**8.06%**	8.06%	**6.33%**	6.33%	**6.94%**	6.89%	**7.19%**	7.13%	**5.00%**	–

Expected early exercise option is not considered in the assumption at the time of valuation. Hence relevant disclosure is not applicable.

The fair value of the employee share options has been measured using the Black-Scholes option Pricing formula.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTE NO. 21 - FINANCE COST

Rs. in Crores

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a) Interest expense on financial liabilities measured at amortised cost		
– On credit facilities from Banks	**1.92**	1.67
– On trade creditors	**0.09**	0.18
(b) Interest expense on Lease Rental (Refer Note 26)*	**0.00**	0.00
(c) Interest expense on delayed payment of taxes	**0.16**	0.02
(d) Interest expense on other borrowing cost		
Processing fees / Guarantee Commission	**0.03**	0.09
Unwinding of discount on provisions	**0.02**	0.02
On government Grant*	**–**	0.00
Total finance costs	**2.22**	1.98

* Amount is below rounding off norm

Rs. in Crores

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Interest Expenses		
On financial liability at amortised cost	**2.01**	1.85

NOTE NO. 22 - OTHER EXPENSES

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores consumed	**0.76**	0.37
Power & fuel	**4.18**	3.82
Rent including lease rentals	**2.24**	2.12
Rates and taxes	**1.29**	0.20
Insurance	**0.23**	0.34
Repairs and maintenance - machinery	**0.67**	0.98
Repairs and maintenance - others	**0.41**	0.32
Commission on sales	**13.01**	13.25
Freight outward	**6.19**	8.36
Travelling and conveyance expenses	**4.24**	3.69
Subcontracting, hire and service charges	**7.64**	8.42
Expenditure on corporate social responsibility (CSR) (Refer Note 22A)	**0.31**	0.49
Donations	**–**	0.20
Expected credit loss	**8.26**	1.93
Net loss on foreign currency transactions	**0.05**	0.01
Auditors remuneration and out-of-pocket expenses		
(i) As auditors	**0.19**	0.19
(ii) For other services	**0.18**	0.15
(iii) For cost auditors for cost audit	**0.01**	0.02
(iv) For reimbursement of expenses	**0.06**	0.02
Legal and other professional costs	**2.22**	1.63
Site expenses	**10.98**	2.77
Provision for warranty	**0.34**	0.34
Loss on Sale / Written off Assets	**0.08**	–
Directors' fees and commission	**0.07**	0.08
Other general expenses	**4.38**	4.09
Total other expenses	**67.99**	53.78

NOTE NO. 22 A - SCHEDULE OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Rs. in Crores

Details of CSR expenditure:	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Company during the year	**0.32**	0.50
(b) Amount approved by the Board to be spent during the year	**0.32**	0.50
(c) Amount spent during the year		
i) Construction / acquisition of any asset	**–**	–
ii) On purposes other than (i) above**	**0.31**	0.49
	0.31	0.49
(d) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	**–**	–
ii) Contribution to Charitable Trust	**–**	–
iii) Unspent amount in relation to:	**–**	–
– Ongoing Project	**–**	–
– Other than ongoing project	**–**	–
	–	–

** Tree Plantation, Agriculture Equipment's, Solar Water Pump unit, Assistance to school, Health Check up, Vicinity, Drinking water facilities, Ensuring Environmental Sustainability, Promoting Preventive Healthcare & Sanitation.

In case of S. 135(5) Excess amount spent for the FY 2022-23			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance***
0.01	**0.32**	**0.31**	**0.00**

In case of S. 135(5) Excess amount spent for the FY 2021-22			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
0.02	0.50	0.49	0.01

* Amount is below rounding off norm.

NOTE NO. 23 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/loss for the year for basic and diluted EPS (Rs. in Crores)	**(12.24)**	(8.61)
Weighted average number of Equity shares used in computing basic EPS	**2,78,87,604**	2,78,39,475
Effect of potential Equity share on employee stock options	**65,044**	136,134
Weighted average number of equity shares used in computing of diluted EPS	**2,79,52,648**	2,79,75,609
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(4.39)**	(3.09)
Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(4.39)**	(3.08)

NOTE NO. 24 - FINANCIAL INSTRUMENTS

I Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Net Debt and Equity is given in the table below:

Rs. in Crores

Particulars	March 31, 2023	March 31, 2022
Total Shareholders' Equity as reported in Balance Sheet	**163.41**	175.30
Net Debts		
- Short term debt	**15.00**	25.19
Gross Debt	**15.00**	25.19
Less:		
- Cash and cash equivalents	**4.42**	0.04
Net Debts	**10.58**	25.15
Total Capital deployed	**173.99**	200.45

II Categories of financial assets and financial liabilities

Rs. in Crores

As at March 31, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	0.48	–	–	**0.48**
Trade Receivables	14.11	–	–	**14.11**
Other Financial Assets	0.73	–	–	**0.73**
Current Assets				
Trade Receivables	113.74	–	–	**113.74**
Cash and Cash Equivalents	4.42	–	–	**4.42**
Other Bank Balances	2.61	–	–	**2.61**
Other Financial Assets	1.09	–	–	**1.09**
Current Liabilities				
Borrowings	15.00	–	–	**15.00**
Trade Payables	56.71	–	–	56.71
Other Financial Liabilities	11.27	–	–	**11.27**

Rs. in Crores

				As at March 31, 2022
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investment	0.69	–	–	0.69
Trade Receivables	37.38	–	–	37.38
Other Financial Assets	0.78	–	–	0.78
Current Assets				
Trade Receivables	138.09	–	–	138.09
Cash and Cash Equivalents	0.04	–	–	0.04
Other Bank Balances	2.10	–	–	2.10
Other Financial Assets	0.58	–	–	0.58
Current Liabilities				
Borrowings	25.19	–	–	25.19
Trade Payables	62.03	–	–	62.03
Other Financial Liabilities	10.48	–	–	10.48

Financial Risk Management Framework

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Definition of default

The financial services business considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company has dealings with government organisation for subsidy related transaction and with private parties. For private non government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance provision is determined as follows:

Rs. in Crores

As at March 31, 2023

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	12.71%	36.80%	
Gross carrying amount	1.79	106.82	18.81	**127.43**
Loss allowance provision	–	13.58	6.92	**20.50**
Non Project				
Expected loss rate	0.00%	18.31%	60.37%	
Gross carrying amount	–	22.90	5.61	**28.51**
Loss allowance provision	–	4.19	3.39	**7.58**
Contract Assets	6.84	–	–	**6.84**

Rs. in Crores

As at March 31, 2022

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.03%	16.14%	
Gross carrying amount	1.80	132.70	41.36	175.86
Loss allowance provision	–	6.67	6.67	13.35
Non-Project				
Expected loss rate	–	31.45%	39.60%	
Gross carrying amount	–	14.97	4.47	19.44
Loss allowance provision	–	4.71	1.77	6.48
Contract Assets	4.00	–	–	4.00

Reconciliation of loss allowance provision for Trade Receivables

Rs. in Crores

Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	**19.82**	17.89
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	**8.26**	1.93
– Amounts written off during the year as uncollectible	**–**	–
Balance at end of the year	**28.08**	19.82

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has written off Rs. NIL, (March 31, 2022 - Nil) of trade receivables.

Cash & Cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 4.42 Crores as at 31 March 2023 (Rs 0.04 Crores as at 31 March 2022) and fixed deposits of Rs. 2.61 Crores as at 31 March 2023 (Rs 2.10 Crores as at 31 March 2022).

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Crores

Particulars	Total	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities					
March 31, 2023					
Non-interest bearing	68.04	68.04	–	–	–
Interest bearing	15.00	15.00	–	–	–
Total	**83.04**	**83.04**	**–**	**–**	**–**
March 31, 2022					
Non-interest bearing	72.51	72.51	–	–	–
Interest bearing	25.19	25.19	–	–	–
Total	**97.70**	**97.70**	**–**	**–**	**–**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Crores

Particulars	Total	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets					
March 31, 2023					
Non-interest bearing	134.01	119.25	14.27	–	0.48
Fixed interest rate instruments	3.17	2.61	–	–	0.57
Total	**137.18**	**121.86**	**14.27**	**–**	**1.05**
March 31, 2022					
Non-interest bearing	177.16	138.71	37.76	–	0.69
Fixed interest rate instruments	2.50	2.10	–	–	0.41
Total	**179.66**	**140.81**	**37.76**	**–**	**1.09**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

Rs. in Crores

		Trade receivables		**Trade payables**
Exposure to foreign currency liabilities	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
USD	**0.00**	0.00	**–**	–
INR	**0.22**	0.16	**–**	–
CHF	**–**	–	**(0.00)**	(0.00)
INR	**–**	–	**(0.01)**	(0.01)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

Exposure to interest rate

The Company's main interest rate risk arises from short term borrowings with variable interest rate and fixed interest rate carrying investments like fixed deposits with banks, which exposes the Company to cash flow interest rate risk.

Rs. in Crores

Particulars	March 31, 2023	March 31, 2022
Fixed rate instruments		
Financial assets (bank deposits)	**3.17**	2.50
Variable rate instruments		
Financial liabilities (Short term borrowings)	**15.00**	25.19

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate bank deposits and loans to its subsidiaries are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis for floating rate liabilities is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A reasonable possible change of 100 basis points (100 bps) in interest rate at the reporting date would have increased / (decreased) profit after tax and equity by the amount shown below:

Rs. in Crores

	Profit or (loss)		Equity, net of tax	
Particulars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31-Mar-23				
Variable-rate instruments	**(0.15)**	**0.15**	**(0.11)**	**0.11**
31-Mar-22				
Variable-rate instruments	(0.25)	0.25	(0.18)	0.18

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the MEIL business determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTE NO. 25 - FAIR VALUE MEASUREMENT

The directors consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 26 - LEASES (REFER NOTE 2B)

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs.

The following is the movement in lease liabilities

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Lease liabilities recognised	**(–)**	0.03
Impact of Adoption of IND AS 116	**–**	–
Additions	**0.15**	–
Finance cost accrued during the period*	**–**	–
Deletions	**–**	–
Payment of lease liabilities*	**(–)**	(0.03)
Closing Balance	**0.15**	(–)

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	**0.05**	–
Non-current lease liabilities	**0.10**	–
Closing Balance	**0.15**	–
Carrying Value of Right of use assets (Refer Note 2B)	**3.03**	2.93

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	**0.05**	–
One to Three years	**0.10**	–

Rental expense recorded for short-term leases was Rs. 2.24 Crores (Previous Year: Rs. 2.12 Crores) for the year ended 31st March, 2023.

* Amount is below rounding off norm

NOTE NO. 27 - SEGMENT INFORMATION

The Company is engaged in the business of Precision Farming Products and Services and in a single geography viz, India. The Information reported to the chief operating decision maker (CODM) [Viz, The Managing Director] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, The Company has identified a single segment under Ind AS 108 - "Operating Segments".

Refer Note 17 for the analysis of revenue from it major products and services.

NOTE NO. 28 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs. 1.10 Crores (year ended March 31, 2022 : Rs. 1.10 Crores) and Superannuation Fund Rs. 0.50 Crores (year ended March 31, 2022 : Rs. 0.36 Crores) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long-term.

The company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Rs. in Crores

Particulars	Funded Plan	
	Gratuity	
	2023	2022
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	**0.32**	0.33
2. Interest cost	**0.19**	0.20
3. Expected return on plan assets	**(0.23)**	(0.21)
	0.29	0.32
Ib. Included in other Comprehensive Income		
1. Return on plan assets	**0.03**	(0.05)
2. Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	**0.04**	0.02
– Financial Assumptions	**(0.17)**	(0.05)
– Experience Adjustments	**(0.30)**	0.18
	(0.39)	0.09
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	**0.03**	(0.05)
Actuarial gains and loss arising from changes in financial assumptions	**(0.17)**	(0.05)
Actuarial gains and loss arising from experience adjustments	**(0.30)**	0.18
Others (describe)	**–**	–
– Demographic Assumptions	**0.04**	0.02
Acturial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	**(0.39)**	0.09
Total	**(0.10)**	0.41
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**3.62**	3.74
2. Fair value of plan assets as at 31st March	**4.16**	3.97
3. Surplus/(Deficit)	**0.53**	0.22
4. Current portion of the above	**–**	–
5. Non current portion of the above	**0.53**	0.22
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**3.74**	3.67
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account	**–**	–
– Current Service Cost	**0.32**	0.33
– Interest Cost	**0.19**	0.20
4. Recognised in Other Comprehensive Income		
Remeasurement gains/ (losses)		
– Actuarial Gain (Loss) arising from:	**–**	–
– Demographic Assumptions	**0.04**	0.02
– Financial Assumptions	**(0.17)**	(0.05)
– Experience Adjustments	**(0.30)**	0.18
5. Benefit payments	**(0.21)**	(0.59)
6. Present value of defined benefit obligation at the end of the year	**3.62**	3.74
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**3.97**	3.68
2. Adjustment to Opening Fair Value of the Asset	**–**	0.00
3. Expenses Recognised in Profit and Loss Account	**–**	–
– Expected return on plan assets	**0.23**	0.21
4. Recognised in Other Comprehensive Income		
Remeasurement gains/ (losses)	**–**	–

Rs. in Crores

Particulars	Funded Plan	
	Gratuity	
	2023	2022
– Actual Return on plan assets in excess of the expected return	**(0.03)**	0.05
– Others (specify)	**–**	0.01
5. Contributions by employer (including benefit payments recoverable)	**–**	0.01
6. Benefit payments	**–**	–
7. Fair value of plan assets at the end of the year	**4.16**	3.97
IV. The Major categories of plan assets		
- Funds Managed By Insurer (LIC of India)	**4.16**	3.97
V. Actuarial assumptions		
1. Discount rate	**7.12%**	5.64%
2. Expected rate of return on plan assets	**6.00%**	6.00%
3. Salary escalation	**3.00%**	5.00%
4. Mortality Rate disclosure	**IALM (2012-14) Ult.**	IALM (2012-14) Ult.
5. Attrition rate	**18.00%**	19.09%

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Crores

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	2023	1.00%	0.11	0.13
	2022	1.00%	0.12	0.13
Salary growth rate	2023	1.00%	0.10	0.10
	2022	1.00%	0.11	0.11

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Rs. in Crores

Maturity profile of defined benefit obligation:	**2023**	2022
Within 1 year	**0.86**	0.76
1 - 2 year	**0.75**	0.71
2 - 3 year	**0.71**	0.63

Rs. in Crores

Maturity profile of defined benefit obligation:	**2023**	2022
3 - 4 year	**0.42**	0.59
4 - 5 year	**0.40**	0.37
5 - 10 year	**1.18**	1.19

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	2023	2022
Weighted average remaining duration of Defined Benefit Obligation (No of Year)	**3.70**	3.63

Rs. in Crores

	2023	2022
Expected contribution to the plan for next financial year:	**0.86**	0.76

NOTE NO. 29 - RELATED PARTY DISCLOSURES

Name of the parent Company	**Relationship**
Mahindra and Mahindra Ltd.	Parent Company
Other related parties with whom transaction have been undertaken	
Mahindra Logistics Ltd.	Fellow subsidiary
Mahindra HZPC Pvt Ltd.	Fellow subsidiary
Mahindra Agri Solutions Ltd.	Fellow subsidiary
Mahindra Lifespace Developers Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Pvt Ltd.	Fellow subsidiary
Mahindra and Mahindra Ltd. - Swaraj	Fellow subsidiary
Mahindra Summit Agriscience Limited	Fellow subsidiary
Marvel Solren Pvt Ltd.	Fellow subsidiary
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Ratnakar Nawghare	Key Management Personnel (Company Secretary)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Crores

Nature of transactions with Related Parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of goods		
Mahindra World City Jaipur Limited	**–**	0.00
Mahindra Top Greenhouses Private Limited	**0.06**	0.27
Purchase of Goods & Services		
Marvel Solren Pvt Ltd.	**0.18**	0.17
Remuneration		
Mr. Ashok Sharma	**0.36**	0.36
Mr. Abhijit Page	**0.77**	0.83
Ms. Sunetra Ganesan	**0.67**	0.70
Mr. Ratnakar Nawghare	**0.31**	0.37
Management contract fees expenses (Including for deputation of personnel)		
Mahindra Logistics Limited	**0.03**	0.05
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	**0.71**	0.90
Business Support Services		
Mahindra Agri Solutions Ltd.	**–**	0.22
Mahindra and Mahindra Limited	**1.07**	0.61
Mahindra Farm Equipment Sector	**0.13**	0.19
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	**0.13**	0.16
Mahindra Agri Solutions Ltd.	**0.01**	0.00

Rs. in Crores

Nature of transactions with Related Parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	**0.10**	0.10
Professional Fees		
Mahindra and Mahindra Limited	**0.25**	0.25
Mahindra Integrated Business Solutions Pvt Ltd.	**0.02**	0.02

Nature of Balances with Related Parties	As at March 31, 2023	As at March 31, 2022
Trade payables		
Mahindra and Mahindra Limited (HO)	**0.49**	0.73
Mahindra Integrated Business Solutions Pvt Ltd	**0.00**	0.00
Mahindra Agri Solutions Ltd	**0.07**	0.17
Marvel Solren Pvt Ltd	**0.02**	0.05
Mahindra Farm Equipment Sector	**0.03**	0.14
Trade Receivables		
Mahindra and Mahindra Limited (AUTO)	**0.29**	–
Mahindra Lifespace Developers Ltd	**0.03**	0.03
Mahindra World City (Jaipur) Limited	**–**	0.02
Mahindra Top Greenhouses Private Limited	**0.46**	0.49
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	**0.48**	0.69

* The Company has incurred Rs. 0.36 Crores (March 31, 2022 Rs. 0.36 Crores) for key managerial personnel services provided by Mahindra Agri Solutions Limited.

Compensation of key managerial personnel

The remuneration of directors and key managerial personnel during the year was as follows:

Particulars	Year ended March 31, 2023						Year ended March 31, 2022					
	Directors	**Managing Director**	**Chief Executive Officer**	**Chief Financial Officer**	**Company Secretary**	**Total**	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
Remuneration	**–**	**0.36**	**0.77**	**0.67**	**0.31**	**2.11**	–	0.36	0.83	0.70	0.37	2.26
Fees for attending board committee meetings	**0.07**	**–**	**–**	**–**	**–**	**0.07**	0.08	–	–	–	–	0.08
Commission to independent directors	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Post-employment benefits*	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Share-based payment	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–

The remuneration of directors and key managerial personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefits accounted as per actuarial valuation.

NOTE NO. 30 - CONTINGENT LIABILITIES AND COMMITMENTS

Rs. in Crores

Contingent liabilities (to the extent not provided for)	**As at March 31, 2023**	As at March 31, 2022
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**0.31**	0.35
(b) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal		
Excise Duty:	**2.25**	2.19
(c) Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	**1.67**	1.67
The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of “Unjust Enrichment” has ordered the claim to be transferred to the credit of the “Consumer Welfare Fund”.		
The Company had filed an appeal against the order. On hearing the appeal the Hon’ CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon’ CESTAT.		
The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik.is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.		
(d) Local Sales Tax Bihar – CST Recovery Under appeal FY 13-14	**0.09**	0.09
(e) Local sales Tax – CG Vat/ CST demand under appeal FY15-16	**–**	0.37
(f) Local Sales Tax TN – CST .FY 16-17 Demand for F form	**–**	0.16
(g) Income Tax demand for A.Y. 17-18 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**1.68**	1.54
(h) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**2.78**	2.58
(i) Income Tax demand for A.Y. 18-19 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**0.60**	0.54
(j) Income Tax demand for A.Y. 20-21 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**0.04**	–
Total	**9.42**	9.49

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

NOTE NO. 31 - COMMITMENTS

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.*	**0.05**	0.00

* Amount is below rounding off norm.

NOTE NO. 32 - DIVIDEND

The Board has recommended a dividend of Rs. Nil per equity share (FY 21-22 Rs Nil Per equity share), subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 33 - EVENT OCCURING AFTER THE REPORTING PERIOD

No material events have occured between the Balance sheet date and before the approvals of financials statements by Board of Directors

NOTE NO. 34

Additional regulatory information

NOTE NO. 34A - Ratio Analysis and its elements

Ratio	Numerator	Denominator	Standalone		
			FY 2023	FY 2022	% Change
Debtors Turnover (Days)	Average Debtors	Net Sales	**304.70**	332.04	-8.23%
Inventory Turnover (Times)	COGS	Average Inventory	**3.32**	3.79	-12.63%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	**0.81**	0.09	806.64%
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	**2.20**	1.96	12.15%
Debt Equity Ratio (Times)	Debt	Shareholders Equity	**0.09**	0.14	-36.12%
Net Profit Margin (%)	PAT	Net Sales	**-5.82%**	-4.06%	43.22%
Return on Equity (%)	PAT	Net Worth	**-7.23%**	-4.76%	51.94%
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	**166**	171	-2.64%
Return on Capital employed	EBIT	Capital Employed	**-7.58%**	-4.06%	87.02%
Working Capital Turnover Ratio	Net Sales	Average Working Capital	**1.96**	2.12	-7.57%
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	**2.84%**	5.53%	-48.76%

Reasons for changes in ratios:

Debt service coverage ratio & debt equity ratio

Consistent short term borrowings for working capital & low margins.

Net profit margin, return on equity & return on capital employed

Lower revenue due to overall de-growth in the industry & increase in input costs impacting the margins.

Return on investments

Decrease in investment in f23 as compared to f22 due to lower funds availability.

NOTE NO. 34B - ADDITIONAL REGULATORY INFORMATION

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has reviewed the transactions to identify if there are any transactions with struck off companies. To the extent information is available, there are no such transactions.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Company has neither declared nor paid any dividend during the year.

NOTE NO. 35 - DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES RULES 2014

No Funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 36 - CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on April 28, 2023.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 28, 2023

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 28, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Top Greenhouses Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Top Greenhouses Private Limited** (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3)).

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company does not have any pending litigations which would impact its financial position.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 23(B)(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 23(B)(v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Rupen Shah
Partner
Membership No: 116240
ICAI UDIN: 23116240BGWVCE9647

Place: Nashik
Date: 27th April, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TOP GREENHOUSES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a), (b) and (d) The Company does not have any Property, plant and equipment and intangible assets as at 31 March 2023. Accordingly, Clause 3(i) (a), (b) and (d) of the Order is not applicable to the Company.

(c) The Company does not have any immovable property (including immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Income-Tax and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(t) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 42.77 in the current financial year and Rs 52.08 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Rupen Shah
Partner
Membership No: 116240
ICAI UDIN: 23116240BGWVCE9647

Place: Nashik
Date: 27th April, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
	ASSETS			
I	**Non-current assets**			
	(a) Income Tax Assets (net)		**2.61**	1.19
	Total Non-Current Assets		**2.61**	1.19
II	**CURRENT ASSETS**			
	(a) Inventories	2	**93.76**	26.25
	(b) Financial Assets			
	(i) Trade Receivables	6	**7.87**	146.64
	(ii) Cash and Cash Equivalents	3 (a)	**55.81**	66.88
	(iii) Other Bank Balances	3 (b)	**0.79**	5.10
	(iv) Other Financial Assets	4	**0.50**	0.50
	(c) Other Current Assets	5	**21.36**	5.18
	Total Current Assets		**180.09**	250.55
III	**Total Assets (I+II)**		**182.70**	251.74
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	7	**300.00**	300.00
	(b) Other Equity		**(221.43)**	(173.11)
	Total Equity		**78.57**	126.89
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Provisions	9	**3.79**	2.61
	Total Non-Current Liabilities		**3.79**	2.61
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	a) total outstanding dues of micro and small enterprises		**1.72**	4.39
	b) total outstanding dues of creditors other than micro and small enterprises	8	**57.03**	89.39
	(b) Provisions	9	**10.30**	9.29
	(c) Other Current Liabilities	10	**31.29**	19.17
	Total Current Liabilities		**100.34**	122.24
VII	**Total Liabilities (V+VI)**		**104.13**	124.85
VIII	**Total Equity and Liabilities (IV+VII)**		**182.70**	251.74
	The accompanying notes 1 to 24 are an integral part of the Financial Statements	1-24		

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Nashik
Date : Apr 27, 2023

For and on behalf of the Board of Directors

Meghnad Mitra
Chairman
DIN-01802612

Place : Nashik
Date : Apr 27, 2023

Sunetra Ganesan
CFO

Place : Nashik
Date : Apr 27, 2023

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 27, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	11	**203.96**	469.23
II	Other Income	12	**8.02**	3.14
III	**Total Income (I+II)**		**211.98**	472.37
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade	13 (a)	**180.09**	246.39
	(b) Changes in inventories of stock-in-trade	13 (b)	**(67.51)**	63.44
	(c) Finance costs	16	**2.08**	1.54
	(d) Other expenses	14	**145.64**	229.22
	Total Expenses (IV)		**260.30**	540.59
V	**Loss before tax (III-IV)**		**(48.32)**	(68.22)
VI	**Tax Expense**		**–**	–
VII	**Loss after tax for the period (V-VI)**		**(48.32)**	(68.22)
VIII	**Other comprehensive income**		**–**	–
IX	**Loss for the period attributable to owners of the Company (VII+VIII)**		**(48.32)**	(68.22)
X	**Earnings per equity share**			
	Basic and Diluted (Face value Rs. 10 per share)	15	**(1.61)**	(2.27)

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Nashik
Date : Apr 27, 2023

For and on behalf of the Board of Directors

Meghnad Mitra
Chairman
DIN-01802612

Place : Nashik
Date : Apr 27, 2023

Sunetra Ganesan
CFO

Place : Nashik
Date : Apr 27, 2023

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 27, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities			
Loss before tax for the year		**(48.32)**	(68.22)
Adjustments for:			
Finance costs		**2.08**	1.54
Interest Income		**(2.05)**	(2.53)
Impairment Loss recognised on financial assets		**(8.71)**	(9.00)
		(57.00)	(78.21)
Movements in working capital:			
(Increase) / decrease in trade receivables		**147.48**	23.62
(Increase) / decrease in inventories		**(67.51)**	63.44
(Increase) / decrease in Income Tax Assets		**(1.42)**	(0.76)
(Increase) / decrease in other current financial assets		**1.42**	4.06
(Increase) / decrease in other Financial and current assets		**(16.18)**	22.70
Increase / (decrease) in trade payables		**(35.02)**	(23.39)
Increase / (decrease) in provisions		**0.10**	(4.84)
Increase / (decrease) in other Financial and Non financial current liabilities		**12.12**	(29.54)
		40.99	55.29
Cash (used) in operations		**(16.01)**	(22.92)
Income taxes paid (net)		**(1.42)**	(0.76)
Net cash (used) in operating activities		**(17.43)**	(23.68)
Cash flows from investing activities			
Interest received		**2.05**	2.53
Net cash generated from investing activities		**2.05**	2.53
Net decrease in cash and cash equivalents		**(15.38)**	(21.15)
Cash and cash equivalents at the beginning of the year	(Note No. 3 (a))	**66.88**	88.03
Other Bank Balances	(Note No. 3 (b))	**4.31**	5.10
Cash and cash equivalents at the end of the year		**55.81**	71.98

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Nashik
Date : Apr 27, 2023

For and on behalf of the Board of Directors

Meghnad Mitra
Chairman
DIN-01802612

Sunetra Ganesan
CFO

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 27, 2023

Place : Nashik
Date : Apr 27, 2023

Place : Nashik
Date : Apr 27, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

A. Equity share capital

	No. of Equity Shares	**Total**
As at March 31, 2021	30,00,000.00	300.00
Restated Balance as at March 31 2021	**30,00,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2022	**30,00,000.00**	**300.00**
Restated Balance as at March 31 2022	**30,00,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2023	**30,00,000.00**	**300.00**

B. Other Equity

Rs. in Lakhs

Particulars	**Retained Earnings**	**Total**
Balance as at March 31, 2021	**(104.89)**	**(104.89)**
Loss for the year	(68.22)	(68.22)
Balance as at March 31, 2022	**(173.11)**	**(173.11)**
Loss for the year	(48.32)	(48.32)
Balance as at March 31, 2023	**(221.43)**	**(221.43)**

See accompanying notes to the Financial Statement 1-24

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Nashik
Date : Apr 27, 2023

For and on behalf of the Board of Directors

Meghnad Mitra
Chairman
DIN-01802612

Place : Nashik
Date : Apr 27, 2023

Sunetra Ganesan
CFO

Place : Nashik
Date : Apr 27, 2023

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 27, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information

Mahindra Top Greenhouses Private Limited was incorporated on November 16, 2018 under the Companies Act, 2013. It is engaged in the business of Protected cultivation Technology products. The Company is a joint venture of Mahindra EPC Irrigation Limited and Top Greenhouses Ltd., Israel.

The Management has evaluated the recoverability of receivables and realisability of inventories based on subsequent recoveries and customer orders on hand respectively. The Company will continue to closely monitor the developments.

B. Statement of compliance

i) The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

ii) These financial statements were approved by the Company's Board of Directors and authorised for issue on 27 April 2023.

C. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

E. Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition and are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

F. Revenue recognition:

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

a) Sale of Products

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time. Sales-related warranties associated the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IND AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note 9).

A receivable is recognised by the Company when the goods are delivered to the customer installation acknowledged by the farmers or delivery of the Kits to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

G. Other income:

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

These income are recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

H. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

I. Taxes on income:

- Current Tax

  Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- Deferred Tax

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

J. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

K. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM of the company reviews the operation of the company as Protected Cultivation Technology Products.

L. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets:</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

M. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in the carrying amount of some assets and liabilities.

- Provision for warranty claims (Refer Note 9)
- Going Concern (Refer Note 22)

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

N. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that rate. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

O. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Note No. 2 - Inventories (Refer Note 1E)
[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Stock-in-trade of goods acquired for trading	**93.76**	26.25
(Lying with a third party Rs. 3.89 Lakhs, Previous Year Rs. 0.40 Lakhs)		
Total	**93.76**	26.25

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and delayed in usage in view of lower off-take in present situation. In addition, we have reviewed the likelihood of reduction in sales price and cancellation of orders. This is based on an assessment considering the orders in hand, product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable

Note No. 3 (a) - Cash and Cash Equivalents

Rs. in Lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Cash and cash equivalents		
Balance with bank		
- Current Accounts	**14.56**	15.63
- Fixed Deposits with original maturity less than 3 months *	**41.25**	51.25
Total Cash and cash equivalents	**55.81**	66.88

* The company has a lien on its bank deposits aggregating to Rs 1.25 lakhs (31st March 2022 Rs 1.25 lakhs).

Note No. 3 (b) - Other Cash Balances

Rs. in Lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Other Bank Balances		
- Interst accrued on deposits	**0.79**	5.10
Total Other Bank Balances	**0.79**	5.10

Note No. 4 - Other Financial Assets

Rs. in Lakhs

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Carried at amortised cost:				
Security deposits	**0.50**	**–**	0.50	–
Total	**0.50**	**–**	0.50	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 5 - Other Current Assets

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Prepayments	**0.75**	**–**	0.22	–
(b) Balances with government authorities				
(i) GST credit receivable	**20.61**	**–**	4.15	–
(c) Others				
Considered Good				
(i) Advance to suppliers	**–**	**–**	0.76	–
(ii) Advance to Employees	**–**	**–**	0.05	–
Total	**21.36**	**–**	5.18	–

Note No. 6 - Trade Receivables

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
Unsecured, considered good	**7.87**	**–**	146.64	–
Doubtful	**17.71**	**–**	9.00	–
	25.58	**–**	155.64	–
Less: Allowance for doubtful debts (expected credit loss)	**(17.71)**	**–**	(9.00)	–
Total	**7.87**	**–**	146.64	–

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2023

Rs. in Lakhs

Outstanding for following periods from due date of payment.

Sr. No.	Particulars	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	**4.22**	**3.65**	**0.00**	**17.71**	**–**	**25.58**
ii	Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
iii	Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
iv	Disputed Trade receivables – considered good	**–**	**–**	**–**	**–**	**–**	**–**
v	Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
vi	Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
	Total	**4.22**	**3.65**	**0.00**	**17.71**	**–**	**25.58**
	Less : Allowance for trade receivables				**(17.71)**		**(17.71)**
	Total	**4.22**	**3.65**	**0.00**	**–**	**–**	**7.87**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2022.

Rs. in Lakhs

Outstanding for following periods from due date of payment.

Sr. No.	Particulars	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	95.87	41.75	17.65	0.36	–	155.64
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	**95.87**	**41.75**	**17.65**	**0.36**	**–**	**155.64**
	Less : Allowance for trade receivables	**–**	**–**	**(9.00)**	**–**	**–**	**(9.00)**
	Total	**95.87**	**41.75**	**8.65**	**0.36**	**–**	**146.64**

Note No. 7 - Equity Share Capital

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Rs. in Lakhs	As at March 31, 2022 No. of shares	As at March 31, 2022 Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Issued				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Subscribed and fully paid up				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Total	**30,00,000**	**300.00**	30,00,000	300.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Lakhs

Particulars		Opening Balance	Issued during the year	Closing Balance
Equity shares	**No. of Shares**	30,00,000	–	30,00,000
	Amount	300.00	–	300.00

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each promoter at the end of the year:

31 March 2023

Name of promoter	As at March 31, 2023 Number of shares	As at March 31, 2023 % of shares	As at March 31, 2022 Number of shares	As at March 31, 2022 % of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited	**18,00,000**	**60.00%**	18,00,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**12,00,000**	**40.00%**	12,00,000	40.00%	0.0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

31 March 2022

Name of promoter	As at March 31, 2022 Number of shares	As at March 31, 2022 % of shares	As at March 31, 2021 Number of shares	As at March 31, 2021 % of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited	**18,00,000**	**60.00%**	18,00,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**12,00,000**	**40.00%**	12,00,000	40.00%	0.0%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2023 Number of shares held	As at March 31, 2023 % holding in that class of shares	As at March 31, 2022 Number of shares held	As at March 31, 2022 % holding in that class of shares
Equity shares				
Mahindra EPC Irrigation Limited	**18,00,000**	**60.00%**	18,00,000	60.00%
Top Greenhouses Limited, Israel	**12,00,000**	**40.00%**	12,00,000	40.00%

Note No. 8 - Trade Payables

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade payable - Micro and small enterprises	**1.72**	4.39
Trade payable - Other than micro and small enterprises	**57.03**	89.39
Total	**58.75**	93.78
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:		
(a) Dues remaining unpaid as at March 31		
Principal	**1.72**	4.39
Interest on the above	**–**	–
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the period	**–**	–
Principal paid beyond the appointed date	**–**	–
Interest paid in terms of Section 16 of the Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the period	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at March 31	**–**	–
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Note No. 8 - Trade payables Ageing Schedule

Rs. in Lakhs

31st March 2023

Sr. No.	Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	MSME	**1.72**	**–**	**–**	**–**	**1.72**
ii	Others	**57.03**	**–**	**–**	**–**	**57.03**
iii	Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**
iv	Disputed dues - Others	**–**	**–**	**–**	**–**	**–**
	Total	**58.75**	**–**	**–**	**–**	**58.75**
v	Unbilled	**3.12**	**–**	**–**	**–**	**3.12**
	Total	**61.87**	**–**	**–**	**–**	**61.87**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Rs. in Lakhs

31st March 2022

Sr. No.	Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	MSME	4.39	–	–	–	**4.39**
ii	Others	84.48	0.37	0.50	–	**85.35**
iii	Disputed dues - MSME	–	–	–	–	**–**
iv	Disputed dues - Others	–	–	–	–	**–**
	Total	**88.87**	**0.37**	**0.50**	**–**	**89.74**
v	Unbilled	4.04	–	–	–	**4.04**
	Total	**92.90**	**0.37**	**0.50**	**–**	**93.78**

Note No. 9 - Provisions

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
Other Provisions				
Warranty	**10.30**	**3.79**	9.29	2.61
Total	**10.30**	**3.79**	9.29	2.61

Details of movement in Warranty Provisions is as follows:

Particulars	Amount (Rs. in Lakhs)
Balance at March 31, 2022	**11.90**
Additional provisions recognised	2.05
Amounts used during the year	0.58
Unwinding of discount	0.72
Balance at March 31, 2023	**14.09**

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information of shareholders entities past experience and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 1 year to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within 3 years after the reporting date.

Note No. 10 - Other Current Liabilities

Rs. in Lakhs

	Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a)	Advances received from customers	**28.20**	**–**	15.85	–
(b)	Statutory dues				
	- taxes payable (other than income taxes)	**1.32**	**–**	2.23	–
(c)	Security Deposits	**1.09**	**–**	1.09	–
(d)	Interest Payable	**0.68**	**–**	–	–
	Total	**31.29**	**–**	19.17	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 11 - Revenue from Operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Revenue from sale of products	**159.74**	454.26
(b) Revenue from rendering of services	**44.22**	14.97
Total	**203.96**	469.23

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time.

During the year there are 3 most significant customer from which the Company has earned revenues in excess of 10% of the Company's revenues. The total amount of revenue earned from such customers is Rs. 120.48 lakhs (31 March 2022: Rs. 356.5 lakhs). The revenue earned is pertaining to sale and installation of Green Houses.

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of Green House products and installation services

Particulars	March 31, 2023	March 31, 2022
Revenue from contracts with customers at a point in time		
Sale of Green House Products	**159.74**	454.26
Installation Servies	**44.22**	14.97
Total Revenue from contract with customers	**203.96**	469.23

b) Movement of Deferred Contract Liability (Advance from customer)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	**15.85**	46.23
i) Addition during the year (Net)	**28.20**	15.85
ii) Income recognised during the year	**15.85**	46.23
Closing Balance	**28.20**	15.85

c) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Revenue from contract with customer as per the contract price	**203.96**	469.23
Adjustments made to contract price on account of :		
Discounts / Rebates / Incentives	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**203.96**	469.23

Note No. 12 - Other Income

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) <u>Interest Income - On financial assets carried at amortised cost</u>		
1) Bank deposits	**2.05**	2.53
(b) Interest on Income Tax refunds	**–**	0.03
(c) Other Income (Refer Note below)	**5.97**	0.58
Total	**8.02**	3.14

* Other Income - Excess provision written back

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 13 (a) - Purchases of Stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Purchases traded goods (refer note 18)	**180.09**	246.39
Total	**180.09**	246.39

Note 13 (b) Changes in inventories of stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Inventories at the end of the period:		
Stock-in-trade	**93.76**	26.25
	93.76	26.25
Inventories at the beginning of the period:		
Stock-in-trade	**26.25**	89.69
	26.25	89.69
Net (increase)	**(67.51)**	63.44

Note No. 14 - Other Expenses (Also refer with Note 18)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Rent including lease rentals	**–**	0.90
Rates and taxes	**4.79**	1.74
Insurance	**0.48**	2.29
Repairs and maintenance - Others	**0.31**	0.19
Commission on sales	**1.21**	0.38
Freight outward	**4.32**	5.86
Travelling and Conveyance Expenses	**12.84**	13.70
Expected Credit Loss	**8.71**	9.00
Net loss on foreign currency transactions	**–**	0.28
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**2.00**	2.00
Legal and other professional costs	**74.42**	97.31
Site Expenses	**26.00**	88.85
Provision for Warranty	**2.23**	4.60
Other General Expenses	**3.48**	1.67
Total Other Expenses	**145.64**	229.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note No. 15 - Earnings per Share

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss for the year for basic and diluted EPS (Rs. in Lakhs)	**(48.32)**	(68.22)
Weighted average number of Equity shares used in computing basic EPS	**30,00,000**	30,00,000
Weighted average number of equity shares used in computing of diluted EPS	**30,00,000**	30,00,000
Basic and Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(1.61)**	(2.27)

Note No. 16 - Finance Cost

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest expense on delayed payment of taxes	**1.36**	0.99
(b) Other borrowing cost		
Unwinding of discount on provisions	**0.72**	0.55
Total finance costs	**2.08**	1.54

Note No. 17 - Financial Instruments

I Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	March 31, 2023	March 31, 2022
Equity	**78.57**	126.89
Less: Cash and cash equivalents	**(55.81)**	(66.88)
	22.76	60.01

II Categories of financial assets and financial liabilities

Rs. in Lakhs

Particulars	Amortised Costs	FVTPL	FVOCI	Total
	As at March 31, 2023			
Current Assets				
Trade Receivables	**7.87**	**–**	**–**	**7.87**
Cash and Cash Equivalents	**55.81**	**–**	**–**	**55.81**
Other Financial Assets	**0.50**	**–**	**–**	**0.50**
Current Liabilities				
Trade Payables	**58.75**	**–**	**–**	**58.75**

Rs. in Lakhs

Particulars	Amortised Costs	FVTPL	FVOCI	Total
	As at March 31, 2022			
Current Assets				
Trade Receivables	146.64	–	–	146.64
Cash and Cash Equivalents	66.88	–	–	66.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Rs. in Lakhs

Particulars	As at March 31, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Other Financial Assets	0.50	–	–	0.50
Current Liabilities				
Trade Payables	93.78	–	–	93.78

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. For parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored.

Cash and cash equivalents and fixed deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 14.56 lakhs as at 31 March 2023 (31 March 2022: Rs. 15.63 lakhs) and fixed deposits of Rs. 41.25 lakhs as at 31 March 2023 (31 March 2022: Rs. 51.25 lakhs)

The cash and cash equivalents and fixed deposit are held with bank and financial institution counterparties, which are rated AA- to AA+, based on CRISIL ratings.

Trade receivables

A summary of exposure to credit risk for trade receivables is as follows:

	Carrying Amount	
	31 March 2023	31 March 2022
Trade receivables (refer note 6)	**7.87**	146.64
	7.87	146.64

The Company's exposure to credit risk for trade receivables (net) at the reporting date by operating segment are as follows:

	Carrying Amount	
	31 March 2023	31 March 2022
Green House Products and Installation services	**7.87**	146.64
	7.87	146.64

Impairment

The ageing of trade and other receivables that were not impared is as follows:

	Carrying Amount	
	31 March 2023	31 March 2022
Gross carrying amount		
Neither due nor impaired		
Not Due	**–**	–
Ageing 0-30	**–**	61.90
Ageing 31-60	**4.22**	33.97
Ageing 61-120	**–**	41.75
Ageing more than 120	**21.36**	18.02
Expected credit loss		
Neither due nor impaired	**–**	–
Not Due	**–**	–
Ageing 0-30	**–**	–
Ageing 31-60	**–**	–
Ageing 61-120	**–**	–
Ageing more than 120	**17.71**	9.00
Net amount after impairment	**7.87**	**146.64**

Management believes that the unimparied amounts that are overdude are still collectible in full, based on extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Particulars	Amount
Balance as at 1 April 2022	9.00
Less : Bad debt written off during the year	–
Add : Impairment loss recognised during the year	8.71
Balance as at 31 March 2023	**17.71**

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

EXPOSURE TO LIQUIDITY RISK

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

			Contractual cash flows			
31 March 2023	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	**8**	**61.87**	**61.87**	**61.87**	**–**	**–**
		61.87	**61.87**	**61.87**	**–**	**–**

			Contractual cash flows			
31 March 2022	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	8	93.78	93.78	93.78	–	–
		93.78	93.78	93.78	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note No. 18 - Related Party Disclosures

Name of the Company	Relationship
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited)	JV Partner
Top Greenhouses Limited	JV Partner
Top Greenhouse Technologies Private Limited	A Subsidiary of Top Greenhouses Limited

Key Managerial Personnel

Meghnad Mitra	Chairman
Abhijit Page	Director
Asaf Elyahu	Director
Amiram Regev	Director

Details of transaction between the Company and its related parties are disclosed below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

			Rs. in Lakhs
Nature of transactions with Related Parties		**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
1.	**Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited.)**		
	Purchases of Goods	**5.86**	27.03
	Management Fees	**10.00**	10.00
	Professional Fees	**71.08**	89.94
2.	**Top Greenhouses Limited**		
	Purchases of Goods	**–**	5.20

		Rs. in Lakhs
Nature of Balances with Related Parties	**As at March 31, 2023**	As at March 31, 2022
Trade payables		
Mahindra EPC Irrigation Limited	**45.77**	49.01

Note No. 19 - Current Tax and Deferred Tax

The company has incurred loss for the period in books as well as per income tax provisions. Considering the company is incurring loss, and non-existence of reasonable certainty, therefore company has not recognized deferred tax assets on carry forward losses.

Note No. 20 - Segment

The company operates in only one business segment viz Business of Protected cultivation Technology products and services in India. The information reported to chief operating and decision maker(CODM) (viz Board of Director) for the assessment of performance of business and allocation of resources is under this segment. Accordingly, the company has identified the single segment under 108 – Operating segments.

The company's revenues consists of more than 10% from the one customer.

Note No. 21 - Contingent Liabilities and Commitments

There are no Contingent liabilities and Commitments.

Note No. 22 - Going Concern -Assumption

Mahindra Top Greenhouses Private Limited has recorded a loss of Rs. 48.32 Lakh. (Cumulative Loss Rs. 221.43 Lakh) Based on the business plan for the next 5 years which considers increase in revenue from operations by tapping new customers and increase in operating margins, thereby, earning cash profits and wiping off brought forward losses, there are no material uncertainty exists as at 31st March 2023.

Note 23 - (A) Additional Regulator Information - Ratio Analysis and its elements

			Standalone			
Ratio	**Numerator**	**Denominator**	**FY 2023**	**FY 2022**	**% Change**	**Reasoning**
Debtors Turnover (Times)*	Net Credit Sales	Average Debtors	2.3	4.3	-47.4%	The decrease due to timely receipt of customer dues and provision of doubtful debts in current year.
Inventory Turnover (Times)	COGS	Average Inventory	1.9	9.3	-79.9%	No ongoing projects during Mar 23.
Current Ratio (Times)	Current Assets	Current Liabilities	1.7	2.0	-13.8%	–
Gross Profit Margin (%)	Gross Profit	Net Sales	44.8%	34.0%	31.9%	–
Net Profit Margin (%)	PAT	Net Sales	-23.7%	-14.5%	63.0%	The decrease in revenue as compare to previous year is due to reduction in orders from Kheyti Tech compare to previous year, further impact of fixed costs and increase in Raw Material costs during year has led to decline in profit margins.
Return on Equity (%)	Net Profit after Taxes - Preference Dividend (if any)	Average share holders equity	-47.0%	-37.8%	24.4%	
Net Capital Turnover Ratio (Times)	Net Sales	Working Capital	2.6	3.7	-30.1%	Timely receipt of advances from customers enable to improve cash flow and also deploying just in time inventory method impacted to improve the ratio.
Return on Fixed Income Investments (%)	Income on investment	Investment	4.4%	2.5%	76.3%	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

Note 23 - (B)

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company has reviewed the transactions to identify if there are any transactions with struck off companies. To the extent information is available, there are no such transactions.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company has neither declared nor paid any dividend during the year.

Note No. 24 - Event occurring after the Reporting period

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors.

The financial statement of the company were approved by the Board of Directors and authorised for issue on April 27, 2023.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Nashik
Date : Apr 27, 2023

For and on behalf of the Board of Directors

Meghnad Mitra
Chairman
DIN-01802612
Place : Nashik
Date : Apr 27, 2023

Sunetra Ganesan
CFO
Place : Nashik
Date : Apr 27, 2023

Abhijit Page
Director
DIN-08797913
Place : Nashik
Date : Apr 27, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA HZPC PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra HZPC Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either

from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTML6505

Mumbai, April 24, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra HZPC Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTML6505
Mumbai, April 24, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of finished goods, work-in-progress, agricultural produce and packing materials has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited and Axis Bank Limited ("the Banks") on the basis of security of current assets during the year. The current assets statements filed by the Company with the Banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes during the year.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year. The Company has incurred cash losses of Rs. 296.44 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to comply with the provisions of Section 135 of the Act related to the Corporate Social Responsibility (CSR) as the Company has incurred losses during the last three financial years. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTML6505

Mumbai, April 24 2023

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	**1,498.70**	1,619.68
(b) Capital work-in-progress	4	**21.20**	9.65
(c) Other Intangible assets	5	**–**	0.41
(d) Financial Assets			
(i) Security Deposit	6	**7.11**	7.10
Total Non - current assets		**1,527.01**	1,636.84
2 Current assets			
(a) Inventories	7	**4,212.83**	3,515.32
(b) Financial Assets			
(i) Trade receivables	8	**64.18**	64.89
(ii) Cash and cash equivalents	9	**0.01**	0.03
(c) Current Tax Assets	10	**1.95**	0.28
(d) Other current assets	11	**174.97**	194.51
Total current assets		**4,453.94**	**3,775.03**
Total Assets		**5,980.95**	5,411.87
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	12	**4,964.00**	4,964.00
(b) Other Equity	12.2	**(4,621.77)**	(4,730.18)
Total equity (I+II)		**342.23**	**233.82**
LIABILITIES			
2 Non-current liabilities			
(a) Provisions	13	**59.94**	62.74
Total Non - Current Liabilities		**59.94**	62.74
3 Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	14	**2,105.50**	1,370.28
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		**7.56**	7.09
Total outstanding dues of creditors other than micro enterprises and small enterprises		**937.62**	1,272.04
(iii) Other financial liabilities	16	**1,344.09**	903.23
(b) Provisions	13	**10.38**	9.67
(c) Other current liabilities	17	**1,173.63**	1,553.00
Total Current Liabilities		**5,578.78**	**5,115.31**
Total Equity and Liabilities (1+2+3)		**5,980.95**	5,411.87

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 24 April 2023

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Anurag Garg (CFO)
(Membership No. 418158)

Davinder Singh Dosanjh (CEO)

Place: Mumbai
Date: 24 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

	Particulars	Note No.	**For the year ended March 31, 2023**	For the year ended March 31, 2022
	INCOME			
I	Revenue from operations	18	**5,830.34**	4,111.26
II	Other Income	19	**10.14**	0.16
III	**Total Income (I + II)**		**5,840.48**	4,111.42
IV	**EXPENSES**			
	(a) Purchases of stock-in-trade	20(a)	**3,879.67**	2,264.93
	(b) Changes in inventories of stock-in-trade and work-in-progress	20(b)	**(739.25)**	(195.74)
	(c) Cost of packing materials consumed	20(c)	**143.78**	67.32
	(d) Employee benefits expense	21	**549.21**	510.55
	(e) Finance costs	22	**115.25**	209.15
	(f) Depreciation and amortisation expense	3	**96.44**	127.04
	(g) Other expenses	23	**1,691.49**	1,551.65
	Total expenses (IV)		**5,736.59**	4,534.90
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**103.89**	(423.48)
VI	**Exceptional Items**		**–**	–
VII	**Profit/(Loss) before tax (V - VI)**		**103.89**	(423.48)
VIII	**Tax expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax	24	**–**	–
	Total tax expense		**–**	–
IX	**Profit/(Loss) for the year (VII - VIII)**		**103.89**	(423.48)
X	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss			
	(a) Remeasurements gain/ (loss) of the defined benefit plan	25	**6.04**	3.22
	(b) Income tax on above		**(1.52)**	(0.81)
XI	**Total Comprehensive Income for the year (IX + X)**		**108.41**	(421.07)
XII	**Earnings/(Loss) per equity share**			
	(1) Basic	26	**0.21**	(0.94)
	(2) Diluted		**0.21**	(0.94)

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 24 April 2023

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Anurag Garg (CFO)
(Membership No. 418158)

Davinder Singh Dosanjh (CEO)

Place: Mumbai
Date: 24 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

Particulars	Equity Share Capital	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the year - April 01, 2022	**4,964.00**	**667.60**	**(5,400.78)**	**3.00**	**233.82**
Proceeds from Issue during the year	–	–	–	–	–
Profit/(Loss) for the year	–	–	103.89	–	103.89
Remeasurements gain/ (loss) of the defined benefit plan, net of taxes	–	–	–	4.52	4.52
Balance at the end of the year - March 31, 2023	**4,964.00**	**667.60**	**(5,296.89)**	**7.52**	**342.23**

(₹ in Lacs)

Particulars	Equity Share Capital	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the year - April 01, 2021	**4,489.00**	**667.60**	**(4,977.30)**	**0.59**	**179.89**
Proceeds from Issue during the year	475.00	–	–	–	475.00
Profit/(Loss) for the year	–	–	(423.48)	–	(423.48)
Remeasurements gain/ (loss) of the defined benefit plan, net of taxes	–	–	–	2.41	2.41
Balance at the end of the year - March 31, 2022	**4,964.00**	**667.60**	**(5,400.78)**	**3.00**	**233.82**

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our Report of even date attached
For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 24 April 2023

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Anurag Garg (CFO)
(Membership No. 418158)

Davinder Singh Dosanjh (CEO)

Place: Mumbai
Date: 24 April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
A. Cash flow from operating activities		
Profit / (Loss) before tax	**103.89**	(423.48)
Adjustments for:		
Interest on deposit with bank	**(9.07)**	–
Interest expenses on borrowings	**115.25**	209.15
Actuarial (Loss)/Gain recognised in the year (employee benefit)	**4.52**	2.41
Profit on sale of property, plant and equipment	**–**	(0.16)
Depreciation and amortisation of fixed assets	**96.44**	127.04
Operating Profit/(Loss) before working capital changes	**311.03**	(85.04)
Adjustments for:		
Decrease/(Increase) in trade receivables	**0.71**	(56.00)
Decrease/(Increase) in inventories	**(697.51)**	(277.07)
Decrease/(Increase) in other assets	**19.54**	(112.96)
(Decrease)/Increase in trade and other payables	**(272.46)**	1,521.53
(Decrease)/Increase in provisions	**(2.09)**	10.64
	(951.81)	1,086.14
Cash generated from operations	**(640.78)**	1,001.10
Income tax paid	**(1.67)**	–
Net cash (used in)/from operating activities	**(642.45)**	1,001.10
B. Cash flow from investing activities		
Government Subsidy Received	**93.76**	–
Purchase of property, plant and equipment	**(80.37)**	(43.48)
Proceeds from sale of property, plant and equipment	**–**	3.15
Interest received on fixed deposits with bank	**9.07**	–
Net cash from/(used in) investing activities	**22.46**	(40.33)
C. Cash flow from financing activities		
Proceeds from issue of equity share capital	**–**	475.00
Proceeds from borrowings	**735.22**	(1,226.81)
Interest paid	**(115.25)**	(209.15)
Net cash from/(used in) financing activities	**619.97**	(960.96)
Net changes in cash and cash equivalents	**(0.02)**	(0.19)
Cash and cash equivalents at the beginning of the year	**0.03**	0.22
Cash and cash equivalents at the end of the year (refer note 9)	**0.01**	0.03

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 24 April 2023

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Anurag Garg (CFO)
(Membership No. 418158)

Davinder Singh Dosanjh (CEO)

Place: Mumbai
Date: 24 April 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information

Mahindra HZPC Private Limited (Joint Venture with HZPC) is engaged in the business of contract growing, corporate far wholesale, retail trading of potato seeds, minitubers, table potato and processing potato, tissue culture plants and service.

2 Significant Accounting Policies

Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 201 amended, issued by Ministry of Corporate Affairs under section 133 of Companies Act, 2013.

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except defined benefit plans - plan assets which has been fair valued. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Company's financial statements are presented in Indian Rupees (₹) which is also its functional currency.

2.2 Operating Cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the companies act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.3 Revenue recognition

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company's current revenue recognition policy is aligned to the principles enunciated in Ind AS 115 which is effective from April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

2.3.1 Sale of goods

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the control of promised products to customers;
- the company has identified the contract with customer and performance obligation in the contract;
- the amount of revenue can be measured reliably;
- revenue is recognised when the division satisfy the performance obligation
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3.3 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

2.5.1 Employee Share based compensation

Certain employees of the company / holding company on deputation are covered under the stock option plans of the holding company. These plans are assessed, managed and administered by the holding company.

The fair value of options granted under the Employee stock Option scheme applicable to eligible employees of the Company

NOTES FORMING PART OF FINANCIAL STATEMENTS

is charged in the statement of Profit and loss on a straight line basis over the service period / option vesting period with a corresponding increase in equity net of reimbursements, if any.

2.6 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7.1 Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. Intangible assets are amortized over the period of five years.

2.7.2 Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories

Inventories are valued as follows:

(a) Raw materials & components and stores & spares
At cost, arrived at on FIFO basis or net realisable value, whichever is lower. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.

(b) Traded goods
At cost arrived at on FIFO basis or net realisable value, whichever is lower. Costs are determined after deducting rebates and discounts.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

(c) Agricultural Produce
Agricultural produce is recognized at fair value less costs to sell at the date of harvest. Once harvested, these goods are subsequently accounts for under Ind AS 2 in the same manner as other inventories purchased from third parties.
Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 Basis for classification of current and Non current assets

The basis for classification of current and non current assets is as per Ind AS 1- Presentation of financial statement

Current and Non current assets

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Current and Non current liabilities

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

2.11 Foreign Currency Transactions

In preparing the financial statements of entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.14 Provisions for doutful debtors

As per applicable credit policy company make a provision for doubtful debtors where outstanding remain unpaid for more than 180 days.

2.15 Biological assets and agricultural produce

The Company's operations include activities which are agricultural in nature and are subject to the recognition, measurements and disclosure requirements of Ind AS 41 - Agriculture. Biological Assets are recognised when the Company controls the assets as a result of past events and it is probable that the future economic benefits associated with the asset will flow to the Company and fair value can be measured reliably. On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Cost to sell includes the incremental cost to sell including commission to traders, brokers and dealers and estimated cost to transport to the market but excludes finance costs and income taxes. harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested.

Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological assets and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories.

2.16 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 3 - Property, Plant & Equipment – estimated useful life

Note No. 5 - Intangible assets – impairment and estimated useful life

Note No. 7 - Fair value measurements and inventory valuation processes

Note No. 18 - Revenue Recognition – satisfaction of performance obligation and price of the performance obligation.

Note No. 29 - Recoverability of trade receivables and determining provision as per ECL model of the Company.

2.18 Leasing

Company has no significant transactions, all transactions are short term in nature.

2.19 Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in Balance Sheet where there is legally enforceable right to offset the recognised amounts and there is an intension to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

2.20 Government grants

The Company has received grant from District Horticulture Mission Society, Mohali, Punjab. The Company has deducted the grant from the carrying value of the asset. The grant is recognised in the profit and loss over the life of a depreciable asset as a reduced depreciation expense.

2.21 Going Concern

The performance of the Company in term of revenue and profitability is exceeding the budgeted expectations. Further, considering the customer response on new product varieties, order position and advance received from the customers for the next financial year, the Company is confident of its ability to meet the future funds requirements and to continue its business as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 3 - Property Plant & equipment

(₹ in Lacs)

Description of Assets	Land – Freehold	Building	Plant and Equipment	Electrical Installation and Equipment	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I. Gross Block									
Balance as at April 1, 2022	321.77	600.00	977.86	124.70	23.71	94.48	33.33	106.79	2,282.64
Reclassification of Assets			(17.43)					17.43	–
Additions during the year	–	–	41.50	–	–	6.17	10.73	10.41	68.81
Sale during the year	–	–	–	–	–	–	–	–	–
Government grant/ subsidy received		(26.35)	(67.41)						(93.76)
Balance as at March 31, 2023	**321.77**	**573.65**	**934.52**	**124.70**	**23.71**	**100.65**	**44.06**	**134.63**	**2,257.69**
	321.77	573.65	934.52	124.70	23.71	100.65	44.06	134.63	2,257.69
II. Accumulated depreciation and amortization									
Balance as at April 1, 2022	–	99.70	334.27	65.14	22.28	44.57	21.45	75.55	662.96
Reclassification of accumulated depreciation			(1.64)					1.64	–
Depreciation for the year	–	18.10	67.33	11.85	0.18	8.97	6.45	15.88	128.76
Disposal of Asset/Transfer	–	–	–	–	–	–	–	–	–
Adjustment for Government subsidy/ grant received		(5.35)	(27.38)	-	-	-	-	-	(32.73)
Balance as at March 31, 2023	–	**112.45**	**372.58**	**76.99**	**22.46**	**53.54**	**27.90**	**93.07**	**758.99**
Net block (I-II)									
Balance as on March 31, 2022	321.77	500.30	643.59	59.56	1.43	49.91	11.88	31.24	1,619.68
Balance as on March 31, 2023	**321.77**	**461.20**	**561.94**	**47.71**	**1.25**	**47.11**	**16.16**	**41.56**	**1,498.70**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 4 - Capital Work-in-Progress

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projects in progress	**21.20**	9.65
Total	**21.20**	9.65

(₹ in Lacs)

CWIP	Amount in CWIP for a period of March 31, 2023 Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**21.20**	–	–	–	**21.20**
Projects temporarily suspended	–	–	–	–	–

(₹ in Lacs)

CWIP	Amount in CWIP for a period of March 31, 2022 Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9.65	–	–	–	9.65
Projects temporarily suspended	–	–	–	–	–

Note No. 5 - Intangible Assets

(₹ in Lacs)

Particulars	Computer Software
I. Gross Block	
Balance as at April 1, 2022	10.28
Addition during the year	–
Balance as at March 31, 2023	**10.28**
II. Accumulated Amortisation	–
Balance as at April 1, 2022	9.87
Amortisation for the year	0.41
Balance as at March 31, 2023	**10.28**
Net block (I-II)	–
Balance as on March 31, 2022	0.41
Balance as on March 31, 2023	**–**

Note No. 6 - Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits		
– Unsecured, considered good	**7.11**	7.10
Total	**7.11**	7.10

Note No. 7 - Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Work-in-progress	**380.95**	1,029.52
(b) Stock-in-trade	**3,512.08**	2,177.88
(c) Goods-in-transit	**–**	11.64
(d) Agricultural produce (including biological assets)	**263.28**	209.66
(e) Packing materials	**56.52**	86.62
Total Inventories at the lower of cost and net realisable value	**4,212.83**	3,515.32

Notes

1) The cost of inventories recognised as an expense during the year in respect of operations was Rs. 3140.42 Lacs (March 31 2022: Rs. 2069.19 Lacs)
2) Mode of valuation of inventories is stated in Note 2.8 Accounting Policies.
3) WIP comprises of tubers (seed potatoes) and are valued at cost.

Inventory comprising of traded as well as company product (grown through contract manufacturing) is valued at Cost or Net Realisable Value (NRV), whichever is lower. Having regard to the nature of business; uncertainties involved; long period time for final sale etc. while arriving at NRV, based on present market conditions and future pricing arrangements management is confident of realising value higher than the cost.

Note No. 8 - Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
(a) Unsecured, considered good	**64.18**	64.89
(b) Unsecured, considered doubtful	**64.13**	78.24
Less: Provision for doubtful debts	**(64.13)**	(78.24)
Total	**64.18**	64.89

(₹ in Lacs)

Particulars	Outstanding as on March 31, 2023 following periods from due date of payment 0-6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	64.18	–	–	–	–	64.18
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	–	0.21	2.77	–	16.64	19.62
(iii) Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	–	6.77	–	37.74	44.51
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Less: allowance for expected credit loss						(64.13)
Total	**64.18**	**0.21**	**9.54**	**–**	**54.38**	**64.18**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

Particulars	Outstanding as on March 31, 2022 following periods from due date of payment					
	0-6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	64.89	–	–	–	–	64.89
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	2.04	0.27	–	0.42	31.06	33.79
(iii) Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	2.18	42.27	44.45
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Less: allowance for expected credit loss						(78.24)
Total	66.93	0.27	–	2.60	73.33	64.89

Note No. 9 - Cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks	**0.01**	0.03
(b) Cash in hand	**–**	–
Total	**0.01**	**0.03**

Note No. 10 - Current Tax Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
TDS Receivable	**1.95**	0.28
Total	**1.95**	0.28

Note No. 11 - Other Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Current	Current
Prepaid Expenses	**10.77**	12.80
Advances to Suppliers	**263.64**	269.69
Advances to Employees	**11.04**	8.56
Less: Provision for Doubtful Advances	**(110.48)**	(96.44)
Total	**174.97**	194.61

Note No. 12 - Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each	**50,000,000**	**5,000.00**	50,000,000	5,000.00
Issued, Subscribed and Paid-up:				
Equity shares of Rs. 10 each	**49,640,000**	**4,964.00**	49,640,000	4,964.00
Total	**49,640,000**	**4,964.00**	49,640,000	4,964.00

Note No. 12.1 - Equity Share Capital

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Shares held by promoters at the end of the year March 31, 2023

S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	**29,759,119**	**59.95%**	**–**
2	HZPC SBDA B.V.	**19,880,881**	**40.05%**	**–**
	Total	**49,640,000**	**100.00%**	

Shares held by promoters at the end of the year March 31, 2022

S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	29,759,119	59.95%	10.58%
2	HZPC SBDA B.V.	19,880,881	40.05%	10.58%
	Total	49,640,000	100.00%	

Note No. 12.2 - Other Equity

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	**667.60**	667.60
Retained Earnings	**(5,296.89)**	(5,400.78)
Other comprehensive income - Actuarial gain/(loss)	**7.52**	3.00
Total	**(4,621.77)**	(4,730.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 13 - Provisions

(₹ in Lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(1) Compensated absences	**4.03**	**17.50**	**21.53**	4.55	24.36	28.91
(2) Gratuity	**6.35**	**42.44**	**48.79**	5.12	38.38	43.50
Total	**10.38**	**59.94**	**70.32**	9.67	62.74	72.41

Note No. 14 - Short Term Borrowings

(₹ in Lacs)

Particulars		As at March 31, 2023	As at March 31, 2022
A.	**Secured Borrowings:**		
(a)	Cash Credit facility from Bank	**815.02**	1,288.14
(b)	Interest accrued but not due	**1.35**	–
(c)	Contract Farming Loan for farmer facility	**1,289.13**	82.14
Total		**2,105.50**	1,370.28

Note:

i) Working capital demand loan / Cash credit facility from Axis Bank is secured by first pari-passu charge on inventories (including raw materials, finished goods and stock-in-trade) and book debts.

ii) Cash credit facility from HDFC Bank is secured by pari-passu charge on inventories (including raw materials, finished goods and stock-in-trade) and book debts.

iii) Loan carried interest rate of 6.70% p.a. on contract Farming Loan. The loan shall be due for repayment on or before the last day of the month for which the underlying receivables it is due and recoverable.

iv) Repayment terms for working capital demand loan is 180 days and for cash credit on demand.

v) Quarterly current assets statement submitted with the banks are in agreement with the books of account.

Note No. 15 - Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	**7.56**	7.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	**886.82**	1,234.27
Payable to related parties	**50.80**	37.77
Total	**945.18**	1,279.13

(₹ in Lacs)

Particulars		Outstanding for March 31, 2023 from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	**7.56**	**–**	**–**	**–**	**7.56**
(ii)	Others	**891.34**	**0.88**	**–**	**3.71**	**895.93**
(iii)	Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv)	Disputed dues - Others	**22.38**	**–**	**3.82**	**15.49**	**41.69**
Total		**921.28**	**0.88**	**3.82**	**19.20**	**945.18**

(₹ in Lacs)

Particulars		Outstanding for March 31, 2022 from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	7.09	–	–	–	7.09
(ii)	Others	1,192.23	9.89	–	47.28	1,249.40
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	7.03	0.12	15.49	22.64
Total		1,199.32	16.92	0.12	62.77	1,279.13

Note No. 16 - Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for expenses	**1,317.05**	888.19
Employee payables	**15.69**	15.04
Payable for capital goods	**11.35**	–
Total	**1,344.09**	903.23

Note No. 17 - Other Current Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers	**1,119.77**	1,510.68
Statutory dues payable	**53.86**	42.32
Total	**1,173.63**	1,553.00

Note No. 18 - Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Revenue from sale of products (including traded goods)	**5,757.17**	4,059.18
(b) Other operating revenue	**73.17**	52.08
Total	**5,830.34**	4,111.26

Note No. 19 - Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on bank deposit	9.07	–
Gain on foreign currency transactions	1.07	–
Profit on sale of property, plant and equipment	–	0.16
Total	**10.14**	0.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 20(a) - Purchases of Stock-in-Trade

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases	**3,879.67**	2,264.93
Total	**3,879.67**	2,264.93

Note No. 20(b) - Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock-in-trade*	**3,512.08**	2,177.88
Work-in-progress	**644.23**	1,239.18
Inventories at the end of the year:	**4,156.31**	3,417.06
Stock-in-trade*	2,177.88	1,996.07
Work-in-progress	**1,239.18**	1,225.25
Inventories at the beginning of the year:	**3,417.06**	3,221.32
Net (increase) / decrease in Inventories	**(739.25)**	(195.74)

***Excludes goods in transit**

Note No. 20(c) - Cost of Packing Materials consumed

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	**86.62**	16.92
Add: Purchases	**113.68**	137.02
Less: Closing stock	**56.52**	86.62
Total	**143.78**	67.32

Note No. 21 - Employee Benefits Expense

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries and wages	**504.32**	472.50
(b) Contribution to provident and other funds	**28.87**	29.87
(c) Staff welfare expenses	**16.02**	8.18
Total	**549.21**	510.55

Note No. 22 - Finance Costs

(c in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	**115.25**	209.15
Total	**115.25**	209.15

Note No. 23 - Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cold store charges	**463.27**	451.85
Rent expense	**44.12**	85.84
Printing and stationery	**6.52**	14.72
Power and fuel	**50.67**	54.82
Security charges	**14.38**	14.22
Housekeeping expenses	**0.95**	–
Directors' sitting fees	**4.80**	7.20
Recruitment expenses	**0.35**	2.86
Quality claims	**–**	132.79
Repairs and maintenance - Others	**28.23**	22.72
Insurance charges	**16.29**	28.70
Mobile and communication expenses	**1.73**	1.16
Freight outward	**145.43**	43.20
Business promotion expenses	**44.48**	4.87
Travelling and conveyance expenses	**89.91**	59.60
Legal and professional charges	**129.72**	110.17
Manpower charges	**283.02**	232.02
Bank charges	**1.33**	0.55
Provision for doubtful trade and other loans and receivables	**–**	6.10
Royalty charges	**154.70**	69.16
Miscellaneous expenses	**36.18**	29.48
Farming charges	**165.34**	172.43
Auditors' remuneration		
(i) Statutory audit fees	**5.61**	4.72
(ii) Taxation matters (including tax audit)	**1.90**	1.71
(iii) Others	**2.56**	0.76
Total	**1,691.49**	1,551.65

Note No. 24 - Deferred Tax

(₹ in Lacs)

Particulars	As at March 31, 2023	During the year	As at March 31, 2022
Deferred Tax Liabilities			
Property, Plant and equipment	**(101.70)**	(66.83)	(34.87)
	(101.70)	**(66.83)**	**(34.87)**
Deferred Tax Assets			
Provision for employee benefits	**17.70**	(1.13)	18.83
Provision for doubtful debts/advances	**43.95**	(1.66)	45.61
Carry forward losses and unabsorbed depreciation	**1,403.71**	(61.90)	1,465.61
	1,465.36	**(64.69)**	**1,530.05**
Net Deferred Tax Asset	**1,363.66**	(131.52)	1,495.18
Net Deferred Tax Asset not recognised	**1,363.66**	(131.52)	1,495.18
Net Deferred Tax Asset recognised	**–**	**–**	**–**

Note: Deferred tax assets (DTA) have not been recognised since it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 25 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating ₹22.03 Lacs (2022 : ₹21.56 Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Note: Note: Where required by Ind AS 24 an entity discloses information about contributions to defined contribution plans for key management personnel.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Defined benefit plans – as per actuarial valuation on March 31, 2023

(₹ in Lacs)

Particulars	Unfunded Plan Gratuity	
	2023	2022
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
1. Current service cost	**8.67**	7.88
2. Interest cost	**2.66**	2.49
Ib. Included in other Comprehensive Income		
Actuarial (Gain)/Loss on account of :		
– Financial Assumptions		
– Experience Adjustments	**(2.93)**	1.22
– Demographic Assumptions	**(3.11)**	(4.44)
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**8.67**	7.88
Net interest expense	**2.66**	2.49
Components of defined benefit costs recognised in profit or loss	**11.33**	10.37
Actuarial gains and loss arising form changes in financial assumptions	**(2.93)**	1.22
Actuarial gains and loss arising form experience adjustments	**(3.11)**	(4.44)
Actuarial gains and loss arising form demographic assumptions	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(6.04)**	(3.22)
Total	**5.30**	7.15
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at March 31	**48.79**	43.50
2. Fair value of plan assets as at March 31	**–**	–
3. Deficit	**(48.79)**	(43.50)
4. Current portion of the above	**6.35**	5.12
5. Non current portion of the above	**42.44**	38.38

(₹ in Lacs)

Particulars	Unfunded Plan Gratuity	
	2023	2022
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**43.50**	38.10
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**8.67**	7.88
- Interest Expense (Income)	**2.66**	2.49
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions	**(6.04)**	(3.22)
4. Others (Liabilities assumed on acquisition)	**–**	**(1.76)**
5. Present value of defined benefit obligation at the end of the year	**48.79**	43.50

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	**2023**	**51.89**	**46.00**
	2022	49.76	37.24
Salary growth rate	**2023**	**51.83**	**46.00**
	2022	38.38	37.70

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	**7.45 % p.a.**	6.50 % p.a.
Expected rate(s) of salary increase	**8.50 % p.a.**	8.50 % p.a.
Expected rate of return on plan assets	**N.A**	N.A
Attrition	**15.00 % p.a.**	15.00 % p.a.
Mortality table	**IALM 2012-14**	IALM 2012-14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	**6.35**	5.12
1 - 2 year	**6.47**	5.21
2 - 3 year	**6.27**	5.34
3 - 4 year	**6.10**	5.13
4 - 5 year	**5.72**	4.82
> 5 years	**52.00**	44.71

(C) Defined Benefit Plans (Compensated absences)
The amount recognized as an expense in respect of compensated absences is Nil (Previous Year: 9.20 lakhs).

Note No. 26 - Earning Per Share

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic Earnings per share		
From operations	**0.21**	(0.94)
	0.21	(0.94)
Diluted Earnings per share		
From operations	**0.21**	(0.94)
Total diluted earnings per share	**0.21**	(0.94)

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(Loss) for the year attributable to owners of the Company	**103.89**	(423.48)
Weighted average number of equity shares	**49,640,000**	44,903,014
Earnings/(Loss) per share from operations - Basic and Diluted	**0.21**	(0.94)

Note No. 27 - Segment Reporting

A. Primary Segment - Business Segment

The Company's business activity falls within a single business segment viz. 'trading in seed potatoes'. All other activities of the Company revolve around its main business. Hence, there are no separate reportable primary segments as defined by Ind AS 108 on "Segment Reporting". The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).

B. Secondary Segment - Geographical Segment

The Company, at present, does not have any Secondary Segment.

Note No. 28 - Related Party Transactions

Related Party Disclosures:

List of Related Parties and Relationships:

Name of the Related Parties where control exists	Description of Relationship
Mahindra Agri Solutions Limited	Holding Company

Name of the Related Parties where transactions have taken place during the period	Description of Relationship
Mahindra and Mahindra Limited	Ultimate Holding Company
"Mahindra Integrated Business Solutions Private Limited (formerly known as Mahindra BPO Services Limited)"	Fellow Subsidiary Company
HZPC SBDA B.V.	Joint Venture Partner
HZPC Holding B.V.	Holding of Joint Venture Partner
HZPC Research B.V.	Subsidiary of Joint Venture Partner
IPR B.V.	Subsidiary of Joint Venture Partner
Solentum B.V	Subsidiary of Joint Venture Partner

Additional Disclosure of Key Management Personnel:

Key Management Personnel	Description of Relationship
Mr. Davinder Singh Dosanjh (CEO)	KMP of the company
Mr. Anurag Garg (CFO)	KMP of the company
Ms. Vibha Swaminathan (CS)	KMP of the company

Note No. 28.1 - Related Party Transactions

Details of transaction between the Company and its related parties are disclosed below:

(₹ in Lacs)

Particulars	For the year ended	Parent Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Nature of transactions with Related Parties							
Mahindra Agri Solutions Limited	31-03-2023	81.63					
Cost allocation	31-03-2022	43.07					
Share Capital	31-03-2023						
	31-03-2022	284.76					
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Limited):	31-03-2023			5.73			
- Professional Fees	31-03-2022			9.79			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

Particulars	For the year ended	Parent Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Mahindra and Mahindra Limited (MMHO)	31-03-2023		29.56				
Professional Fees"	31-03-2022		21.67				
Mahindra and Mahindra Limited (MMAD)	31-03-2023		–				
Purchase of Vehicle	31-03-2022		9.65				
HZPC SBDA B.V.							
Royalty received	31-03-2023				6.99		
	31-03-2022				1.94		
Royalty expenses	31-03-2023				–		
	31-03-2022				15.67		
Other transactions (Cost Allocation)	31-03-2023				7.86		
	31-03-2022				–		
Share Capital	31-03-2023				–		
	31-03-2022				190.24		
HZPC Research B.V.	31-03-2023					9.94	
Cost Allocation	31-03-2022					2.38	
IPR B.V.	31-03-2023					1.94	
Cost Allocation	31-03-2022					1.68	
Davinder Singh Dosanjh (CEO)	31-03-2023						70.39
Gross Salary	31-03-2022						61.10
Anurag Garg (CFO) (w.e.f. November 2021)							
(Pradeep Jape till July 2021)	31-03-2023						38.25
Gross Salary	31-03-2022						24.68
Ms. Vibha Swaminathan (CS)	31-03-2023						2.40
Gross Salary	31-03-2022						2.40

(₹ in Lacs)

Nature of Balances with Related Parties - Receivable / (Payable)	Balance as on	Parent Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Mahindra Agri Solutions Limited	31-03-2023	(9.64)					
	31-03-2022	(30.47)					
Mahindra Integrated Business Solutions Private Limited	31-03-2023			(0.17)			
(Formerly known as Mahindra BPO Services Limited)	31-03-2022			(0.09)			
Mahindra and Mahindra Limited	31-03-2023		(38.33)				
	31-03-2022		(4.55)				
HZPC SBDA B.V.	31-03-2023				29.66		
	31-03-2022				14.80		
HZPC Research B.V.	31-03-2023					12.32	
	31-03-2022					2.38	
Solentum B.V.	31-03-2023					(2.66)	
	31-03-2022					(2.66)	
IPR B.V.	31-03-2023					9.28	
	31-03-2022					7.34	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 29 - Financial Risk Management

CAPITAL MANAGEMENT

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity and lease liability is not considered as debt. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

(₹ in Lacs)

Particulars	Refer Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortised cost			
Security Deposits	6	7.11	7.10
Trade Receivables	8	64.18	64.89
Cash and Cash Equivalents	9	0.01	0.03
		71.30	72.02
Financial liabilities measured at amortised cost			
Borrowing from banks	14	2,105.50	1,370.28
Trade payable	15	945.18	1,279.13
Other financial liabilities	16	1,344.09	903.23
		4,394.77	3,552.64

Financial Risk Management Framework

The company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is price risk. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

CREDIT RISK

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The company does not have significant credit risk exposure to any single counterparty.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

Ageing	For the year ended March 31, 2023	
	Expected credit loss (%)	Expected credit loss (₹ In Lacs)
0-3 month past due	0.00%	-
3-6 month past due	0.00%	–
>180 Days	100.00%	64.13
Total		**64.13**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

All such transactions are carried out within the guidelines set by the Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

LIQUIDITY RISK

(i) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-derivative financial liabilities - Less than one year		
Short term borrowings	2,105.50	1,370.28
Trade Payable	945.18	1,279.13
Other financial liabilities	1,344.09	903.23
Total	4,394.77	3,552.64

(ii) **Financing arrangements**

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Bank Overdraft facility		
- Expiring within one year	3,389.85	3,981.23
- Expiring beyond one year	–	–
Term Loan		
- Expiring within one year	–	–
- Expiring beyond one year	–	–
	3,389.85	3,981.23

Note No. 30 - Contingent liabilities and commitments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities (to the extent not provided for)	–	–
Capital commitment (net of advances of Rs. 1.33 Lakhs - Previous year - Nil)	11.35	3.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 31 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	Principal amount remaining unpaid to MSME suppliers as on	**7.56**	7.09
(ii)	the amount of interest paid by the buyer under MSMED Act	**–**	–
(iii)	Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	**–**	–
(iv)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(v)	Interest due and payable on unpaid principal amount to MSME suppliers as on	**–**	–

Note No. 32 - Ratios

Particulars		As at March 31, 2023	As at March 31, 2022	% Change YoY	Remarks
(a)	Current Ratio [Current Assets/Current Liabilities (excl. current maturities of long-term debt)]	0.80	0.74	8%	
(b)	Debt Equity Ratio (Total debt/Total Equity)	6.15	5.86	5%	
(c)	Debt Service Coverage Ratio [PBIT/(Finance Cost + Long term debt repayments)]	1.90	(1.02)	-286%	Variance in the ratio is due to higher level of PBIT for the year and lower level of interest cost
(d)	Return on Equity Ratio (PBT/Average Equity)	0.36	(3.62)	-110%	Variance in the ratio is due to higher level of PBT
(e)	Inventory Turnover [Cost of goods sold (TTM)/Average Inventory]	0.85	1.22	-30%	Variance in the ratio is due to lower inventory levels
(f)	Debtors Turnover [Sales (TTM)/Average Gross Trade Receivables]	90.34	126.71	-29%	Variance in the ratio is due to higher average debtors balance
(g)	Trade payables turnover ratio (COGS/Average Trade Payable)	2.95	3.34	-12%	
(h)	Net capital turnover ratio (Sales/Current Asset-current Liabilities)	(5.18)	(3.07)	69%	Negative working capital scenario
(i)	Net Profit Margin (%) (PAT after exceptional items/Revenue from operations)	0.02	(0.10)	-117%	Variance in the ratio is due to higher level of PBT
(j)	Return on Capital employed (PBIT/Equity)	0.64	(0.92)	-170%	Variance in the ratio is due to higher level of PBIT
(k)	Return on investment (PBT/Equity)	0.30	(1.81)	-117%	Variance in the ratio is due to higher level of PBT

Particulars	As at March 31, 2023	As at March 31, 2022
Current Asset	**4,453.94**	3,775.03
Current liabilities	**5,578.78**	5,115.31
Equity	**342.23**	233.82
Revenue from operations	**5,830.34**	4,111.26
Cost of Good Sold	**3,284.20**	2,136.51
Finance costs	**115.25**	209.15
PBT	**103.89**	(423.48)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 33 - Covid-19 Impact

The management has made the assessment of possible impact of Covid 19 on its liquidity, recoverable values of its financial and non-financial assets and has concluded that there are no significant adjustments required in the financial statement. Further, the management will continue to closely monitor the developments and possible impact, If any, on its financial condition, liquidity and operations due to Covid 19.

Note No. 34 - Corporate Social Responsibility Expenses

Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is not applicable on the Company due to not meeting up with the criteria as per Section 135(1) of the Companies Act, 2013.

Note No. 35 -

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosures. The financial statements of Mahindra HZPC Private Limited were approved by the Board of Directors and authorised for issue on April 24, 2023.

As per our Report of even date attached

For B K Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Himanshu Goradia

Partner

Membership No. 045668

Place: Mumbai

Date: 24 April 2023

For and on behalf of the Board of Directors of

Mahindra HZPC Private Limited

Ashok Sharma

(DIN: 02766679)

Meghnad Mitra

(DIN: 01802612)

Vibha Swaminathan (CS)

(Membership No. 36943)

Anurag Garg (CFO)

(Membership No. 418158)

Davinder Singh Dosanjh (CEO)

Place: Mumbai

Date: 24 April 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Fruits Private Limited (Formerly known as Mahindra Greenyard Private Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Fruits Private Limited** (Formerly known as Mahindra Greenyard Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 2013 we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to

the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZW1230
Place: Mumbai
Date: April 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Fruits Private Limited** (Formerly known as Mahindra Greenyard Private Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZW1230

Place: Mumbai

Date: April 21, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 6.31 Lakhs during the current financial year and Rs. 92.82 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZW1230
Place: Mumbai
Date: April 21, 2023

BALANCE SHEET AS AT 31ST MARCH 2023

Rupees in Lacs

Particulars		Note No.	As at 31st March 2023	As at 31st March 2022
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	**–**	4.15
	(b) Other Intangible Assets	4	**–**	–
	(c) Financial Assets			
	(i) Other Financial Assets	6	**–**	–
	SUB-TOTAL		**–**	4.15
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	5	**–**	–
	(ii) Cash and Cash Equivalents	8	**8.50**	21.27
	(iii) Other Bank Balances	8	**3.49**	3.49
	(iv) Other Financial Assets	6	**0.28**	0.10
	(b) Current Tax Assets (Net)	7	**1.61**	1.62
	SUB-TOTAL		**13.88**	26.48
	TOTAL		**13.88**	30.63
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	9	**1,233.00**	1,093.00
	(b) Other Equity	SOCE - B	**(1,222.20)**	(1,071.74)
	SUB-TOTAL		**10.80**	21.26
	LIABILITIES			
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables	10		
	Total outstanding dues of micro enterprises and small enterprises		**–**	–
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**3.04**	8.52
	(b) Other Current Liabilities	11	**0.04**	0.85
	SUB-TOTAL		**3.08**	9.37
	TOTAL		**13.88**	30.63

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Rupees in Lacs

	Particulars	Note No.	**As at 31st March 2023**	As at 31st March 2022
	Continuining Operations			
I	Revenue from operations	12	**–**	216.08
II	Other Income	13	**0.49**	20.14
III	**Total Revenue (I + II)**		**0.49**	236.22
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade	14	**–**	214.81
	(b) Changes in inventories of stock-in-trade	15	**–**	10.01
	(c) Employee benefit expense	16	**–**	38.46
	(d) Depreciation and amortisation expense	3, 4	**4.15**	12.69
	(e) Other expenses	17	**6.80**	65.83
	Total Expenses (IV)		**10.95**	341.80
V	**(Loss)/Profit before tax (III - IV)**		**(10.46)**	(105.58)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	Total tax expense		**–**	–
VII	**(Loss)/Profit after tax for the period (V - VI)**		**(10.46)**	(105.58)
VIII	**Other comprehensive income**			
	(i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
	Total other comprehensive income for the period		**–**	–
	Total comprehensive income for the period		**(10.46)**	(105.58)
IX	**Earnings per equity share:**	22		
	(1) Basic		**(0.08)**	(0.99)
	(2) Diluted		**(0.08)**	(0.99)

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Rupees in Lacs

	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
A	**Cash flows from operating activities**			
	(Loss)/Profit before tax for the year	PL	**(10.46)**	(105.58)
	Adjustments for:			
	Interest Paid		**–**	–
	Depreciation and amortisation of non-current assets	3 & 4	**4.15**	12.69
	Gain / Loss on sales of Assets		**–**	(7.58)
	Write off - Assets		**–**	7.64
			(6.31)	(92.83)
	Movements in working capital:			
	(Increase)/Decrease in trade and other receivables		**–**	66.94
	(Increase)/Decrease in inventories		**–**	10.01
	(Increase)/Decrease in other assets		**(0.18)**	17.33
	Income tax Refund/(Paid)		**0.01**	(0.01)
	Increase/(Decrease) in trade and other payables		**(6.29)**	(229.42)
	Net cash (used in) / generated by operating activities		**(12.77)**	(227.98)
B	**Cash flows from investing activities**			
	Payments for property, plant and equipment		**–**	–
	Proceeds from sales of property, plant and equipment		**–**	16.39
	Proceeds from issuance of Share capital		**–**	50.00
	Proceeds from Share application money pending allotment		**–**	140.00
	Changes in earmarked balances with Banks		**0.00**	(0.66)
	Net cash generated/(used in) by investing activities		**0.00**	205.73
C	**Cash flows from financing activities**			
	Net cash used in financing activities		**–**	–
	Net increase in cash and cash equivalents		**(12.76)**	(22.24)
	Cash and cash equivalents at the beginning of the year		**21.27**	43.51
	Cash and cash equivalents at the end of the year		**8.50**	21.27

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity share capital

For the year ended March , 31, 2023

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2022	10,930,000	1,093
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2022	10,930,000	1,093
Changes in equity share capital during the year	1,400,000	140
Balance as at 31st March 2023	**12,330,000**	**1,233**

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2021	10,430,000	1,043
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	10,430,000	1,043
Changes in equity share capital during the year	500,000	50
Balance as at 31st March 2022	**10,930,000**	**1,093**

B. Other Equity

Rs. in Lacs

Particulars	Share application money pending allotment	Reserves & Surplus: Securities Premium Reserve	Reserves & Surplus: Retained Earnings	Total
As at 1st April 2022	140.00	526.00	(1,737.74)	(1,071.74)
Loss for the period	–		(10.46)	(10.46)
Equity Share issued against pending allotement	(140.00)	–	–	(140.00)
Balance as at 31st March 2023	–	526.00	(1,748.20)	(1,222.20)
As at 1st April 2021	–	526.00	(1,632.16)	(1,106.16)
Profit for the period	–	–	(105.58)	(105.58)
Other Comprehensive Income / (Loss)	–	–	–	–
Share application money pending allotment	140.00	–	–	140.00
Balance as at 31st March 2022	**140.00**	**526.00**	**(1,737.74)**	**(1,071.74)**

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Corporate Information

Mahindra Fruits Private Limited (Formerly known as Mahindra Greenyard Private Limited) ("the company") a private limited company domiciled in India and incorporated on 9thJuly, 2014 under the provisions of the Companies Act, 1956 (CIN:U01403MH2014PTC55946). The Company is the wholly owned subsidiary of Mahindra Agri Solutions Limited. The Company deals in sourcing, storing and distribution of fresh fruits in domestic market.

The financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 21 April 2023.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed at which time all the following conditions are satisfied

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

1.5 Employee benefits

1.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

1.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.6 Taxation

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of Deferred Tax is reviewed at each Balance Sheet date.

1.7 Property, plant and equipment

Furniture & Fixtures, equipment and Vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.8 Intangible assets

1.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.8.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software - 10 Years

1.8.4 Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

1.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

1.12.1 Impairment of financial assets

This being the third full year of operations, there is no trend to depict expected credit losses. The company deals in fresh fruits which is a seasonal business & the commodity is perishable in nature. The Company has used the practical expedient as permitted by IND AS 109 and has maintained a policy of providing for debtors outstanding for a period exceeding 180 days. This policy will be regularly reviewed in line with the type of business that the company is in.

1.12.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

1.12.3 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

1.13 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

1.13.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.13.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

1.13.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 3 - Property, Plant and Equipment

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 2022	24.72	–	–	7.40	–	**32.12**
Additions during the year	–	–	–	–	–	**–**
Disposals during the year	–	–	–	–	–	**–**
Balance as at 31st March 2023	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
II. Accumulated depreciation and impairment						
Balance as at 1st April 2022	22.29	–	–	5.68	–	**27.97**
Depreciation expense for the year	2.44	–	–	1.71	–	**4.15**
Eliminated on disposal of assets	–	–	–	–	–	**–**
Balance as at 31st March 2023	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
III. Net carrying amount (I-II)	**–**	**–**	**–**	**–**	**–**	**–**

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 2021	56.22	12.04	5.83	16.05	1.39	**91.52**
Additions during the year	–	–	–	–	–	**–**
Disposals during the year	31.50	12.04	5.83	8.65	1.39	**59.40**
Balance as at 31st March 2022	24.72	–	–	7.40	–	**32.12**
II. Accumulated depreciation and impairment						
Balance as at 1st April 2021	42.66	3.73	1.71	11.83	0.75	**60.68**
Depreciation expense for the year	7.05	2.18	0.53	2.08	0.24	**12.08**
Eliminated on disposal of assets	27.42	5.91	2.24	8.22	1.00	**44.79**
Balance as at 31st March 2022	22.29	–	–	5.68	–	**27.97**
III. Net carrying amount (I-II)	2.44	–	–	1.71	–	**4.15**

Note No. 4 - Other Intangible Assets

Rupees in Lacs

Description of Assets	Computer Software	Total
Intangible Assets		
Cost		
Balance as at 1st April 2022	–	–
Additions during the year	–	–
Disposals during the year	–	–
Balance as at 31st March 2023	**–**	**–**
II. Accumulated depreciation and impairment		
Balance as at 1st April 2022	–	–
Depreciation expenses for the year	–	–
Disposals during the year	–	–
Balance as at 31st March 2023	**–**	**–**
III. Net carrying amount (I-II)	**–**	**–**

Rupees in Lacs

Description of Assets	Computer Software	Total
Intangible Assets		
Cost		
Balance as at 1st April 2021	4.71	**4.71**
Additions during the year	–	**–**
Disposals during the year	4.71	**4.71**
Balance as at 31st March 2022	–	**–**
II. Accumulated depreciation and impairment		
Balance as at 1st April 2021	2.26	**2.26**
Depreciation expenses for the year	0.61	**0.61**
Disposals during the year	2.87	**2.87**
Balance as at 31st March 2022	–	**–**
III. Net carrying amount (I-II)	–	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 5 - Trade receivables

Rs. in Lacs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
a) Undisputed Trade Receivables – considered good	**–**	**–**	–	–
b) Undisputed Trade Receivables – which have significant increase in credit risk	**214.66**	**–**	214.66	–
c) Undisputed Trade receivable – credit impaired	**214.66**	**–**	214.66	–
d) Disputed Trade receivables - considered good	**–**	**–**	–	–
e) Disputed Trade receivables – which have significant increase in credit risk	**–**	**–**	–	–
f) Disputed Trade receivables – credit impaired	**–**	**–**	–	–
TOTAL TRADE RECEIVABLES	**–**	**–**	–	–
Of the above, trade receivables from:				
- Related Parties	**–**	**–**	–	–
- Others	**–**	**–**	–	–
Total	**–**	**–**	–	–

As at 31 March 2023	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–		4.08	28.95	181.63	214.66
Undisputed Trade receivable – credit impaired	–	–	–	(4.08)	(28.95)	(181.63)	(214.66)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**

As at 31 March 2022	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	4.08	28.95	94.62	87.02	214.66
Undisputed Trade receivable – credit impaired	–	–	(4.08)	(28.95)	(94.62)	(87.02)	(214.66)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**

Note No. 6 - Other financial assets

Rs. in Lacs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Financial assets at amortised cost				
Other Financial assets				
Accrued Interest	**0.28**	**–**	0.10	–
TOTAL OTHER FINANCIAL ASSETS	**0.28**	**–**	0.10	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 7 - Current Tax Assets (Net)

Rs. in Lacs

Particulars	As at 31st March 2023	As at 31st March 2022
Tax Deducted at Source	**1.61**	1.62
TOTAL	**1.61**	1.62

Note No. 8 - Cash and Bank Balances

Rs. in Lacs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalent		
(a) Balances with banks in current account	**5.86**	18.72
(b) Fixed Deposits with maturity less than 3 months	**2.64**	2.55
(c) Cash on hand	**–**	–
Total Cash and cash equivalent	**8.50**	21.27
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**3.49**	3.49
Total Other Bank balances	**3.49**	3.49
TOTAL CASH & BANK BALANCES	**12.00**	24.75

Note No. 9 - Equity Share Capital

Rs. in Lacs

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2023 Value	As at 31st March 2022 No. of shares	As at 31st March 2022 Value
Authorised:				
Equity shares of Rs 10 each with voting rights	**17,000,000**	**1,700.00**	17,000,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**12,330,000**	**1,233.00**	10,930,000	1,093.00
Total	**12,330,000**	**1,233.00**	10,930,000	1,093.00

Terms / Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Year Ended 31st March 2023			
No. of Shares	**10,930,000**	**1,400,000**	**12,330,000**
Amount in Lacs	**1,093.00**	**140.00**	**1,233.00**

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding in that class of shares	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Agri Solution Limited	**12,330,000**	**100%**	10,930,000	100%
Greenyard Fresh Holding NL BV	**–**	**0%**	–	0%

(III) Details of shares held by promoters

As at 31 March 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Mahindra Agri Solutions Limited	10,930,000	1,400,000	12,330,000	100%	13%

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
	Mahindra Agri Solutions Limited	10,430,000	500,000	10,930,000	100%	5%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 10 - Trade Payables

Rs. in Lacs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Total outstanding dues of micro enterprises and small enterprises	**–**	**–**	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**3.04**	**–**	8.52	–
Disputed dues of micro enterprises and small enterprises	**–**	**–**	–	
Disputed dues of creditors other than micro enterprises and small enterprises	**–**	**–**	–	
TOTAL TRADE PAYABLES	**3.04**	**–**	8.52	–

13 (a) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.54	0.50	–	–	3.04
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	2.54	**0.50**	**–**	**–**	**3.04**

As at 31 March 2022	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.52	–	–	–	8.52
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	8.52	**–**	**–**	**–**	**8.52**

Note No. 11 - Other Liabilities

Rs. in Lacs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Statutory dues	**0.04**	**–**	0.85	–
TOTAL OTHER LIABILITIES	**0.04**	**–**	0.85	–

Note No. 12 - Revenue from Operations

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Revenue from sale of products	**–**	216.08
TOTAL REVENUE FROM OPERATIONS	**–**	216.08

Note No. 13 - Other Income

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Interest Income from Fixed Deposits	**0.48**	0.29
Liabilities no longer required written back	**–**	12.27
Profit On Sale Of Fixed Assets	**–**	7.58
TOTAL OTHER INCOME	**0.49**	20.14

Note No. 14 - Purchase of Stock-in-trade

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Purchase of Stock - in - trade	**–**	214.81
TOTAL PURCHASE STOCK-IN-TRADE	**–**	214.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 15 - Changes in inventories of stock-in-trade

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Inventories at the end of the year:		
Stock-in-trade	–	–
	–	–
Inventories at the beginning of the year:		
Stock-in-trade	–	10.01
	–	10.01
NET (INCREASE) / DECREASE	–	10.01

Note No. 16 - Employee Benefits Expense

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
(a) Salaries and wages, including bonus	–	30.11
(b) Contribution to provident and other funds	–	4.67
(c) Staff welfare expenses	–	3.69
TOTAL EMPLOYEE BENEFIT EXPENSE	–	38.46

Note No. 17 - Other Expenses

Rs. in Lacs

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
(a) Stores consumed	–	9.00
(b) Rent Expenses	–	3.67
(c) Rates and taxes	0.78	1.89
(d) Insurance	–	3.71
(e) Sales promotion expenses	–	0.25
(f) Travelling and Conveyance Expenses	–	4.97
(g) Hire and Service Charges	–	4.19
(h) Legal and other professional costs	5.61	10.36
(i) Provision for doubtful trade and other receivables, loans	–	6.53
(j) Assets Write off	–	7.64
(k) Auditors remuneration and out-of-pocket expenses	0.24	2.06
(i) As Auditors	0.24	2.06
(n) Other expenses	0.17	11.56
TOTAL OTHER EXPENSES	6.80	65.83

Note No. 18 - Earnings per Share

Particulars	For the year ended 31st March 2023 Rs per Share	For the year ended 31st March, 2022 Rs per Share
Basic Earnings per share		
From continuing operations	(0.08)	(0.99)
Diluted Earnings per share		
From continuing operations	(0.08)	(0.99)

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Rs.

	For the year ended 31st March 2023	For the year ended 31st March, 2022
Profit / (loss) for the year attributable to owners of the Company	(1,046,154)	(10,558,221)
Less: Preference dividend and tax thereon	–	–
Profit / (loss) for the year used in the calculation of basic earnings per share	(1,046,154)	(10,558,221)
Profits used in the calculation of basic earnings per share	(1,046,154)	(10,558,221)
Weighted average number of equity shares	12,330,000	10,652,740
Earnings per share - Basic & Diluted	(0.08)	(0.99)

Note No. 19 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the company.

	31-Mar-23	31-Mar-22
Equity	10.80	21.26
Net Debt		
Short Term Borrowings	–	–
Less: Cash and cash equivalents	11.99	24.75
Net Debt	(11.99)	(24.75)
Total Capital	(1.19)	(3.49)

Categories of financial assets and financial liabilities

Rs. in Lacs **As at 31st March 2023**

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets	–			–
Current Assets				
Trade Receivables	–			–
Other Bank Balances	3.49			3.49
Other Financial Assets	0.28			0.28
Current Liabilities				
Trade Payables	3.04			3.04
Short Term Borrowing	–			–
Other Financial Liabilities	–			–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Rs. in Lacs	As at 31st March 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets	–			–
Current Assets				
Trade Receivables	–			–
Other Bank Balances	3.49			3.49
Other Financial Assets	0.10			0.10
Current Liabilities				
Trade Payables	8.52			8.52
Short Term Borrowing	–			–
Other Financial Liabilities	–			–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, and where appropraite, credit guarantee insurance cover is purchased.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

	As at 31st March 2023			
	Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0.0%**	**0.0%**	**97.0%**	**100.0%**
Gross carrying amount	**–**		**214.66**	**214.66**
Loss allowance provision	**–**	**6.53**	**208.13**	**214.66**

	As at 31st March 2021			
	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	100.0%	100.0%	100.0%
Gross carrying amount	–	6.53	208.13	214.66
Loss allowance provision	–	6.53	208.13	214.66

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows -

(Amt in lacs)

Particulars	Currency	**31-Mar-23**	31-Mar-22
Trade Payables	USD	**–**	–
	EUR	**–**	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(Amt in lacs)

Particulars	Currency	**31-Mar-23**	31-Mar-22
Trade Payables	USD	**–**	–
	EUR	**–**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Amt. In Lacs

	Currency	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-23	**USD**	**+10%**	**0.00**	**0.00**
	USD	**-10%**	**0.00**	**0.00**
	EUR	**+10%**	**0.00**	**0.00**
	EUR	**-10%**	**0.00**	**0.00**
31-Mar-22	USD	+10%	0.00	0.00
	USD	-10%	0.00	0.00
	EUR	+10%	0.00	0.00
	EUR	-10%	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 20 - Fair Value Measurement

Rs. in Lacs

	Fair value hierarchy as at 31st March 2023			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at Amortised Cost				
– trade and other receivables		**–**		**–**
– deposits and similar assets		**3.49**		**3.49**
– others		**0.28**		**0.28**
Total	**–**	**3.78**	**–**	**3.78**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		**3.04**		**3.04**
Total	**–**	**3.04**	**–**	**3.04**

	Fair value hierarchy as at 31st March 2022			
Financial assets	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– trade and other receivables		–		–
– deposits and similar assets		3.49		3.49
– others		0.10		0.10
Total	–	3.58	–	3.58
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		8.52		8.52
– Short Term Borrowing		–		–
Total	–	8.52	–	8.52

Note No. 21 - Related Party Transactions

Name of the Parent Company	Mahindra Agri Solutions Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Fellow Subsidiary Company	Mahindra Integrated Business Solutions
Name of KMP of the Company	Mr Nilesh Totla (Chief Financial Officer (w.e.f.21-04-2023)
	Mr Chaitanya Rajwade Chief Executive officer (w.e.f 16-04-21)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lacs

Particulars	**For the year ended**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**KMP of the Company and KMP of parent Company**
Nature of transactions with Related Parties					
Purchase of goods	**31-Mar-23**	**–**	**–**	**–**	**–**
	31-Mar-22	4.41	–	–	–
Sale of goods	**31-Mar-23**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–
Receiving of services	**31-Mar-23**	**–**	**0.40**	**0.06**	
	31-Mar-22	1.58	11.28	4.12	–
Investment	**31-Mar-23**	–	–	–	**–**
	31-Mar-22	–	–	–	–
Issue of share capital	**31-Mar-23**	140.00	**–**	–	**–**
	31-Mar-22	50.00	–	–	–
Settlement of liabilities by the Company on behalf of related parties	**31-Mar-23**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–
Other transactions	**31-Mar-23**	**–**	**–**	**–**	**–**
	31-Mar-22	–			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**KMP of the Company and KMP of parent Company**
Trade payables	**31-Mar-23**	**0.50**	**0.43**	**0.07**	
	31-Mar-22	0.50	3.20	0.12	
Trade Receivable	**31-Mar-23**	**–**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–

Note No. 22 - Additional Information to the consolidated Financial Statements

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**31-Mar-23 Rs. in Lacs**	31-Mar-22 Rs. in Lacs
(i) Principal amount remaining unpaid to MSME suppliers as on	**–**	–
(ii) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid as on	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note No. 23

"The Company has reported a net loss of Rs 10.46 Lakhs during the current year and also reported accumulated loss of Rs 1,748.20 Lakhs as at 31st March 2023. Further, Instead of the accumulated losses as at 31st March 2023, the Company's net worth is positive as on 31st March 2023. The accompanying financial statement have been prepared on going concern basis, as the management is confident on company's ability to continue as a going concern for a foreseeable future in view of evaluation of revised business plan to operate Grapes and other fruits export business in future years and performance improvement measures to be undertaken by the management.

These event cast significant doubt on the entity's ability to continue as a going concern, however in view of mitigating plan mentioned above, the management believes that the Company will be able to meet its operation and other commitments as they arise along with shareholder financial support to the Company in foreseeable future and the financial statement have been prepared on a going concern basis.

Note No. 24 - Ratio Analysis and its elements

Ratio	**Numerator**	**Denominator**	**31-03-2023**	**31-03-2022**	**% change**	**Reason for Variance**
Current Ratio	Current Assets	Current Liability	4.50	2.83	59%	Refer note a
Debt Equity ratio	Total Debt	Shareholder Equity	–	–	0%	–
Debt Service coverage ratio	Earning for Debt service	Debt Service	–	–	0%	–
Return on Equity	Net profit after taxes	Average Shareholder Equity	(0.65)	5.04	–113%	Refer note a
Inventory Turnover ratio	Cost of goods sold	Average inventory	–	44.93	–100%	–
Trade receivable Turnover ratios	Net credit sales = Gross credit sales – sales return	Average trade receivables	–	6.46	–100%	Refer note a
Trade Payable ratios	Net credit purchases = Gross credit purchases – purchase return	Average trade payables	–	1.92	–100%	Refer note a
Net capital turnover ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	–	12.63	–100%	Refer note a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Ratio	Numerator	Denominator	31-03-2023	31-03-2022	% change	Reason for Variance
Net profit ratio	Net profit	Net sales = Total sales – sales return	–	(0.49)	–100%	Refer note a
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.97)	(4.97)	–80%	Refer note a
Return on Investment	Interest (Finance Income)	Investment	0.08	0.05	64%	–

Note a

During the year ended 31st March, 2023 management evaluates to operate Grapes and other fruits export business in future years. Basis management evaluation of new business plan, management paid off its existing liability, liquidated all their stock, collected all receivables from customers, resulting into change in above ratio as compared to previous year.

Note No. 25 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off entity.

(i) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 26 - Other Statutory Informations

The amount has been rounded off to nearest ₹ in lakhs (INR) The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No. 37-Ratio Analysis and its elements

Ratio	Numerator	Denominator	Numerator	Denominator	31–03–2022	Numerator	Denominator	31–03–2021	% change
Current Ratio	Current Assets	Current Liability	13.88	3.08	4.50	26.48	9.37	2.83	59%
Debt Equity ratio	Total Debt	Shareholder Equity	–	10.80	–	–	21.26	–	0%
Debt Service coverage ratio	Earning for Debt service	Debt Service	(6.31)	–	–	(92.82)	–	–	0%
Return on Equity	Net profit after taxes	Average Shareholder Equity	(10.46)	16.03	(0.65)	(105.58)	(20.95)	5.04	–113%
Inventory Turnover ratio	Cost of goods sold	Average inventory	–	–	–	224.82	5.00	44.93	–100%
Trade receivable Turnover ratios	Net credit sales = Gross credit sales – sales return	Average trade receivables	–	–	–	216.08	33.47	6.46	–100%
Trade Payable ratios	Net credit purchases = Gross credit purchases – purchase return	Average trade payables	–	5.78	–	214.81	111.66	1.92	–100%
Net capital turnover ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	–	10.80	–	216.08	17.11	12.63	–100%
Net profit ratio	Net profit	Net sales = Total sales – sales return	(10.46)	–	–	(105.58)	216.08	(0.49)	–100%
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(10.46)	10.80	(0.97)	(105.58)	21.26	(4.97)	–80%
Return on Investment	Interest (Finance Income)	Investment	0.48	6.13	0.08	0.29	6.04	0.05	64%

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 21, 2023

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ashok Sharma
DIN: 02766679

Chief Financial Officer
Nilesh Totla
Membership no: 410733

Company Secretary
Feroze Baria
Membership no: A11357

Place: Mumbai
Date: April 21, 2023

Chief Executive Officer
Chaitanya Rajwade

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton Bharat LLP
(formerly Grant Thornton India LLP)
L-41, Connaught Circus,
Outer Circle,
New Delhi - 110 001
India

T +91 11 4278 7070
F +91 11 4278 7071

To the Board of Directors
Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)

Opinion

We have audited the parent only financial statements of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) (a subsidiary of Mahindra Holdings Limited) (the "Company"), which comprise the parent only Balance sheets as of March 31, 2023 and 2022, and the related Statement of comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying parent only financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the parent only financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the parent only financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of parent only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent only financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the parent only financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the parent only financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the parent only financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

  We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton Bharat LLP
New Delhi, India
April 27,2023

STATEMENT OF ASSETS AND LIABILITIES

	Notes	**As at March 31, 2023 USD**	As at March 31, 2022 USD
ASSETS			
Current assets			
Cash and cash equivalents	B	**1,438,637**	1,931,600
Total current assets		**1,438,637**	1,931,600
Non-Current assets			
Investments in subsidiaries	C	**30,090,194**	29,796,908
Total non-current assets		**30,090,194**	29,796,908
Total asset		**31,528,831**	31,728,508
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable			
To subsidiary	I	**78,841**	12,665
To others		**60,957**	62,759
Short term borrowing	E		
From related party		**11,500,000**	12,000,000
From others		**12,250,000**	12,250,000
Accrued Interest expense	E		
To related party		**458,993**	130,178
To others		**69,055**	580
Total Current liabilities		**24,417,846**	24,456,182
Stockholders' Equity, Including Convertible preference shares	F		
37,000,000 authorized common stock at par value of US$ 0.001 each shares and 4,754,046 shares issued as at March 31, 2023 (4,778,750 shares issued as at March 31, 2022)		**4,754**	4,779
9,000,000 authorized series A preferred stock at par value of US$ 0.001 each shares and 7,791,037 shares issued as at March 31, 2023 (7,791,037 shares issued as at March 31, 2022)		**7,792**	7,792
12,000,000 authorized series B preferred stock at par value of US$ 0.001 each shares and 6,920,000 shares issued as at March 31, 2023 (6,920,000 shares issued as at March 31, 2022)		**6,920**	6,920
Additional paid-in-capital		**11,209,671**	10,883,871
Retained earnings		**(4,118,152)**	(3,631,036)
Total stockholders' equity		**7,110,985**	7,272,326
Total liabilities and stockholders' equity		**31,528,831**	31,728,508

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended March 31, 2023 USD**	Year ended March 31, 2022 USD
Revenues	D	**1,000,004**	16,350,781
Expenses			
Stock compensation expenses	G	**–**	4,526
General and administrative expenses		**216,672**	98,792
Interest expense	E	**838,815**	332,387
Total expenses		**1,055,487**	435,705
Net (loss) / profit before tax		**(55,483)**	15,915,076
Income tax	D	**–**	3,519,766
Net (loss) / profit		**(55,483)**	12,395,310

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF CASH FLOWS

	Year ended March 31, 2023 USD	Year ended March 31, 2022 USD
Cash flow from / (used in) operating activities		
Net (loss) / profit	**(55,483)**	12,395,310
Adjustments to reconcile net profit / (loss) to net cash provided by / (used in) operating activities		
Stock compensation expenses	**–**	4,526
Changes in assets and liabilities		
Increase / (decrease) in accounts payable	**64,374**	(319,161)
Increase in accrued interest	**397,290**	112,059
Decrease in other receivables	**–**	7,700
Net cash generated from operating activities	**406,181**	12,200,434
Cash flow from investing activities		
Investment in subsidiary	**(100,000)**	–
Net cash (used in)/provided by financing activities	**(100,000)**	–
Cash flow from financing activities		
Proceeds from exercise of stock options	**132,600**	69,371
Repayment of short term borrowing	**(500,000)**	–
Buyback of shares	**(431,744)**	(23,048,026)
Proceeds from short term borrowing - related parties	**–**	11,500,000
Net cash (used in) financing activities	**(799,144)**	(11,478,655)
Net (decrease) / increase in cash and cash equivalents	**(492,963)**	721,779
Cash and cash equivalents at the beginning of the year	**1,931,600**	1,209,821
Cash and cash equivalents at the end of the year	**1,438,637**	1,931,600
Supplemental disclosures		
Interest paid	**441,524**	220,328
Income tax paid	**–**	3,519,766
Dividend received	**1,000,000**	16,350,778

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Amounts in USD

Particulars	Preferred stock				Common stock				Additional paid in capital	Retained earnings	Total stockholders' equity
	Authorised		Issued and outstanding		Authorised		Issued and outstanding				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance as at April 1, 2021	**21,000,000**	**21,000**	**14,995,526**	**14,996**	**37,000,000**	**37,000**	**10,283,860**	**10,284**	**17,844,218**	**(184,130)**	**17,685,368**
Stock issued against stock based compensation plans	–	–	–	–	–	–	111,600	112	69,259	–	69,371
Buy back of shares	–	–	(284,489)	(284)	–	–	(5,616,710)	(5,617)	(7,017,836)	(12,247,522)	(19,271,259)
Cost of shares buy back	–	–	–	–	–	–	–	–	(182,073)	(3,594,694)	(3,776,767)
Stock compensation expense	–	–	–	–	–	–	–	–	4,526	–	4,526
Investment in subsidiary (Ref note 3.4)									165,777		165,777
Net profit for the year	–	–	–	–	–	–	–	–	–	12,395,310	12,395,310
Balance as at March 31, 2022	**21,000,000**	**21,000**	**14,711,037**	**14,712**	**37,000,000**	**37,000**	**4,778,750**	**4,779**	**10,883,871**	**(3,631,036)**	**7,272,326**
Stock issued against stock based compensation plans	–	–	–	–	–	–	86,000	86	132,514	–	132,600
Buy back of shares	–	–	–	–	–	–	(110,704)	(111)	–	(360,782)	(360,893)
Cost of shares buy back	–	–	–	–	–	–	–	–	–	(70,851)	(70,851)
Stock compensation expense	–	–	–	–	–	–	–	–	–	–	–
Investment in subsidiary (Ref note 3.4)	–	–	–	–	–	–	–	–	193,286	–	193,286
Net (loss) for the year	–	–	–	–	–	–	–	–	–	(55,483)	(55,483)
Balance as at March 31, 2023	**21,000,000**	**21,000**	**14,711,037**	**14,712**	**37,000,000**	**37,000**	**4,754,046**	**4,754**	**11,209,671**	**(4,118,152)**	**7,110,985**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 AND MARCH 31, 2022

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) (the "Company") is the Holding Company for the Bristlecone Group, which comprises of the Company and its wholly owned subsidiaries, Bristlecone India Limited, Bristlecone Inc., Bristlecone UK Ltd, Bristlecone GmbH, Bristlecone (Singapore) Pte. Limited, Bristlecone (Malaysia) SDN BHD, Bristlecone Consulting Limited (Canada), Bristlecone International AG (Switzerland), Bristlecone Middle East DMCC (UAE) and Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada (The group). The Group is engaged in providing technology solutions and consulting services with principal operations in the United States of America, India, Singapore, Malaysia, Germany, Switzerland, Canada, United Kingdom and UAE. The Group's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Group also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of 'The Cayman Islands' on February 3, 2004. The Company commenced commercial operations on May 17, 2004 and is a subsidiary of Mahindra Holdings Limited ("Holding Company"), an Indian Company, which is ultimately held by Mahindra & Mahindra Limited ("the Group's ultimate Holding Company").

The Company does not have active commercial operations. It engages in financing and treasury functions for the Group as a whole.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying parent-only financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in accordance with the group accounting policies as contained in consolidated financial statements of the holding Company, Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) and its subsidiaries and described herein these notes to reflect the financial position, revenues and expenses and cash flows of the Company.

These parent - only financial statements have been prepared to be in conformity with accounting principles generally accepted in the United States of America. The investment in subsidiary companies have been accounted at cost.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in the United States Dollars ('$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with the accounting policies stated herein, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of other income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for realization of carrying value of investments represent certain of these particularly sensitive estimates.

3.3. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments and deposits with an original maturity of three months or less to be cash equivalents. Cash comprises cash on hand and balance in checking and money market accounts with bank.

3.4. INVESTMENTS

Investments in subsidiaries are carried at cost. Cost is determined based on the cash paid and other liabilities assumed by the Company. Consideration that has been settled by issue of the Company's shares is also considered in arriving at the cost of investments. Provision for impairment is made, whenever the estimated fair value of investments is expected to be lower than the carrying value of investments.

The investment in subsidiary companies are increased for the stock compensation expenses against the stock options issued to the employees of subsidiaries by the Company.

At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the fair value of the subsidiary and its carrying value, and then recognises the loss as 'Provision towards Impairement' in the statement of profit and loss.

3.5. REVENUE

Dividend Income

Dividend received from subsidiaries is recorded as income for the year and is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividends will flow to the Company and the amount of the dividend can be measured reliably. The taxes payable as per the applicable tax laws in respective jurisdictions are recorded as tax expense.

3.6. INTEREST EXPENSE

Interest expense on loans/borrowings is recorded on effective interest rate. Interest expense primarily consist of interest on our borrowings under credit facility and interest on loan from related parties.

3.7. STOCK COMPENSATION

The Company accounts for equity-settled options granted to employees in accordance with ASC 718, "Stock Compensation". ASC 718 addresses the accounting for stock payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instuments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award. Forefeitures are accounted when the actual forefeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock awards on the date of grant. Refer Note G - Stock Compensation.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Balance in checking and money market accounts	**1,438,637**	1,931,600

The balances of the Company are held in checking accounts and money market accounts, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2023, all transaction accounts are fully guaranteed by the FDIC for US$ 250,000 per tax ID for balances held in checking and money market accounts.

As at March 31, 2023, the Company has US$ 1,188,637 [2022: US$ 1,681,600] as balances in excess of the federally insured amounts.

NOTE C – INVESTMENTS

Investments as at year end comprise of investment in subsidiary companies:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Bristlecone India Limited	**5,141,789**	5,141,789
Bristlecone Inc.	**24,646,679**	24,453,393
Bristlecone UK Limited (net)*	**–**	–
Bristlecone (Malaysia) SDN. BHD.	**129,261**	129,261
Bristlecone Consulting Ltd.	**1**	1
Bristlecone International AG.	**58,761**	58,761
Bristlecone Middle East DMCC	**13,703**	13,703
Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada**	**100,000**	–
	30,090,194	29,796,908

*The Company has investment of US$ 4,134,053 [2022: US$ 4,134,053] in Bristlecone UK Limited, a wholly owned subsidiary company. The accumulated losses, as at March 31, 2023, of the subsidiary on the basis of audited financial statements for the year ended March 31, 2023 are GBP 1,735,515 [2022: GBP 1,752,580].

The cumulative provision towards impairment of the value of investments is US$ 4,134,053 [2022: US$ 4,134,053], which represents difference between total investment value and the estimated fair value of investments in the subsidiary.

**Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada, a wholly-owned subsidiary, incorporated effective December 21, 2021, and is yet to commence operations.

NOTE D – REVENUE

Bristlecone Middle East DMCC has paid a dividend of US$ 1,000,000 [2022: NIL] during the year.

Bristlecone India Limited paid a dividend of US$ NIL [2022: 16,116,143]. Tax on the dividend amounting to US$ NIL [2022: 3,519,766] is classified as foreign taxes under income tax expenses.

Bristlecone Malaysia Sdn. Bhd. has paid a dividend of US$ NIL [2022: 234,635] during the year.

The Company has earned interest income of US$ 4 [2022:US$ 3] on Money market account with Silicon Valley Bank.

NOTE E – SHORT TERM BORROWING

The Company has obtained an uncommitted line of credit amounting to US$ 12,250,000 from Bank of America, N.A. The terms of line of credit provided a ceiling for the total limit at US$ 12,250,000 and the amount drawn was repayable on demand. The interest rate on such loan is 150 basis points over LIBOR. The rate of interest on weighted average basis was 3.8244% during the year. As at March 31, 2023, the entire amount was drawn against the said line of credit. The line of credit was unsecured and the agreement did not contain any financial covenants.

The Company has obtained loan from its subsidiaries during the current year and previous year. The details of loan obtained during the year, interest and closing balance as on March 31, 2023 is given in below table:

Name of the Subsidiary	Opening Balance of Loan	Loan Obtained during the Year	Loan Repaid during the Year	Closing Balance of Loan	Interest Rate
Bristlecone Inc.	500,000	–	500,000	–	3.565%
Bristlecone Inc.	5,000,000	–	–	5,000,000	6.500%
Bristlecone GmbH	4,500,000	–	-	4,500,000	2.250%
Bristlecone International AG.	2,000,000	–	-	2,000,000	2.250%
Total	**12,000,000**	**–**	**500,000**	**11,500,000**	

Interest expenses for the year ended March 31, 2023 towards the line of credit was US$ 468,490 [2022: 220,278] and towards the loan from subsidiaries Companies was US$ 370,325 [2022: 112,109]. The interest is recorded based on effective interest rates.

NOTE F – STOCKHOLDERS' EQUITY

The Company's authorized share capital comprise of 9,000,000 series A preferred stock at par of US$ 0.001 each, 12,000,000 series B preferred stock at par of US$ 0.001 each and 37,000,000 common stock at par of US$ 0.001 each as at March 31, 2023 of which 7,791,037 series A preferred stock, 6,920,000 series B preferred stock and 4,754,046 common stock are issued at par and outstanding as at March 31, 2023.

Conversion of Preferred Stock

Each series A preferred stock and series B preferred stock are entitled to be converted, without payment of any additional consideration, into one fully paid common stock.

Voting

Every member, present in person or by proxy, is entitled to one vote for each common stock held. Each series A preferred stockholder and series B preferred stockholder is entitled to votes derived based on ratio of conversion between preferred stock and common stock on the record date of the meeting or if no record date is established, the date the poll is taken.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of series A & B preferred stock are entitled to an amount of one hundred and fifty percent (150%) of the original purchase price of such stock (as adjusted for any recapitalization, stock combinations, dividends, stock splits and the like) in preference to any distribution to holders of common stock.

Additional Paid in Capital

Additional paid in capital comprises the capital contributions relating to the issue of the Company's common stock and preferred stock and amounts adjusted on accounting for the Group reorganization involving acquisition of stake in various subsidiary companies, buy back of shares and on accounting for stock compensation.

NOTE G – STOCK COMPENSATION

Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) has following stock option plans:

1. Bristlecone Worldwide, Inc. 2004 stock option plan (arising out of conversion of the earlier Bristlecone Inc. Existing stock option plan) and Bristlecone Worldwide, Inc. 2008 stock option plan:

   Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Worldwide, Inc. (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Worldwide, Inc. under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the shares subject to the option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the board on the date of grant, unless otherwise ratified by the board.

2. Bristlecone Worldwide, Inc. Amended and restated 2004 stock option plan and Bristlecone Worldwide, Inc. 2005 stock option plan for Bristlecone India employees:

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the shares subject to the option, vest on the completion of 12 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 12 months. Subsequently, 6.25 per cent of the options vest on the completion of each 3 month period thereafter until full vesting is completed, subject to the grantee continuing to be an employee through each such date. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the board on the date of grant.

3. Bristlecone Worldwide, Inc. 2021 stock plan:

   Under 2021 stock plan, the Company has issued stock options and stock appreciation rights as below:

   Options granted under this plan include incentive stock options and non-statutory stock options. As per this plan, 100 per cent of the shares subject to the option, vest on the completion of 48 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 48 months, subject to the grantee continuing to be an employee through each such period. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per ahare determined by the board on the date of grant.

4. The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term. We estimate the expected term based on the simplified method for employee stock options considered to be "plain vanilla" options, as our historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term. The expected dividend yield is 0.0% as we have not paid and do not anticipate paying dividends on our common stock. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

Stock option activity:-

Particulars	**Options outstanding**	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
	Year ended March 31, 2023	**March 31, 2023**	Year ended March 31, 2022	March 31, 2022
Stock Option				
Outstanding at April 1	**8,24,624**	**US$ 1.91**	1,012,565	US$ 1.76
Granted	**1,53,934**	**US$ 4.72**	–	–
Exercised	**86,000**	**US$ 1.54**	111,600	US$ 0.62
Expired / forfeited	**(45,834)**	**US$ 2.03**	(76,341)	US$ 1.83
Outstanding at March 31	**8,46,724**	**US$ 2.45**	824,624	US$ 1.91

The Company has a total option pool of 1,809,586 options as at March 31, 2023 towards all the above options and the unallocated options against this pool as at March 31, 2023 is 962,862 options.

Additional information on outstanding options

Grant Price	**No of options outstanding**	
	March 31, 2023	March 31, 2022
US$ 0.10 (2014)	46,000	64,500
US$ 0.77 (2015)	17,500	27,500
US$ 1.26 (2016)	15,000	15,000
US$ 2.14 (2018)	56,350	113,850
US$ 2.38 (2019)	50,000	50,000
US$ 2.87 (2020)	50,000	50,000
US$ 2.03 (2021)	457,940	503,774
US$ 4.72 (2023)	153,934	–
Total	**846,724**	**824,624**

Options outstanding that have vested and exercisable and Unvested are as follows:

	March 31, 2023			March 31, 2022		
Particulars	**Outstanding options**	**Weighted average exercise price (in US$)**	**Weighted average remaining contract term (in years)**	Outstanding options	Weighted average exercise price (in US$)	Weighted average remaining contract term (in years)
Stock Option						
Vested and exercisable	**581,928**	**2.14**	**6.34**	481,795	1.78	5.45
Unvested	**264,796**	**3.14**	**8.14**	342,829	2.09	8.55

Stock unit activity under stock-based compensation plans is shown below:

	March 31, 2023		March 31, 2022	
Particulars	**Number**	**Weighted Average exercise price**	Number	Weighted Average exercise price
Those vested at the beginning of the year	**481,795**	**1.78**	419,985	1.29
Vested	**186,133**	**2.79**	193,094	2.11
Forfeited	**–**	**–**	(19,684)	1.43
Exercised during the year	**(86,000)**	**1.54**	(111,600)	0.62
Those vested at the end of the year	**581,928**	**2.14**	**481,795**	1.78

Particulars	March 31, 2023 Number	March 31, 2023 Weighted Average exercise price	March 31, 2022 Number	March 31, 2022 Weighted Average exercise price
Those unvested at the beginning of the year	**342,829**	**2.09**	592,580	2.10
Those unvested at the end of the year	**264,796**	**3.14**	342,829	2.09
Those that during the year were:				
Vested	**186,133**	**2.79**	193,094	2.11
Granted	**153,934**	**4.72**	–	–
Forfeited	**45,834**	**2.03**	56,657	1.97

Stock compensation expense has been determined based on the fair values of the options estimated on the date of grant using the Black-Scholes-Merton pricing model with the following assumptions:

Dividend yield	0.00 percent
Expected life	5.50 years
Risk free interest rate	2.59 percent
Volatility	49.07 percent

The aggregate fair value of all options granted during the year is US$ 186,313 (2022: NIL) and weighted average grant date unit fair value of options granted during the year is US$ 1.2103.

There have been no modifications or cancellations of the above plans during the current or preceding year.

Additional disclosures pertaining to compensation expense, net of costs allocated to Group entities:

The Company has recognized stock compensation expense of US$ NIL [2022: 4,526] for the year ended March 31, 2023. The Company received an amount of US$ 132,600 [2022: 69,371] for exercise of stock options in the current year.

Cost of revenue, research and development, sales and marketing, and general and administrative expenses were as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock based compensation expenses:	**–**	–
Cost of Revenue	**–**	–
Research and development	**–**	–
Sales and marketing	**–**	–
General and administrative	**–**	4,526
Total Stock based compensation expenses	**–**	**4,526**

NOTE H – CONTINGENCIES

The Company may not be subject to legal claims in the normal course of business. Management believes that there are no such claims that would be material to the financial condition or results of operations.

NOTE I – RELATED PARTY TRANSACTIONS

The Company had the following transactions with its parent and subsidiaries:

1. List of related parties and relationships (where there are transactions):

Name of related party and relationship
Ultimate Holding Company
Mahindra and Mahindra Limited
Holding Company
Mahindra Holdings Limited
Subsidiary Companies
Bristlecone Inc.
Bristlecone India Limited
Bristlecone GmbH
Bristlecone International AG.
Bristlecone Malaysia Sdn. Bhd.
Bristlecone Singapore Pte. Ltd
Bristlecone Middle East DMCC
Bristlecone (UK) Limited
Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada
Key Management Personnel
Nirav Patel (CEO)

2. Related party balances:

Nature of transaction	Name of related party	March 31, 2023 Amount (in US$)	March 31, 2022 Amount (in US$)
Interest payable as at year end	Bristlecone Inc.	**2,59,452**	76,887
	Bristlecone GmbH	**1,38,144**	36,894
	Bristlecone International AG	**61,397**	16,397
Principal amount of loan repayable as at year end	Bristlecone Inc.	**50,00,000**	55,00,000
	Bristlecone GmbH	**45,00,000**	45,00,000
	Bristlecone International AG	**20,00,000**	20,00,000
Amount payable as at year end	Bristlecone Inc.	**78,841**	12,665

3. Related party transactions:

Nature of transaction	Name of related party	March 31, 2023 Amount (in US$)	March 31, 2022 Amount (in US$)
Dividend received during the year	Bristlecone Malaysia Sdn. Bhd.	**–**	2,34,635
Dividend received during the year	Bristlecone India Limited	**–**	1,61,16,143
Dividend received during the year	Bristlecone Middle East DMCC	**10,00,000**	–
Expenses paid on behalf of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)	Bristlecone Inc.	**78,841**	12,665
Repayment of loan	Bristlecone Inc.	**5,00,000**	–
Interest expense	Bristlecone Inc.	**2,24,075**	58,867
	Bristlecone GmbH	**1,01,250**	36,894
	Bristlecone International AG	**1,15,514**	16,397
Investment in subsidiary	Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada	**1,00,000**	–

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, other receivable and current liabilities approximated their fair values due to their short maturities.

NOTE K – RECENT ACCOUNTING PRONOUNCEMENT

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13) "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires the use of forward-looking information to calculate credit loss estimates. These changes will result in earlier recognition of credit losses. The guidance is effective for the company for fiscal years, and interim periods within those fiscal years beginning after December 15, 2022.

The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In August 2020, FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU removes separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature and hence most of the instruments will be accounted for as a single model (either debt or equity). The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In October 2021, FASB ("Financial Accounting Standard Board") issued ASU No. 2021-08, Business Combinations ("ASC Topic 805"): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU provides guidance in ASC Topic 805 to require the acquirer entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC Topic 606, as if it had originated the contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements, if the acquiree prepared financial statements in accordance with U.S. GAAP. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The adoption of this ASU will not have any impact on the Company's financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions," which clarifies that contractual sale restrictions are not considered in measuring fair value of equity securities and requires additional disclosures for equity securities subject to contractual sale restrictions. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

In September 2022, the FASB issued ASU 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations," which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose sufficient information about the program. The amendments do not affect the recognition, measurement or financial statement presentation of obligations covered by supplier finance programs. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

NOTE L – BUYBACK OF COMMON STOCK AND PREFERRED STOCK

The Board of Directors of the Company at its meeting held on Octoboer 13, 2021, approved a proposal to buyback common and preferred ctock of the Company at a price of $3.90 per stock. A letter of offer was made to all eligible shareholders. The Company bought back 110,704 common Stock out of the shares that were tendered by eligible shareholders and retired the common stock during the year. The excess of buy-back consideration over fair value of shares was offset from retained earnings and additional paid in capital.

NOTE M – SUBSEQUENT EVENTS

With effect from 3 April 2023, Bristlecone Limited has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc.

The Company has evaluated subsequent events through April 27, 2023, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Bristlecone India Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Bristlecone India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act which also requires the approval of shareholders in the ensuing general meeting (Refer Note 25 to the Financial Statements).
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 31 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 23045668BGXTMP3766

Mumbai, April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Bristlecone India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. : 105102W

Himanshu Goradia

Partner

Membership No. : 045668

Mumbai, April 27, 2023

UDIN: 23045668BGXTMP3766

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The physical verification of property, plant and equipment was conducted during the previous year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, in respect of immovable properties (buildings) that have been taken on lease, the lease agreements are held in the name of the Company where the Company is the lessee in the agreements. The Company does not have any other immovable property.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Kotak Mahindra Bank Limited and Axis Bank Limited ("the Banks") on the basis of security of the current assets during the year. The statements of current assets filed by the Company with the Banks on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Income Tax, Value Added Tax, Goods and Services Tax and Profession Tax which have not been deposited as on March 31, 2023 on account of disputes are as under:

Nature of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	44.55	Assessment Year 2009-2010	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	85.81	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	53.90	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
The Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	109.90	Financial Year 2016-2017	Joint Commissioner of State Tax (Appeals), Mumbai
The Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	12.23	Financial Year 2017-2018	Joint Commissioner of State Tax (Appeals), Mumbai
The Goods and Services Tax Act, 2017	Goods and Services Tax	77.37	Financial Year 2017-2018	Deputy Commissioner of State Tax
The Maharashtra State Tax on Profession, Trades, Calling and Employment Act, 1975	Profession Tax	8.10	Financial Year 2019-2020	Assistant Commissioner of Profession Tax

*Net of amounts paid including under protest.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration a whistle blower complaint received by the Company during the year and shared with us for reporting under this clause.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has transferred the unspent amount of Rs. 3.64 lakhs to a Fund specified in Schedule VII to the Act till the date of the Auditors' Report in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 23045668BGXTMP3766

Mumbai, April 27, 2023

BALANCE SHEET AS AT 31 MARCH, 2023

Particulars	Note No.	As at 31 March, 2023	Rs. in Lakhs As at 31 March, 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**1,725.94**	1,817.23
(b) Right-of-Use Asset	5	**2,299.18**	995.20
(c) Intangible Assets	6	**58.90**	25.03
(d) Financial Assets			
(i) Investments	7	**778.51**	778.51
(ii) Other Financial Assets	9	**179.16**	69.78
(e) Income Tax Assets (Net)		**1,136.50**	1,613.89
(f) Deferred Tax Assets (Net)	10	**702.92**	562.21
(g) Other Non-current Assets	11	**6.44**	2.41
SUB-TOTAL		**6,887.55**	5,864.26
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	12	**12,229.33**	12,320.44
(ii) Cash and Cash Equivalents	13	**1,124.99**	21.63
(iii) Other Bank Balances	13	**–**	0.05
(iv) Loans	8	**2.79**	3.10
(v) Other Financial Assets	9	**1,835.69**	1,418.75
(b) Other Current Assets	11	**828.76**	789.92
SUB-TOTAL		**16,021.56**	14,553.89
TOTAL ASSETS		**22,909.11**	20,418.15
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	14	**1,904.94**	1,904.94
(b) Other Equity	15	**10,526.14**	7,272.04
SUB-TOTAL		**12,431.08**	9,176.98
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	**16**	**–**	–
(ii) Lease Liabilities		**1,919.20**	691.69
(iii) Other Financial Liabilities	19	**–**	–
(b) Provisions	17	**1,896.94**	1,564.16
SUB-TOTAL		**3,816.14**	2,255.85
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	**16**	**–**	3,786.04
(ii) Trade Payables			
– Total outstanding dues of Micro Enterprises and Small Enterprises	18	**301.49**	190.50
– Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	**4,289.39**	3,454.34
(iii) Lease Liabilities		**455.15**	400.14
(iv) Other Financial Liabilities	19	**140.41**	–
(b) Provisions	17	**363.51**	368.54
(c) Current Tax Liabilities (Net)		**45.95**	–
(d) Other Current Liabilities	20	**1,065.99**	785.76
SUB-TOTAL		**6,661.89**	8,985.32
TOTAL		**22,909.11**	20,418.15

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 27 April, 2023

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Pune
Date: 27 April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

Rs. in Lakhs

	Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
I	Revenue from operations	21	**49,337.69**	38,507.59
II	Other Income	22	**396.14**	968.46
III	**Total Revenue (I + II)**		**49,733.83**	39,476.05
IV	**EXPENSES**			
	(a) Employee benefit expense	23	**35,567.20**	28,382.02
	(b) Finance costs	24	**436.50**	222.65
	(c) Depreciation and amortisation expenses	4,5&6	**1,362.63**	1,143.07
	(d) Other expenses	25	**7,863.78**	5,284.78
	Total Expenses		**45,230.11**	35,032.52
V	**Profit before tax (III-IV)**		**4,503.72**	4,443.53
VI	**Tax Expense**			
	(a) Current tax	10	**1,270.66**	995.43
	(b) Deferred tax	10	**(110.58)**	92.27
	Total tax expense		**1,160.08**	1,087.70
VII	**Profit for the year (V-VI)**		**3,343.64**	3,355.83
VIII	**Other comprehensive income**			
	i. Items that will not be reclassified to the statement of profit or loss Remeasurements of the Defined Benefit Liabilities - gain/(loss)		**(119.66)**	(163.10)
	ii. Income Tax relating to items that will not be reclassified to Profit or Loss		**30.12**	41.05
	Total Other comprehensive income		**(89.54)**	(122.05)
IX	**Total comprehensive income for the year (VII+VIII)**		**3,254.10**	3,233.78
X	**Earnings per equity share:**			
	Basic and Diluted	26	**175.52**	176.16

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 27 April, 2023

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Pune
Date: 27 April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

a. Equity share capital

Rs. in Lakhs

Particulars	Equity Share Capital
Balance as at 1 April, 2021	**1,904.94**
Changes in equity share capital due to prior period errors	**–**
Restated balance at the beginning of the current reporting period	**1,904.94**
Changes in equity share capital during the year	**–**
Balance as at 31 March, 2022	**1,904.94**
Changes in equity share capital due to prior period errors	**–**
Restated balance at the beginning of the current reporting period	**1,904.94**
Changes in equity share capital during the year	**–**
Balance as at 31 March, 2023	**1,904.94**

b. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 1 April, 2021	88.34	16,049.92	16,138.26
Profit for the year	–	3,355.83	3,355.83
Other Comprehensive income	–	(122.05)	(122.05)
Interim Dividend	–	(12,100.00)	(12,100.00)
Total Comprehensive Income for the year	–	(8,866.22)	(8,866.22)
Balance as at 31 March, 2022	88.34	7,183.70	7,272.04
Profit for the year	**–**	**3,343.64**	**3,343.64**
Other Comprehensive income	**–**	**(89.54)**	**(89.54)**
Interim Dividend	**–**	**–**	**–**
Total Comprehensive Income for the year	**–**	**3,254.10**	**3,254.10**
Balance as at 31 March, 2023	**88.34**	**10,437.80**	**10,526.14**

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 27 April, 2023

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Pune
Date: 27 April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities		
Profit before tax for the year	**4,503.72**	4,443.53
Adjustments for:		
Finance costs	**436.50**	222.65
Interest income	**(18.36)**	(197.94)
Income from Short Term Investments	**–**	(68.19)
Impairment of investment carried at cost written back	**–**	(100.29)
Liabilities/provisions no longer required written back	**(18.36)**	(68.51)
(Gain)/Loss on disposal of property, plant and equipment	**(21.29)**	(39.32)
Depreciation and amortisation	**1,362.63**	1,143.07
Net foreign exchange (gain)/loss	**308.72**	(239.84)
	6,553.56	5,095.16
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	**(217.61)**	(4,742.09)
Decrease / (Increase) in other assets	**(618.42)**	(867.11)
Increase / (Decrease) in trade and other payables	**964.39**	577.80
Increase / (Decrease) in Other liabilities	**285.75**	(428.74)
Increase / (Decrease) in provisions	**208.09**	7.87
	622.20	(5,452.27)
Cash generated from operations	**7,175.76**	(357.11)
Income taxes paid	**(747.32)**	(1,092.82)
Net cash (used in)/from operating activities	**6,428.44**	(1,449.93)
Cash flows from investing activities		
Payments for property, plant and equipment	**(653.80)**	(938.57)
Proceeds from disposal of property, plant and equipment	**42.54**	61.76
Interest received	**18.36**	293.82
Income from Short Term Investments	**–**	68.19
Investment in Short Term Investments	**–**	2,874.06
Bank Deposits placed	**(1,500.00)**	(18,512.96)
Bank Deposits matured	**1,500.05**	24,087.78
Net cash from/(used in) investing activities	**(592.85)**	7,934.08

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from financing activities		
Interest paid on working capital facilities	**(297.99)**	(104.25)
Principal portion of lease liability	**(509.69)**	(500.63)
Interest portion of lease liability	**(138.51)**	(118.40)
Cash Credit Account	**(3,786.04)**	3,786.04
Interim Dividend paid	**–**	(12,100.00)
Net cash used in financing activities	**(4,732.23)**	(9,037.24)
Net (decrease)/increase in cash and cash equivalents	**1,103.36**	(2,553.09)
Cash and cash equivalents at the beginning of the year	**21.63**	2,574.72
Cash and cash equivalents at the end of the year	**1,124.99**	21.63
Net (decrease)/increase in cash and cash equivalents	**1,103.36**	(2,553.09)

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 27 April, 2023

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Pune
Date: 27 April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

1 Corporate information

Bristlecone India Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in Business Consulting, Software Implementation and related support activities.

The financial statements prepared herewith are the separate financial statements of the Company and the Company has elected not to present its consolidated financial statements since its ultimate parent produces consolidated financial statements that are available for public use and comply with IND AS.

2 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3 Significant accounting policies

3.01 Basis of preparation and presentation

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

These financial statements have been prepared in Indian Rupee (`) which is the functional currency of the Company and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, impairment of investments and assets, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Provision for income tax and deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. (Refer Note No. 10)

Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option 'on lease by lease basis'. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.03 Revenue recognition

The Company is principally engaged in Business Consulting, Software Implementation, and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

a. Revenue from time and material contracts is recognised on output basis measured by units delivered, efforts expended, time booked etc.

b. Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

c. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

d. Revenue from the sale of third party software is recognised upfront at the point in time when the software is delivered to the customer.

e. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

f. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

g. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

3.04 Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

3.05 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.06 Employee benefits

1. Defined Contribution Plan:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

3. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4. Other Long Term employee benefits:

Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

3.07 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

3.08 Property, plant and equipment

All Property, plant and equipments are stated at cost less depreciation. Costs comprise purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Owned Assets	Useful life
Leasehold improvement*	5 years
Right of Use Asset- Building	Lease Term
Furniture and fittings	10 years
Office equipment	5 years
Office equipment-mobile handset*	3 years
Computer and equipment	
IT equipment-server	6 years
IT equipment – non server	3 years
Vehicles	8 years

* For these class of assets, based on internal assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Scheduled II of the companies Act 2013.

3.09 Intangible assets

Intangible assets are amortised on a straight line basis over their useful life of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change in pattern if any.

3.10 Financial instruments

Initial recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement:

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

(iii) Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries:

Investment in subsidiaries is carried at cost in the financial statements.

b. Derivative financial instruments:

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.11 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

3.12 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.13 Business Segments

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3.14 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cashflows by operating, investing and financing activities of the Company.

3.15 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

– Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle

– It is held primarily for the purpose of trading

– It is due to be settled within twelve months after the reporting period, or

– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

3.16 Share Capital

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.17 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or

– In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

– When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

– When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.19 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. Ind AS 12 – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Company is currently assessing the impact of application of these amendments on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 4 - Property, Plant and Equipment

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2022	1,132.04	3,055.73	334.28	303.85	117.61	**4,943.51**
	Additions	1.29	706.76	12.57	–	23.07	**743.69**
	Disposals	37.32	199.17	31.70	13.02	–	**281.21**
	Balance as at 31 March, 2023	**1,096.01**	**3,563.32**	**315.15**	**290.83**	**140.68**	**5,405.99**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2022	788.19	1,731.70	294.75	216.99	94.65	**3,126.28**
	Depreciation expense for the year	124.77	651.31	11.79	21.36	4.50	**813.73**
	Eliminated on disposal of assets	37.32	180.57	29.96	12.11	–	**259.96**
	Balance as at 31 March, 2023	**875.64**	**2,202.44**	**276.58**	**226.24**	**99.15**	**3,680.05**
C.	**Net carrying amount (A-B)**	**220.37**	**1,360.88**	**38.57**	**64.59**	**41.53**	**1,725.94**

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2021	1,132.04	2,505.05	354.58	359.05	117.61	**4,468.33**
	Additions	–	928.27	8.10	–	–	**936.37**
	Disposals	–	377.59	28.40	55.20	–	**461.19**
	Balance as at 31 March, 2022	**1,132.04**	**3,055.73**	**334.28**	**303.85**	**117.61**	**4,943.51**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2021	663.47	1,640.01	311.68	242.70	88.82	**2,946.68**
	Depreciation expense for the year	124.72	448.77	10.28	28.75	5.83	**618.35**
	Eliminated on disposal of assets	–	357.08	27.21	54.46	–	**438.75**
	Balance as at 31 March, 2022	**788.19**	**1,731.70**	**294.75**	**216.99**	**94.65**	**3,126.28**
C.	**Net carrying amount (A-B)**	**343.85**	**1,324.03**	**39.53**	**86.86**	**22.96**	**1,817.23**

Note No. 5 - Right-of-Use Asset

Description of Assets		Rs. in Lakhs Right-of-Use Asset
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2022	**2,401.89**
	Additions	**1,841.75**
	Disposals	**1,108.84**
	Balance as at 31 March, 2023	**3,134.80**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2022	**1,406.69**
	Amortisation expense for the year	**537.77**
	Eliminated on disposal of assets	**1,108.84**
	Balance as at 31 March, 2023	**835.62**
III.	**Net carrying amount (I-II)**	**2,299.18**

Description of Assets		Rs. in Lakhs Right-of-Use Asset
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2021	2,343.81
	Additions	191.24
	Disposals	133.16
	Balance as at 31 March, 2022	2,401.89
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2021	1,034.52
	Amortisation expense for the year	505.33
	Eliminated on disposal of assets	133.16
	Balance as at 31 March, 2022	1,406.69
III.	**Net carrying amount (I-II)**	995.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 6 - Intangible Assets

Description of Assets		Rs. in Lakhs Computer Software
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2022	**167.85**
	Additions	**45.00**
	Disposals	**–**
	Balance as at 31 March, 2023	**212.85**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2022	**142.82**
	Amortisation expense for the year	**11.13**
	Eliminated on disposal of assets	**–**
	Balance as at 31 March, 2023	**153.95**
III.	**Net carrying amount (I-II)**	**58.90**

Description of Assets		Rs. in Lakhs Computer Software
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2021	165.65
	Additions	2.20
	Disposals	–
	Balance as at 31 March, 2022	167.85
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2021	123.43
	Amortisation expense for the year	19.39
	Eliminated on disposal of assets	–
	Balance as at 31 March, 2022	142.82
III.	**Net carrying amount (I-II)**	25.03

Note No. 7 - Investments

Non-Current, Unquoted, Carried at Cost

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Qty	**Amounts (Rs. in Lakhs)**	Qty	Amounts (Rs. in Lakhs)
Cost				
Investments in Equity Instruments				
– Subsidiaries				
Bristlecone (Singapore) Pte. Ltd. [see note (i) below]	**16,70,000**	**501.47**	16,70,000	501.47
Bristlecone GmbH [see note (ii) below]	**1**	**277.04**	1	277.04
Total Investments Carried at Cost (A)		**778.51**		778.51
Impairment				
Impairment value for investment carried at cost		**–**		–
Total Impairment value for investment carried at cost (B)	**–**	**–**	–	–
Total Investment at Carried Value (A) - (B)	**–**	**778.51**	–	778.51
Other disclosures				
Aggregate amount of quoted investments				
Aggregate amount of Market value of investments				
Aggregate amount of unquoted investments		**778.51**		778.51
Aggregate amount of impairment in value of investments		**–**		–

(i) The Company has investment of SGD 1,670,000 (Rs. 501.47 lakhs) in Bristlecone (Singapore) Pte. Ltd., a wholly owned subsidiary company. During past few years, the subsidiary company achieved significant improvement in its business operations and earned profits which resulted in improved financial position.

(ii) Includes Rs. 248.54 Lakhs (previous year Rs. 248.54 Lakhs) invested towards capital reserve of the company in accordance with German Commercial Code.

Note No. 8 - Loans

Rs. in Lakhs

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Current	**Non-Current**	Current	Non-Current
Other Loans				
– Unsecured, considered good	**2.79**	**–**	3.10	–
Total Loans	**2.79**	**–**	3.10	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 9 - Other Financial Assets

Rs. in Lakhs

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Current	Non-Current	Current	Non-Current
Financial Assets at Amortised Cost				
Other Current Financial Assets				
– Unbilled Revenue	**1,746.47**	**–**	1,186.84	–
– Claims Receivable	**32.72**	**–**	5.30	–
– Security Deposits	**56.50**	**179.16**	148.16	69.78
Measured at Fair Value through Profit and Loss				
– Foreign Currency Forward Contracts	**–**	**–**	78.45	–
Total Other Financial Assets	**1,835.69**	**179.16**	1,418.75	69.78

Note No. 10 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current Tax:		
In respect of current year	**1,270.66**	995.43
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(110.58)**	92.27
Total	**1,160.08**	1,087.70

(b) Income tax recognised in other Comprehensive income

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Deferred tax		
Income taxes related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligations	**30.12**	41.05
Total	**30.12**	41.05

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit before tax from continuing operations	**4,503.72**	4,443.53
Income tax expense calculated at 25.17% (2022: 25.17%)	**1,133.50**	1,118.35
Effect of change in tax rate	**–**	–
Effect of Income not offered to tax	**–**	–
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Effect of current year expenses for which no deferred tax asset is recognised	**–**	–
Effect of current year expenses (net) for which no deferred tax asset is recognised	**26.56**	(6.14)
Tax pertaining to prior years	**–**	(46.24)
Changes in recognised deductible temporary differences	**0.02**	21.73
Income tax expense recognised in profit or loss	**1,160.08**	1,087.70

The tax rate used for the 31 March, 2023 reconciliations above is the corporate tax rate of 25.17% (Previous year : 25.17%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

(d) Movement in deferred tax balances

Rs. in Lakhs

Particulars	**Year ended 31 March, 2023**				
		Recognised in profit and Loss			
	Opening Balance	**Charge**	**Change in Tax Rate**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Depreciation	**24.38**	**16.70**	**–**	**–**	**41.08**
Provision for doubtful Trade receivables	**9.14**	**0.63**	**–**	**–**	**9.77**
Expenses covered under section 43B	**486.42**	**52.37**	**–**	**30.12**	**568.91**
Expenses disallowed under section 40 (a) (ia)	**29.95**	**16.87**	**–**	**–**	**46.82**
Deferred Income	**(0.02)**	**–**	**–**	**–**	**(0.02)**
Mark to market loss on Forward covers	**(19.75)**	**21.13**	**–**	**–**	**1.38**
Ind AS 116 effect	**32.09**	**2.88**	**–**	**–**	**34.97**
Net Tax Asset	**562.21**	**110.59**	**-**	**30.12**	**702.92**

Rs. in Lakhs

Particulars	Year ended 31 March, 2022				
		Recognised in profit and Loss			
	Opening Balance	Charge	Change in Tax Rate	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets					
Depreciation	46.10	(21.72)	–	–	24.38
Provision for doubtful Trade receivables	81.73	(72.59)	–	–	9.14
Expenses covered under section 43B	443.40	1.97	–	41.05	486.42
Expenses disallowed under section 40 (a) (ia)	14.85	15.10	–	–	29.95
Deferred Income	(0.02)	–	–	–	(0.02)
Mark to market gain on Forward covers	(6.42)	(13.33)	–	–	(19.75)
Ind AS 116 effect	33.80	(1.71)	–	–	32.09
Net Tax Asset	613.44	(92.28)	–	41.05	562.21

Note No. 11 - Other Assets

Rs. in Lakhs

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Current	**Non-Current**	Current	Non-Current
Advances other than capital advances				
(a) Balances with government authorities (other than income taxes)	**379.97**	**–**	405.44	–
(b) Prepaid expenses	**417.22**	**6.44**	334.54	2.41
(c) Travel advances to employees	**28.23**	**–**	16.59	–
(d) Other advances	**3.34**	**–**	33.35	–
Total Other Assets	**828.76**	**6.44**	789.92	2.41

Note No. 12 - Trade Receivables

Rs. in Lakhs

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Current	**Non-Current**	Current	Non-Current
Trade receivables				
(a) Undisputed Trade Receivables – considered good	**12,176.02**	**–**	12,299.35	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**92.14**	–	57.42	**–**
Less: Allowance for Credit Losses	**(38.83)**		(36.33)	
(c) Undisputed Trade Receivables – credit impaired	**–**	–	–	**–**
(d) Disputed Trade Receivables – considered good	**–**	–	–	**–**
(e) Disputed Trade Receivables – which have significant increase in credit risk	**–**	–	–	**–**
(f) Disputed Trade Receivables – credit impaired	**–**	–	–	**–**
Less: Allowance for Credit Losses	**–**	–	–	**–**
Total	**12,229.33**	**–**	12,320.44	–
Of the above, trade receivables from:				
– Related Parties	**11,004.83**	**–**	10,997.79	–
– Others	**1,224.50**	**–**	1,322.65	–
Total	**12,229.33**	**–**	12,320.44	–

Refer Note 29 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

12 (a) - Movement in the allowance for doubtful debts

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at beginning of the year	**36.33**	324.74
Impairment losses recognised in the year based on lifetime ECL		
– On receivables originated in the year	**–**	–
– Other receivables	**2.50**	(288.41)
Balance at end of the year	**38.83**	36.33

The average credit period on provision of services is 60 days. No interest is charged on trade receivables.

Refer Note 30 for disclosures related to the trade balances from the Company's largest customers and related disclosures.

The company provides a loss allowance on a case to case basis at the end of each reporting period. An impairment analysis is performed at each reporting date on an individual basis for all customers. In addition, a larger number of customers that are due for collection are assessed for impairment collectively.

12 (b) - Trade receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2023					
(a) Undisputed Trade Receivables – considered good	**12,176.02**	**–**	**–**	**–**	**–**
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**83.15**	**6.99**	**2.00**	**–**	**–**
(c) Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**
(d) Disputed Trade Receivables – considered good	**–**	**–**	**–**	**–**	**–**
(e) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**
(f) Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**
31 March, 2022					
(a) Undisputed Trade Receivables – considered good	12,299.35	–	–	–	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	39.76	15.28	2.38	–	–
(c) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(d) Disputed Trade Receivables – considered good	–	–	–	–	–
(e) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
(f) Disputed Trade Receivables – credit impaired	–	–	–	–	–

Note No. 13 - Cash and Cash Equivalents and Other Bank Balances

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents		
(a) Balances with banks	**1,124.99**	21.55
(b) Others (Deposit account Less than 3 months)	**–**	0.08
(c) Remittance in transit	**–**	–
(d) Cheques on Hand	**–**	–
Total Cash and cash equivalents	**1,124.99**	21.63
Other Bank Balances		
(a) Balances with Banks:		
Fixed Deposits with maturity greater than 3 months	**–**	0.05
Total Other Bank balances	**–**	0.05

Note No. 14 - Equity Share Capital

Particulars	As at 31 March, 2023 No. of shares	As at 31 March, 2023 Amount (Rs. in Lakhs)	As at 31 March, 2022 No. of shares	As at 31 March, 2022 Amount (Rs. in Lakhs)
Authorised:				
2,500,000 Equity shares of 100 each with voting rights	**25,00,000**	**2,500.00**	25,00,000	2,500.00
Issued:				
1,924,130 Equity shares of 100 each with voting rights	**1,924,130**	**1,924.13**	1,924,130	1,924.13
Subscribed and Fully Paid:				
19,04,944 Equity shares of 100 each with voting rights	**19,04,944**	**1,904.94**	19,04,944	1,904.94
Total		**1,904.94**		1,904.94

(i) The Company has only one class of shares i.e. equity shares having a par value of Rs.100. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets after deducting all its liabilities, in proportion to the number of equity shares held.

(ii) Details of shares held by the holding company:

With effect from 3 April 2023, Bristlecone Limited, the intermediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc. All the above shares are held by Bristlecone Worldwide Inc., the holding company, including 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2023 Number of shares held*	As at 31 March, 2023 % holding in that class of shares	As at 31 March, 2022 Number of shares held*	As at 31 March, 2022 % holding in that class of shares
Equity shares with voting rights				
Bristlecone Worldwide Inc.	**19,04,944**	**100%**	19,04,944	100%

* Includes 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

(iv) Details of shares held by the promoters:

Shares held by promoters at the end of the year is as below:

Promoter Name	No of Shares	Percentage of total shares	Percentage of change during the year
Bristlecone Worldwide Inc.	**19,04,944**	**100%**	–

Note No. 15 - Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus Capital Reserve	Reserves and Surplus Retained Earnings	Total
Balance as at 1 April, 2021	88.34	16,049.92	16,138.26
Profit for the year	–	3,355.83	3,355.83
Other Comprehensive Income	–	(122.05)	(122.05)
Interim Dividend	–	(12,100.00)	(12,100.00)
Total Comprehensive Income for the year	–	(8,866.22)	(8,866.22)
Balance as at 31 Mar, 2022	**88.34**	**7,183.70**	**7,272.04**
Profit for the year	**–**	**3,343.64**	**3,343.64**
Other Comprehensive Loss	**–**	**(89.54)**	**(89.54)**
Interim Dividend	**–**	**–**	**–**
Total Comprehensive Income for the year	**–**	**3,254.10**	**3,254.10**
Balance as at 31 March, 2023	**88.34**	**10,437.80**	**10,526.14**

Note No. 16 - Borrowings

Rs. in Lakhs

Particulars	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current
Secured Borrowings				
Cash Credit from Banks	**–**	**–**	3,786.04	–
Total	**–**	**–**	3,786.04	–

Cash Credit from Kotak Mahindra Bank Limited and Axis Bank Limited bears interest rate ranging from 8.50% - 8.95% (Previous year: 7.20% - 7.50%) and is secured by way of hypothecation of entire current assets of the Company.

The quarterly statements filed by the company with banks are in agreement with the books of account of the company.

Note No. 17 - Provisions

Rs. in Lakhs

Particulars	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current
Provision for employee benefits				
(i) Gratuity	**252.97**	**1,466.26**	207.99	1,136.26
(ii) Compensated absences	**110.54**	**430.68**	160.55	427.90
Total Provisions	**363.51**	**1,896.94**	368.54	1,564.16

Note No. 18 - Trade Payables

Rs. in Lakhs

Particulars	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current
(a) Total outstanding dues of Micro Enterprises and Small Enterprises*	**301.49**	**–**	190.50	–
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**4,289.39**	**–**	3,454.34	–
Total trade payables	**4,590.88**	**–**	3,644.84	–

* This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 29.

Trade payables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment* Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2023				
(a) MSME	**301.49**	**–**	–	–
(b) Others	**4,191.63**	**45.79**	**8.76**	43.21
(c) Disputed dues - MSME	**–**	**–**	–	–
(d) Disputed dues - Others	**–**	**–**	–	–
31 March, 2022				
(a) MSME	190.50	–	–	–
(b) Others	3,397.22	13.35	42.17	1.60
(c) Disputed dues - MSME	–	–	–	–
(d) Disputed dues - Others	–	–	–	–

* In the absence of due date of payment, above disclosure is provided from the date of the transaction.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Principal amount remaining unpaid to MSME suppliers as on	**301.49**	190.50
(b) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(c) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(d) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(e) The amount of interest accrued and remaining unpaid as on	**–**	–
(f) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 19 - Other Financial Liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current
Financial Liability carried at amortised cost				
– Capital creditors	**134.89**	**–**	–	–
Financial liability carried at fair value through profit or loss				
– Foreign currency forward contracts	**5.52**	**–**	–	–
Total Other Financial Liabilities	**140.41**	**–**	–	–

Note No. 20 - Other Liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current
(a) Advance from Customers	**–**	**–**	5.09	–
(b) Income received in advance	**146.31**	**–**	171.04	–
(c) Statutory dues				
(i) Taxes payable (other than income taxes)	**214.99**	**–**	88.74	–
(ii) Employee Recoveries and Employer Contributions	**211.50**	**–**	158.76	–
(iii) TDS Payable	**493.19**	**–**	362.13	–
Total Other Liabilities	**1,065.99**	**–**	785.76	–

Note No. 21 - Revenue from Operations

The following is an analysis of the company's revenue for the year from operations.

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Revenue from rendering of services	**49,326.71**	38,504.93
(b) Other operating revenue	**10.98**	2.66
Total Revenue from Operations	**49,337.69**	38,507.59

Note No. 22 - Other Income

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Interest Income (On Fixed Deposits)	**1.75**	180.84
(b) Interest Income (On Financial Assets at Amortised Cost)	**16.61**	17.10
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**21.29**	39.32
(d) Net gain on foreign currency transactions and translation	**283.07**	384.54
(e) Liabilities/provisions no longer required written back	**18.36**	68.51
(f) Income from Short Term Investments	**–**	68.19
(g) Impairment value for investment carried at cost written back	**–**	100.29
(h) Other non operating Income	**55.06**	109.67
Total Other Income	**396.14**	968.46

Note No. 23 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Salaries and wages, including bonus	**33,675.55**	27,139.97
(b) Contribution to provident and other funds	**1,229.71**	845.58
(c) Gratuity	**435.91**	271.22
(d) Staff welfare expenses	**226.03**	125.25
Total Employee Benefit Expense	**35,567.20**	28,382.02

Note No. 24 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest Expenses		
(a) On Financial Liability at Amortised Cost		
(i) Cash Credit Account	**283.71**	66.30
(ii) Interest on Lease Liability	**138.51**	118.40
(b) Other Borrowing Costs	**2.01**	33.00
(c) Other Finance Cost (interest on delayed payment of taxes)	**12.27**	4.95
Total Finance Cost	**436.50**	222.65

Note No. 25 - Other Expenses

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Power	**57.50**	48.88
(b) Rent*	**5.71**	6.71
(c) Rates and taxes	**2.17**	2.17
(d) Communication expenses	**169.19**	160.59
(e) Travelling and conveyance	**692.05**	167.23
(f) Recruitment expenses	**459.01**	664.11
(g) Repairs and maintenance - computer and office equipment	**405.92**	334.70
(h) Repairs and maintenance - Others	**17.48**	14.30
(i) Insurance	**2.89**	4.51
(j) Legal and other professional costs	**285.99**	124.72
(k) Directors' Remuneration**	**61.62**	63.00
(l) Subcontracting expenses	**4,419.06**	2,726.06
(m) Software expenses	**580.15**	412.73
(n) Training expenses	**285.66**	154.48
(o) Provision for doubtful debts and Bad debts written off (See note below)	**2.50**	(14.01)
(p) Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013.	**81.25**	84.47
(q) Miscellaneous expenses	**335.63**	330.13
Total Other Expenses	**7,863.78**	5,284.78

* It represents lease rentals of short term leases and leases which having underlying assets of low value.

** Expenses for the year ended 31 March, 2023 require approval in the ensuing general meeting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Provision for doubtful debts and Bad debts written off

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Bad debts written off	–	274.40
Add/(Less):- Provision for the doubtful debts	2.50	(288.41)
	2.50	(14.01)

Disclosure with regard to CSR activities:

Rs. in Lakhs

	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Amount required to be spent by the company during the year	84.89	84.47
(b)	Amount of expenditure incurred	81.25	84.47
(c)	Shortfall at the end of the year	3.64	–
(d)	Total of previous years shortfall	–	–

* The Company has transferred an amount of Rs. 3.78 Lakhs to a Fund specified in Schedule VII to the Act before the approval of these Financial Statements by the Board of Directors at its meeting held on 27th April, 2023 in compliance with second proviso to sub-section (5) of Section 135 of the Act.

Nature of CSR Activities:

Rs. in Lakhs

	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Project Nanhi Kali - Towards Education of Girl Child	47.50	20.20
(b)	Prayas Health Group - Towards Healthcare including Prevention	–	18.00
(c)	COVID Relief - Donation of Ambulances and Genset	–	33.75
(d)	Tree Plantation Drive	6.62	8.48
(e)	Funding for software training academy	10.00	4.04
(f)	Towards awareness on Health & Hygiene	3.35	–
(g)	Towards Education of Girl Child	7.56	–
(h)	Rural Women empowerment	6.22	–
	Total	81.25	84.47

Note No. 26 - Earnings per Share

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit for the year attributable to the owners of the company	3,343.64	3,355.83
Profit for the year used in the calculation of basic and diluted earnings per share	3,343.64	3,355.83
Weighted average number of equity shares	19,04,944	19,04,944
Earnings per share from continuing operations - Basic and Diluted (Rs.)	175.52	176.16

Note No. 27 - Disclosure of interest in Subsidiaries

(a) Details of the Company's material subsidiaries at the end of the reporting year are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company		Quoted (Y/N)
			As at 31 March, 2023	As at 31 March, 2022	
Bristlecone (Singapore) Pte. Ltd.	Sale of services	Singapore	100%	100%	N
Bristlecone GmbH	Sale of services	Germany	100%	100%	N

Investments in subsidiary companies are accounted at Cost in accordance with para 10 of Ind AS 27 Separate Financial Statements.

Note No. 28 - Leases

Company as a lessee

The details of the right-of-use asset held by the Company is as follows:

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Leasehold Premises		
Opening Balance	995.20	1,309.29
Additions during the year	1,841.75	191.24
Deletions during the year	1,108.84	133.16
Amortisation expense for the year	537.77	505.33
Eliminated on disposal of assets	1,108.84	133.16
Balance as at 31 March, 2023	2,299.18	995.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

The following is the break-up of current and non-current lease liabilities:

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Liabilities	**455.15**	400.14
Non-current Liabilities	**1,919.20**	691.69
Total	**2,374.35**	1,091.83

The following is the movement in lease liabilities during the year ended:

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Lease Liabilities		
Opening Balance	**1,091.83**	1,401.22
Additions during the year	**1,792.21**	191.24
Payment of lease liabilities	**509.69**	500.63
Balance as at 31 March, 2023	**2,374.35**	1,091.83

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Not later than one year	**641.50**	477.78
Later than one year but not later than five years	**2,112.57**	612.41
Later than five years	**170.41**	266.80
Total	**2,924.47**	1,356.99

Rental expense recorded for short-term leases was Rs.5.71 lakhs (previous year Rs.6.71 lakhs) for the year ended March 31,2023.

Note No. 29 - Financial Instruments

Capital Management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern;

– maintain an optimal capital structure to reduce the cost of capital.

'The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or combination of short term/long term debt as may be appropriate.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain adequate capital base so as to maintain shareholders, creditors confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Shareholders' Equity as reported in Balance Sheet	**12,431.08**	9,176.98
Total Shareholders' Equity (A)	**12,431.08**	9,176.98
Short term Debt	-	3,786.04
Total Debt (B)	-	3,786.04
Cash and Bank Balances	**1,124.99**	21.68
Total Investments (C)	**1,124.99**	21.68
Total Capital Employed (A-B-C)	**11,306.09**	5,369.26

Categories of financial assets and financial liabilities

Amortised Costs

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current Assets		
Investments	**778.51**	778.51
Other Financial Assets		
- Non Derivative Financial Assets	**179.16**	69.78
Current Assets		
Trade Receivables	**12,229.33**	12,320.44
Cash and Cash Equivalents	**1,124.99**	21.63
Other Bank Balances	**–**	0.05
Loans	**2.79**	3.10
Other Financial Assets		
- Non Derivative Financial Assets	**1,835.69**	1,340.30
Non Current Liabilities		
Borrowings	**–**	–
Lease Liabilities	**1,919.20**	691.69
- Non Derivative Financial Liabilities	**–**	–
Current Liabilities		
Borrowings	**–**	3,786.04
Trade Payables	**4,590.88**	3,644.84
Lease Liabilities	**455.15**	400.14
Other Financial Liability		
- Non Derivative Financial Liabilities	**134.89**	–

Fair Value through Profit and Loss

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Assets		
Other Financial Assets		
- Derivative Financial Instruments	**–**	78.45
Current Liabilities		
Other Financial Liabilities		
- Derivative Financial Instruments	**5.52**	–

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March, 2023				
Borrowings	**–**	**–**	**–**	**–**
Trade Payables	**4,590.88**	**–**	**–**	**–**
Lease Liabilities	**641.50**	**903.81**	**851.86**	**170.41**
Other Financial Liabilities	**134.89**	**–**	**–**	**–**
Total	**5,367.27**	**903.81**	**851.86**	**170.41**
31 March, 2022				
Borrowings	3,786.04	–	–	–
Trade Payables	3,644.84	–	–	–
Lease Liabilities	477.78	241.15	214.89	266.80
Other Financial Liabilities	–	–	–	–
Total	7,908.66	241.15	214.89	266.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Financing arrangements

The Company had access to following borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at 31 March, 2023 INR	As at 31 March, 2022 INR
Secured Bank Overdraft facility		
- Expiring within one year	**8,500.00**	8,500.00
- Expiring beyond one year	**–**	–
	8,500.00	8,500.00

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March, 2023				
Investments	**–**	**–**	**–**	**778.51**
Trade Receivables	**12,227.33**	**2.00**	**–**	**–**
Cash and Cash Equivalents	**1,124.99**	**–**	**–**	**–**
Other Bank Balances	**–**	**–**	**–**	**–**
Loans	**2.79**	**–**	**–**	**–**
Other Financial Assets	**1,835.69**	**7.84**	**152.34**	**18.98**
Total	**15,190.80**	**9.84**	**152.34**	**797.49**
As at 31 March, 2022				
Investments	–	–	–	778.51
Trade Receivables	12,318.06	2.38	–	–
Cash and Cash Equivalents	21.63	–	–	–
Other Bank Balances	0.05	–	–	–
Loans	3.10	–	–	–
Other Financial Assets	1,340.30	34.83	16.98	17.97
Total	13,683.14	37.21	16.98	796.48

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial Instruments				
As at 31 March, 2023				
Forward Exchange Contracts - Liability	**5.52**	**–**	**–**	**–**

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31 March, 2022				
Forward Exchange Contracts - Asset	78.45	–	–	–

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to the risk of changes in market interest rates.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repayor service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables	USD	**10,918.67**	10,571.90
	MYR	**–**	114.54
	SGD	**–**	139.24
	EUR	**–**	189.58
Trade Payables	USD	**29.73**	11.81

Balances in Respective Foreign Currency

Particulars	Currency	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables	USD	**13,284,263**	13,963,679
	MYR	**–**	635,850
	SGD	**–**	248,904
	EUR	**–**	224,398
Trade Payables	USD	**36,319**	15,602

Of the above foreign currency exposures, the following exposures are not hedged by derivatives:

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables	USD	**–**	–
	MYR	**–**	114.54
	SGD	**–**	139.24
	EUR	**–**	189.58
Trade Payables	USD	**29.73**	11.81

Balances in Respective Foreign Currency

Particulars	Currency	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables	USD	**–**	–
	MYR	**–**	635,850
	SGD	**–**	248,904
	EUR	**–**	224,398
Trade Payables	USD	**36,319**	15,602

<u>Foreign Currency Sensitivity</u>

The following tables demonstrate the sensitivity to a reasonably possible change in USD, MYR, SGD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs. in Lakhs

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended on 31 March, 2023	USD	+10%	**2.97**
	USD	-10%	**(2.97)**
For the year ended on 31 March, 2022	USD	+10%	1.18
	USD	-10%	(1.18)
	MYR	+10%	11.45
	MYR	-10%	(11.45)
	SGD	+10%	13.92
	SGD	-10%	(13.92)
	EUR	+10%	18.96
	EUR	-10%	(18.96)

Note No. 30 - Segment information

The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3.

Geographic information

The company operates in 2 principal geographical areas - India (country of domicile) and outside India. The Company's revenue from external customers by location of operations and information about its non current assets by location of assets are detailed below:

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from external customers		
India	**13,560.00**	11,802.25
Outside India	**35,777.69**	26,705.34
Total revenue per statement of profit or loss	**49,337.69**	38,507.59

Non-current operating assets:

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
India	**1,784.84**	1,842.26
Outside India	**–**	–
Total	**1,784.84**	1,842.26

Non-current assets for this purpose consist of property, plant and equipment and intangible assets and Capital work in progress.

Revenue from major services

The Company's business activity falls within a single line of services viz. Business Consulting, Software Implementation and related support activities.

Information about major customers

Included in revenues arising from sale of services & products are revenue of approx. Rs. 45,170.03 lakhs (31 March, 2022: Rs. 35,531.51 lakhs) which arose from sales to the Company's top 3 customers (31 March,2022 top 3 customers). No other customer contributed to 10% or more to the Company's revenue for both the years 2022 - 23 and 2021 - 22.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 31 - Contingent liabilities and commitments

Rs. in Lakhs

Particulars	**As at 31 March, 2023**	As at 31 March, 2022
Contingent liabilities		
(a) Income tax matters under litigations (including interest)	**756.55**	698.50
(b) Professional Tax matter	**8.10**	–
(c) Claim against Company not acknowledged as debt	**35.00**	35.00

Note: As on 31 March, 2023 the company's management does not expect any outflow in respect of these pending litigations related to tax matters stated above based on the legal advice obtained.

Capital Commitments as at 31 March, 2023 Rs. 28.40 Lakhs (Previous Year Rs. 22.51 Lakhs).

Note No. 32 - Employee benefits

(a) Defined Contribution Plan

Contribution for the year to Defined Contribution Plan is recognised in the Statement of Profit and Loss included under employee benefits expense note 22. Contribution to provident and other funds as disclosed in note 22 are as under:

Rs. in Lakhs

Particulars	**Year ended 31 March, 2023**	Year ended 31 March, 2022
Employer's Contribution to Provident Fund	**794.54**	503.39
Employer's Contribution to Family Pension Fund	**323.56**	287.12
Employer's Contribution to Superannuation Fund	**3.13**	4.07

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**Valuation as at**	
	31 March, 2023	31 March, 2022
Discount rate(s)	**7.30%**	6.40%
Expected rate(s) of salary increase	**7.00%**	7.00%
Rate of Leaving Service	**Age 21-44 Years- 19.0% Age 45-59 Years- 8.0%**	Age 21-44 Years- 21.0% Age 45-59 Years- 11.0%
Mortality Rate	**As per Indian Assured Lives Mortality (2012-14) Ult table**	As per Indian Assured Lives Mortality (2012-14) Ult table

Defined benefit plans – as per actuarial valuation

Gratuity (Unfunded)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Rs. in Lakhs

Particulars	**Year ended 31 March, 2023**	Year ended 31 March, 2022
Service Cost		
Current Service Cost	**348.89**	208.31
Past service cost	**6.78**	–
Net interest expense	**80.24**	62.91
Components of defined benefit costs recognised in profit or loss	**435.91**	271.22
Remeasurement on the net defined benefit liability		
Actuarial gains and loss arising from changes in financial assumptions	**(90.01)**	(6.85)
Actuarial gains and loss arising from changes in demographic assumptions	**7.69**	(4.15)
Actuarial gains and loss arising form experience adjustments	**201.98**	174.10
Components of defined benefit costs recognised in other comprehensive income	**119.66**	163.10
Total	**555.57**	434.32

Rs. in Lakhs

	Particulars	**Year ended 31 March, 2023**	Year ended 31 March, 2022
I.	**Net Liability recognised in the Balance Sheet as at 31 March**		
1.	Present value of defined benefit obligation	**1,719.23**	1,344.25
2.	Fair value of plan assets	**–**	–
3.	**Surplus/(Deficit)**	**1,719.23**	1,344.25
4.	Current portion of the above	**252.97**	207.99
5.	Non current portion of the above	**1,466.26**	1,136.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Rs. in Lakhs

	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
II.	**Change in the obligation during the year ended 31 March**		
1.	Present value of defined benefit obligation at the beginning of the year	**1,344.25**	1,087.08
2.	Expenses Recognised in Profit and Loss Account		
	– Current Service Cost	**348.89**	208.31
	– Past Service Cost	**6.78**	–
	– Interest Expense (Income)	**80.24**	62.91
3.	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	– Actuarial Gain (Loss)	**119.66**	163.10
4.	Benefit payments	**(180.59)**	(177.15)
5.	**Present value of defined benefit obligation at the end of the year**	**1,719.23**	1,344.25

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumption	For the year ended	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2023**	**100 basis points**	**1,629.01**	**1,819.81**
	31 March, 2022	100 basis points	1,279.39	1,415.99
Salary growth rate	**31 March, 2023**	**100 basis points**	**1,802.58**	**1,643.02**
	31 March, 2022	100 basis points	1,399.96	1,292.29
Withdrawal rate	**31 March, 2023**	**100 basis points**	**1,720.78**	**1,717.51**
	31 March, 2022	100 basis points	1,342.55	1,346.10

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lakhs

Maturity Profile	As at 31 March, 2023	As at 31 March, 2022
Expected benefits for Year 1	**252.97**	207.99
Expected benefits for Year 2	**208.23**	202.97
Expected benefits for Year 3	**230.97**	191.10
Expected benefits for Year 4	**234.46**	225.39
Expected benefits for Year 5	**324.20**	210.25
Expected benefits for Year 6 and above	**1,813.78**	1,286.93

The weighted average duration of the defined benefit obligation as at 31 March, 2023 is 8.98 years (31 March, 2022: 7.64 years).

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in Profit or Loss.

(c) Compensated Absences:

Compensated absences charged to Statement of Profit and Loss Rs. 70.00 lakhs (previous year Rs.46.43 lakhs) and liability as at 31 March, 2023 Rs. 541.22 lakhs (As at 31 March, 2022 Rs. 588.45 lakhs).

Note No. 33 - Related Party Transactions

Name of the Related Party and Nature of Relationship

Holding company and ultimate holding company

Bristlecone Worldwide, Inc., formerly known as Bristlecone Limited (Holding company)

Mahindra Holdings Limited (Penultimate Holding company)

Mahindra and Mahindra Limited (Ultimate Holding company)

Subsidiary companies

Bristlecone (Singapore) Pte. Ltd.

Bristlecone GmbH

Fellow subsidiaries (where there are transactions)

Bristlecone Inc.

Bristlecone Consulting Ltd

Bristlecone UK Limited

Bristlecone (Malaysia) Sdn. Bhd.

Bristlecone International AG

Bristlecone Middle East DMCC

Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada

Mahindra Lifespace Developers Limited

Mahindra USA Inc.

Mahindra Integrated Business Solutions Private Limited

Mahindra Holidays & Resorts India Limited

Mahindra Susten Private Limited

Mahindra and Mahindra Financial Services Limited

Mahindra Summit Agri Sciences Limited

Mahindra EMarket Limited

Mahindra Agri Solutions Limited

Mahindra Solarize Private Limited

Mahindra Electric Mobility Limited

Others (where there are transactions)

Subsidiary of Joint Venture of Ultimate Holding Company

Mahindra Aerostructures Private Limited

Post Employment benefit plan

Bristlecone India Limited Employee's Superannuation Scheme

Bristlecone India Limited Employee's Provident Fund Trust

Firm in which Director is a Partner

Khaitan & Co, Mumbai

Key Managerial Personnel

Mr. Ulhas Yargop, Director

Ms. Manaswini Goel, Director

Mr. P R Barpande, Independent Director (till 25 November 2022)

Mr. Nikhilesh Panchal, Independent Director

Mr. Mohit Kapoor, Director (w.e.f 07 February 2022)

Mr. Prashant Kamat - Manager (till 03 September 2021)

Mr. Narayan Iyer - Manager (w.e.f 07 February 2022)

Mr. Amit Deshmukh - Chief Financial Officer

Ms. Grisma Biswal - Company Secretary (till 17 November 2022)

Ms. Anusha Singi - Company Secretary (w.e.f 31 January 2023)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Income from services rendered	31 March 2023	**4,729.99**	**–**	**–**	**35,811.67**	
	31 March 2022	4,135.91	–	2,608.88	24,404.88	–
Reimbursement of expenses paid*	31 March 2023	**131.26**	**–**	**–**	**14.15**	
	31 March 2022	53.32	–	0.55	0.26	–
Reimbursement of expenses received	31 March 2023	**–**	**–**	**–**	**481.52**	
	31 March 2022	0.98	–	29.60	203.42	–
Dividend Paid	31 March 2023	**–**	**–**	**–**	**–**	
	31 March 2022	–	12,100.00	–	–	–
Professional fees	31 March 2023	**–**	**–**	**–**	**33.44**	**10.00**
	31 March 2022	0.02	–	–	21.34	–
Subcontracting Charges paid	31 March, 2023	**–**	**–**	**–**	**15.59**	**–**
	31 March, 2022	–	–	–	–	–

* Company has incurred Rs. 3.60 lakhs (31 March, 2022: Rs. 2.21 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Ltd.

Rs. in Lakhs

Nature of transactions with Related Parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Receivable balance at the year end.	31 March 2023	**160.81**	**–**	**–**	**10,833.86**	
	31 March 2022	257.67	–	354.10	10,691.78	–
Payable balance at the year end.	31 March 2023	**7.63**	**–**	**–**	**32.83**	**10.00**
	31 March 2022	47.07	–	–	2.79	–
Unbilled Revenues as at the year end	31 March 2023	**409.51**	**–**	**–**	**42.81**	**–**
	31 March 2022	259.98	–	–	60.17	–
Income received in advance	31 March 2023	**146.31**	**–**	**–**	**–**	**–**
	31 March 2022	160.36	–	–	10.68	–

Compensation of key managerial personnel

The remuneration of key managerial personnel (KMP) during the year was as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Directors:		
Director Remuneration	**61.62**	63.00
Director Sitting Fees	**3.60**	4.80
KMP Other than Directors:		
Salaries, bonus, etc.	**281.00**	119.37
Post-employment benefits	**–**	3.76
Other long-term benefits	**–**	1.87

Note: The remunaration to the key managerial personnel does not include the provisions made for gratuity and leave encashments, as they are determined on an acturial basis for the Company as a whole.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

Note No. 34 - Additional Disclosures as per Ind-AS 115 Revenue from Contracts with Customers

The Company applied Ind-AS 115 Revenue from Contracts with Customers by using the modified retrospective method of adoption with date of initial application of 1st April 2018. This has not resulted any significant changes to retained earning or any other line item in financial statements.

i) Desegregation of revenue

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
By Geography / Regions		
Domestic	**13,560.00**	11,802.25
Export	**35,777.69**	26,705.34
	49,337.69	38,507.59
By Timing of Transfer		
at the point in time	–	–
Over the time	**49,337.69**	38,507.59
	49,337.69	38,507.59

ii) Contract balances

Rs. in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening Receivables	**12,320.44**	7,663.25
Closing Receivables	**12,229.33**	12,320.44
Opening Contract Assets	**1,186.84**	578.79
Closing Contract Assets	**1,746.47**	1,186.84
Opening Contract Liabilities	**171.04**	122.79
Closing Contract Liabilities*	**146.31**	171.04
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	**171.04**	122.79

* Expected to fulfil the performance obligation in 0-6 Months.

iii) Company provides 60 to 120 days credit period to customers.

iv) As a practical expedient, the Company has not disclosed the information in paragraph 120 of Ind-AS 115 for a performance obligation since the performance obligation is part of a contract that has an original expected duration of one year or less.

Note No. 35 - Additional Information to the Financial Statements

(a) Disclosure of ratios:

Particulars	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	**2.40**	1.62	48.48%	Decrease in borrowings during current year.
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	**–**	0.41	100.00%	Zero utilization of working capital facility as on year end.
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	**7.97**	1.07	647.87%	Zero utilization of working capital facility as on year end.
(d) Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	**0.31**	0.25	25.51%	Reduction in average shareholder's equity during current year due to dividend payment in previous year.
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	**–**	–	–	
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	**4.02**	3.92	2.60%	
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	**6.99**	6.43	8.72%	
(h) Net capital turnover ratio	Net Sales	Working Capital	**5.27**	6.92	-23.77%	Decrease in borrowings during current year.
(i) Net profit ratio	Net Profit	Net Sales	**0.07**	0.09	-22.23%	Higher employee costs resulting in decrease in Net profit.
(j) Return on capital employed	Earning before interest and taxes	Capital Employed	**0.40**	0.34	14.87%	Decrease in borrowings during current year.
(k) Return on investment						
Fixed Deposits	Interest Income on Fixed Deposits	Average Fixed Deposit Investment for the year	**–**	0.04	-100.00%	Due to liquidation of investment in Fixed Deposits in previous year
Mutual Fund	Return on Mutual Fund	Average Mutual Fund Investment for the year	**–**	0.03	-100.00%	Due to liquidation of investment in Mutual Funds in previous year

Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.

Debt service = Interest & Lease Payments + Principal Repayments

Working capital = current assets minus current liabilities.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (contd.)

(b) Remuneration to auditors (excluding GST)

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
As auditor		
Audit Fee	**13.90**	13.90
Tax and Transfer Pricing audit fee	**3.35**	3.35
In other capacities		
Taxation matters & Others	**6.00**	10.50
Reimbursement of expenses		
Out of Pocket expenses	**0.13**	0.03
	23.38	27.78

(c) Transactions with struck off Companies:
There are no transactions with struck off companies during the current and previous financial years.

(d) Previous Year Groupings
Previous Year's figures have been regrouped / rearranged wherever necessary in order to confirm to current year's groupings and classifications..

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 27 April, 2023

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Pune
Date: 27 April, 2023

AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Details	
	Name of the subsidiary	**Bristlecone (Singapore) Pte. Ltd.**	**Bristlecone GmbH**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31 March, 2023	Year ended 31 March, 2023
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Curr: SGD Exchange Rate 1 SGD= INR 61.94	Reporting Curr: EUR Exchange Rate 1 EUR= INR 89.64
3.	Share capital	103,439,800	4,482,000
4.	Reserves & surplus	463,807	497,601,328
5.	Total assets	108,802,379	598,445,768
6.	Total Liabilities	108,802,379	598,445,768
7.	Investments	–	–
8.	Turnover	138,583,689	579,505,348
9.	Profit before taxation	2,777,699	19,503,119
10.	Provision for taxation	854,834	5,237,982
11.	Profit after taxation	1,922,865	14,265,137
12.	Proposed Dividend	–	–
13.	% of shareholding	100%	100%

1 Names of subsidiaries which are yet to commence operations: **None**

2 Names of subsidiaries which have been liquidated or sold during the year: **None**

Part "B": Associates and Joint Ventures: Not Applicable

NIL

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director
DIN: 00054530

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Amit Deshmukh
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place : Pune
Date : 27 April, 2023

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of

Bristlecone Consulting Limited

Opinion

We have audited the financial statements of Bristlecone Consulting Limited (a wholly owned subsidiary of Bristlecone Worldwide Inc.) (the "Company") which comprise the Balance sheets as of March 31, 2023 and 2022, and the related Statement of comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Place: New Delhi, India

Date: April 27, 2023

Grant Thornton Bharat LLP

BALANCE SHEETS

Particulars	Notes	As at March 31, 2023 (CAD$)	As at March 31, 2022 (CAD$)
Assets			
Current assets			
Cash and cash equivalents	B	**559,290**	503,675
Accounts receivable–Due from related parties	C	**36,658**	–
Other current assets		150	150
Total current assets		**596,098**	503,825
Non-current assets			
Income tax receivable		**–**	29,683
Total assets		**596,098**	533,508
Liabilities and stockholders' equity			
Current liabilities			
Accounts payable			
– Due to related party	C	**–**	4,438
Income tax payable		**16,818**	–
Accrued expenses and other current liabilities	D	**58,120**	54,449
Total current liabilities		**74,938**	58,887
Stockholders' equity			
Common stock, no par value 1 shares authorized and 1 shares issued as of March 31, 2023 and March 31, 2022	E	**1**	1
Retained earnings		**521,159**	474,620
Total stockholders' equity		**521,160**	474,621
Total liabilities and stockholders' equity		**596,098**	533,508

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Notes	Year ended March 31, 2023 (CAD$)	Year ended March 31, 2022 (CAD$)
Revenue	3.6	**333,602**	161,958
Operating expenses			
Cost of revenue		**275,907**	242,488
Selling, general and administrative expenses		**27,260**	25,361
Total operating expenses		**303,167**	267,849
Operating profit/(loss)		**30,435**	(105,891)
Other income/(expense)			
– Foreign exchange gain/(loss)		**33,029**	(6,141)
– Other		**(107)**	21
Profit/(loss) before income tax expense		**63,357**	(112,011)
Income tax expense/(benefit)	3.8	**16,818**	(29,683)
Net profit/(loss)		**46,539**	(82,328)
Other comprehensive income		**–**	–
Total comprehensive income		**46,539**	(82,328)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Particulars	Common stock				Additional paid-in capital	Retained earnings	Total stockholders' equity
	Authorized		Issued and outstanding				
	Shares	Amount (CAD$)	Shares	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)
Balance as at April 1, 2021	1	1	1	1	–	556,948	556,949
Net (loss) for the year	–	–	–	–	–	(82,328)	(82,328)
Balance as at March 31, 2022	**1**	**1**	**1**	**1**	**–**	**474,620**	**474,621**
Net profit for the year	–	–	–	–	–	46,539	46,539
Balance as at March 31, 2023	**1**	**1**	**1**	**1**	**–**	**521,159**	**521,160**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Particulars	**Year ended March 31, 2023 (CAD$)**	Year ended March 31, 2022 (CAD$)
Cash flow from operating activities		
Net profit/(loss)	**46,539**	(82,328)
Adjustments to reconcile net profit/(loss) to net cash provided by/(used in) operating activities		
Exchange gain on translation of foreign currency cash and cash equivalents	**34,183**	387
Changes in operating assets and liabilities		
Accounts receivable, related party	**(36,658)**	123,979
Accrued expenses and other current liabilities	**3,671**	5,892
Accounts payable, related party	**(4,438)**	3,774
Accounts payable, others	**–**	(186)
Income tax	**46,501**	44,994
Net cash provided by operating activities	**89,798**	96,512
Cash flow from investing activities	**–**	–
Net cash used in financing activities	**–**	–
Net increase in cash and cash equivalents	**89,798**	96,512
Cash and cash equivalents at the beginning of the year	**503,675**	407,550
Exchange gain on translation of foreign currency cash and cash equivalents	**(34,183)**	(387)
Cash and cash equivalents at the end of the year	**559,290**	503,675
Supplemental cash flow information		
Income taxes (refund)	**(29,683)**	(74,677)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 AND MARCH 31, 2022

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Consulting Limited (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in North America and Canada. The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of Canada on June 1, 2010. The Company is a wholly-owned subsidiary of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited). Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

These financial statements have been presented in Canadian Dollars ('CAD$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for allowances for uncollectable amounts, efforts to completion for fixed price projects and provision for variable pay represent certain of these particularly sensitive estimates.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of comprehensive income.

The entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

There are foreign currency receivable outstanding at the year end amounting to CAD$ 36,658 (2022: CAD$ NIL)

3.4. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance held with banks.

3.5. ACCOUNTS RECEIVABLE

Accounts receivable that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported in the balance sheets at outstanding amount less any charge-offs and the allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers, and generally extends credit without requiring collateral. An allowance for uncollectible trade receivables, if needed, is estimated based on specific customer situations, current and future expected economic conditions, past experiences of losses, as well as an assessment of potential recoverability of the balance due. Accounts are charged to bad debt expense when they are deemed uncollectible based upon management's periodic review of the accounts. Based on management estimation no credit loss is required for the year.

3.6. REVENUE RECOGNITION

The Company is principally engaged in Business Consulting, Software Implementation and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time/efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- Revenue from the sale of third- party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, accumulative adjustment is accounted for.
- The Company also recognises revenue on cost-plus method wherein the selling price is determined by adding a specific fixed percentage (a "markup") on the cost.
- Payment terms - All contracts entered into by the Company specify the payment terms and are defined for each contract separately. Usual payment terms range between 30-120 days. The Company does not have any extended payment terms clauses in existing contracts.

Use of significant estimates and judgments

Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by contract-type, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

The Company's revenue by type of contract is as follows:

Type of contract	Year ended March 31, 2023 CAD$	Year ended March 31, 2022 CAD$
Time and materials	**333,602**	161,958
Fixed-price	**–**	–
Total	**333,602**	161,958

3.7. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, sub-contractor fees, off-shore consultancy charges, project related travel and other costs.

3.8. INCOME TAXES

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	As at March 31, 2023 CAD$	As at March 31, 2022 CAD$
Bank balances	**559,290**	503,675

Cash balances of the Company are held in checking accounts, which are non-interest bearing, and as per the Canada Deposit Insurance Corporation Act, all non-interest bearing transaction accounts are guaranteed by the CDIC for CAD$ 100,000 per depositor for Bank of Nova Scotia.

As at March 31, 2023, the Company has CAD$ 459,290 (2022: CAD$ 403,675) as balances in excess of the insured amount.

NOTE C – RELATED PARTY TRANSACTIONS

1. List of related parties and their relationships (where there are transactions):

Name of related party	Relationship
Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)	Holding Company
Bristlecone, Inc.	Fellow Subsidiary

2. Related party transactions and balances:

Name of related party	Nature of transaction/balance	Amount in CAD($) March 31, 2023	Amount in CAD($) March 31, 2022
Bristlecone Inc	Subcontracting services provided	**333,602**	161,958
Bristlecone Inc	Amount payable as at year end	**–**	4,438
Bristlecone Inc	Amount receivable as at year end	**36,658**	–

Note D – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

Particulars	As at March 31, 2023 CAD$	As at March 31, 2022 CAD$
Accrued expenses	**11,213**	10,965
Employee related Provision	**46,907**	43,484
	58,120	54,449

NOTE E – STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of unlimited number of common shares without nominal or par value, out of which 1 common share was issued and outstanding as at March 31, 2023 and March 31, 2022 which is held entirely by the Holding Company, Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited). They entitle the holder to participate in dividend, and share in the proceeds of winding-up the Company in proportion to the number of and amount paid on the shares held.

NOTE F – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE G – CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies". It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE H – RECENT ACCOUNTING PRONOUNCEMENT

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13) "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires the use of forward-looking information to calculate credit loss estimates. These changes will result in earlier recognition of credit losses. The guidance is effective for the company for fiscal years, and interim periods within those fiscal years beginning after December 15, 2022. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In August 2020, FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU removes separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature and hence most of the instruments will be accounted for as a single model (either debt or equity). The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In October 2021, FASB ("Financial Accounting Standard Board") issued ASU No. 2021-08, Business Combinations ("ASC Topic 805"): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU provides guidance in ASC Topic 805 to require the acquirer entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC Topic 606, as if it had originated the contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements, if the acquiree prepared financial statements in accordance with U.S. GAAP. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The adoption of this ASU will not have any impact on the Company's financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions," which clarifies that contractual sale restrictions are not considered in measuring fair value of equity securities and requires additional disclosures for equity securities subject to contractual sale restrictions. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

In September 2022, the FASB issued ASU 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations," which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose sufficient information about the program. The amendments do not affect the recognition, measurement or financial statement presentation of obligations covered by supplier finance programs. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

NOTE I SUBSEQUENT EVENTS

With effect from April 03, 2023, Bristlecone Limited, the immediate holding corporation has been deregistered in Cayman Islands and domesticated to United States with new name as Bristlecone Worldwide, Inc.

The Company has evaluated subsequent events through April 27, 2023, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditors' Report to the Members of Bristlecone (Malaysia) Sdn. Bhd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as pages herein.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

NEXIA SSY PLT	**Bavany a/p Chellappan**
201906000679 (LLP0019490-LCA) & AF 002009	No. 03138/09/2023 J
Chartered Accountants	Chartered Accountant

Shah Alam
19 April 2023.

Statement of Financial Position as at 31 March 2023

	Note	**2023 RM**	2022 RM
ASSETS			
Non-current assets			
Plant and equipment	6	**–**	3,400
Current assets			
Trade receivables	7	**86,108**	1,120,808
Other receivables and deposits	8	**4,298**	4,298
Tax recoverable		**100,416**	103,051
Cash and bank balances		**840,468**	617,304
			1,845,461
TOTAL ASSETS		**1,031,290**	1,848,861
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	9	**500,000**	500,000
Retained earnings		**495,591**	487,414
TOTAL EQUITY		**995,591**	987,414
Current liabilities			
Trade payables	10	**12,805**	730,332
Other payables and accruals	11	**22,894**	131,115
TOTAL LIABILITIES		**35,699**	861,447
TOTAL EQUITY AND LIABILITIES		**1,031,290**	1,848,861

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 31 March 2023

	Note	**2023 RM**	2022 RM
Revenue	12	**385,963**	1,494,330
Cost of services		**(312,487)**	(1,155,940)
Gross profit		**73,476**	338,390
Administrative expenses		**(65,299)**	(74,051)
Profit before taxation	13	**8,177**	264,339
Taxation	14	**–**	–
Profit for the year		**8,177**	264,339

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2023

	Note	Share capital RM	Retained earnings RM	Total RM
At 1 April 2022		**500,000**	**487,414**	**987,414**
Profit for the year			**8,177**	**8,177**
At 31 March 2023		**500,000**	**495,591**	**995,591**
At 1 April 2021		500,000	1,223,075	1,723,075
Profit for the year			264,339	264,339
Dividends	15	–	(1,000,000)	(1,000,000)
At 31 March 2022		500,000	487,414	987,414

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2023

	2023 RM	2022 RM
Cash flows from operating activities		
Profit before taxation	**8,177**	264,339
Adjustments for:		
Depreciation of plant and equipment	**1,558**	1,700
Plant and equipment written off	**1,842**	–
Net (gain)/loss on foreign exchange – unrealised	**(494)**	785
Operating profit before working capital changes	**11,083**	266,824
Decrease/(increase) in trade and other receivables	**1,034,700**	(1,121,072)
(Decrease)/ increase in trade and other payables	**(825,254)**	843,237
Cash generated from/(used in) operations	**220,529**	(11,011)
Income tax paid	**(26,260)**	(74,156)
Income tax refund	**28,895**	
Net cash generated from/(used in) operating activities	**223,164**	(85,167)
Cash flows from investing activities		
Purchase of plant and equipment	**–**	(5,100)
Net cash used in investing activities	**–**	(5,100)
Cash flows from financing activities		
Dividend paid	**–**	(1,000,000)
Net cash used in financing activities	**–**	(1,000,000)
Net increase/(decrease) in cash and cash equivalents	**223,164**	(1,090,267)
Cash and cash equivalents at beginning of the year	**617,304**	1,707,571
Cash and cash equivalents at end of the year	**840,468**	617,304
Cash and cash equivalents comprise:		
Cash at bank	**840,468**	617,304

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2023

1. Corporate information

The Company is a private limited company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 8.01, Level 8, Menara Binjai, No. 2 Jalan Binjai, 50450 Kuala Lumpur, Malaysia.

The principal activities of the Company are to act as information technology service advisors, business consultants and implementers of computerised systems and to render a full range of information technology services including application and programming services, computer networks and other forms of computer and electronic technology services, administration and management control, technical, scientific and operational assistance, systems design, project management and technical training of personnel, management of a computer and electronic service facility and generally, any type of business or activity relating to the information technology and electronic industry and to provide support and training in connection therein.

The Directors regard Bristlecone Limited, a corporation incorporated in Cayman Island, as the immediate holding corporation, Mahindra Holding Limited, a corporation incorporated in India, as the penultimate holding corporation and Mahindra & Mahindra Ltd., a corporation incorporated in India, as the ultimate holding corporation. With effect from 3rd April 2023, Bristlecone Limited, the immediate holding corporation has been deregistered in Cayman Island and domesticated to United States with new name as Bristlecone Worldwide, Inc.

There were no employees in the Company at the end of the current and previous financial years.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 19 April 2023.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Equipment and depreciation

All items of equipment is initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit and loss as incurred.

Subsequent to recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer	33.33%

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the year the property, equipment is derecognised, and any unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

(c) Equity instruments

Ordinary shares are classified as equity instruments. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(d) Provision for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(e) Revenue recognition

The Company recognise revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii Determine the transaction price. The transaction price is the amount of consideration to which the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expect to be entitled in exchange for satisfying each performance obligation.

v Recognise revenue when (or as) the Company satisfy a performance obligation.

The Company satisfy a performance obligation and recognise revenue over time if the Company's performance:

i Do not create an asset with an alternative use to the Company and have an enforceable right to payment for performance completed to-date; or

ii Create or enhance an asset that the customer controls as the asset is created or enhanced; or

iii Provide benefits that the customer simultaneously receives and consumes as the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue from contracts with customers

a. Sale of goods/services

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Company transfers controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Impairment of non-financial assets

The Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company make an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or Companys of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or Companys of units and then, to reduce the carrying amount of the other assets in the unit or Companys of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Foreign currency

i Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

ii **Foreign currency transactions**

In preparing the financial statements of the Company, transactions in currencies other than the Company's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial period end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial period end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2023 **RM**	2022 RM
1 Singapore Dollar (SGD)	**–**	3.11
1 United States Dollar (USD)	**4.42**	–

(i) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, deposits with financial institutions, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i **Financial assets measured at amortised cost**

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

ii **Financial assets measured subsequently at fair value**

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Company's or the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Company.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

ii Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(j) Impairment of financial assets

At each financial year end, the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are Companyed on the basis of similar risk characteristics.

The Company considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Company and all the cash flows that the Company expect to receive.

The Company measure the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

Financial liabilities at FVTPL

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Company measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occuring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Company apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a 12-months expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

(l) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy.

(m) Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3:	Business Combinations	1 January 2022
Amendments to MFRS 9:	Financial Instruments	1 January 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141:	Agriculture	1 January 2022

(b) MFRSs that have been issued but only effective for financial period beginning on 1 April 2022 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income taxes	1 January 2023
Amendments to MFRS 16	Lease Liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101	Non-current liabilities with covenants	1 January 2024
Amendments to MFRS 10:	Consolidated Financial Statement	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

5. Significant accounting estimates

Key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Loss allowances for financial assets

The Company recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and result.

(b) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Equipment

	Computer RM
Cost	
At 1 April 2022	**5,100**
written off	**(5,100)**
At 31 March 2023	**–**
Accumulated depreciation	
At 1 April 2022	**1,700**
Charge for the financial year	**1,558**
Written off	**(3,258)**
At 31 March 2023	**–**
Carrying amount	
At 31 March 2023	**–**
Cost	
At 1 April 2021	–
Addition	5,100
At 31 March 2022	5,100
Accumulated depreciation	
At 1 April 2021	–
Charge for the financial year	(1,700)
At 31 March 2022	(1,700)
Carrying amount	
At 31 March 2022	3,400

7. Trade receivables

	2023 RM	2022 RM
Third parties	**86,108**	1,079,874
Related company	**–**	40,934
	86,108	1,120,808

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2022:30 to 60 days) according to the terms agreed with the customers.

The currency exposure profile of trade receivables of the Company is as follows:

	2023 RM	2022 RM
Ringgit Malaysia	**86,108**	1,079,874
Singapore Dollars	**–**	40,934
	86,108	1,120,808

8. Other receivables and deposits

	2023 RM	2022 RM
Deposit	**2,518**	2,518
Prepayment	**1,780**	1,780
	4,298	4,298

9. Share capital

	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid ordinary shares				
At beginning/end of the year	**500,000**	500,000	**500,000**	500,000

10. Trade payables

	2023 RM	2022 RM
Related companies	**12,805**	730,332

Trade payables are non-interest bearing and the average credit period on purchases of goods is 60 to 120 days (2022: 60 to 120 days) days according to the terms agreed with the suppliers.

The currency exposure profile of trade payables of the Company is as follows:

	2023 RM	2022 RM
Ringgit Malaysia	**–**	635,850
Singapore Dollar	**–**	94,482
United States Dollar	**12,805**	–
	12,805	730,332

11. Other payables and accruals

	2023 RM	2022 RM
Other payables	**5,722**	62,024
Provision for expenses	**17,172**	69,091
	22,894	131,115

12. Revenue

	2023 RM	2022 RM
Rendering of services	**385,964**	1,494,330

13. Profit before taxation

	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):		
Auditors' remuneration	**10,000**	10,000
Loss on foreign exchange – realised	**6,216**	6,255
(Gain)/loss on foreign exchange – unrealised	**(494)**	785
Depreciation of plant and machinery	**1,558**	1,700
Plant and machinery written off	**1,842**	–
Rental of premises	**9,587**	8,172

14. Taxation

No taxation has been provided for the financial year as the Company has no chargeable income.

The reconciliation of income tax expense applicable to the results of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2023 RM	2022 RM
Profit before taxation	**8,177**	264,339
Tax at Malaysian statutory tax rate of 24%	**1,962**	63,441
Tax effects of:		
– expenses not deductible for tax purposes	**7,674**	6,116
– utilization of deferred tax assets not recognized previously	**(9,636)**	(69,557)
Tax expense for the year	**–**	–

Deferred tax asset have not been recognised in respect of the following items:

	2023 RM	2022 RM
Unabsorbed tax losses	**124,474**	134,110

The above deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Company can recover all or part of these assets.

15. Dividends

	2023 RM	2022 RM
Interim single tier dividend of 200% per share on 500,000 ordinary shares, declared and paid on 26 August 2021 in respect of financial year ended 31 March 2022.	**–**	1,000,000

16. Significant related party transactions

Significant transactions with related corporations during the year comprise the following:

	2023 RM	2022 RM
Services rendered to related corporations		
Bristlecone Singapore Pte Ltd	**–**	475,581
Services rendered by related corporations:		
Bristlecone India Limited	**–**	635,850
Bristlecone Singapore Pte Ltd	**–**	93,697
Bristlecone Inc	**160,033**	–

17. Non-cancellable operating lease commitment

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at financial year end but not recognised as liabilities are as follows:

	2023 RM	2022 RM
Rental of virtual office		
Future minimum rentals payments:		
Not later than 1 year	**3,955**	3,955

18. Financial risk management policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company is exposed to credit risk primarily from their trade receivables, other receivables which are financial assets, fixed deposits and cash and bank balances.

As at the current and previous financial year end, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position.

For fixed deposits, cash and bank balances, the Company minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit ratings only. The Company closely monitors the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Company does not offer credit terms without the specific approval from the Head of Credit Control. Since the Company trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Fixed deposits and cash and bank balances

The Company's fixed deposits and cash and bank balances at the financial year end are as follows:

	RM
At 31 March 2023	
Cash and bank balances	**840,468**
At 31 March 2022	
Cash and bank balances	617,304

No expected credit loss on the Company's balances were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Receivables

The ageing analysis of the Company's gross receivables (before deducting allowance for impairment loss) are as follows:

				Not credit impaired				
					Past due			
	Note	Total RM	Credit impaired RM	Not past due RM	1-60 days RM	61-120 days RM	>120 days RM	Total RM
At 31 March 2023								
Trade receivables	7	**86,108**	**–**	**54,921**	**31,187**	**–**	**–**	**31,187**
Other receivables which are financial assets	8	**2,518**	**–**	**2,518**	**–**			**–**
		88,626	**–**	**57,439**	**31,187**	**–**	**–**	**31,187**

	Note	Total RM	Credit impaired RM	Not credit impaired: Not past due RM	Past due: 1-60 days RM	Past due: 61-120 days RM	Past due: >120 days RM	Total RM
At 31 March 2022								
Trade receivables	7	1,120,808	–	53,891	1,066,917	–	–	1,066,917
Other receivables which are financial assets	8	2,518	–	2,518	–	–	–	–
		1,123,326	–	56,409	1,066,917	–	–	1,066,917

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Company. The Company's trade receivables credit term ranges from 30 days to 60 days in prior year.

Other receivables which are financial assets consist of deposits.

None of the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

Credit risks concentration profile

The Company's concentration of credit risks relates to an amount owing by 1 (2022: 1) major customer which constituted 100% (2022: 95%) of its trade receivables at the end of the previous reporting period.

As at the end of the previous reporting period, the maximum exposure of credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

(b) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly United States Dollar (USD) and Singapore Dollar (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The following table shows the accumulated amount of financial assets in foreign currency:

	Note	USD RM	SGD RM
2023			
Financial assets			
Trade receivables	7	**–**	**–**
Financial liabilities			
Trade payables	10	**(12,805)**	**–**
Net financial assets		**(12,805)**	**–**

	Note	USD RM	SGD RM
2022			
Financial assets			
Trade receivables	7	–	40,934
Financial liabilities			
Trade payables	10	–	(94,482)
Net financial assets		–	(53,548)

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Company's results 2023 RM	Increase/ (decrease) in the Company's result 2022 RM
Effects on profit before taxation:		
USD/RM – Strengthened by 5%	**(640)**	–
USD/RM – Weakened by 5%	**640**	–
SGD/RM – Strengthened by 5%	**–**	(2,677)
SGD/RM – Weakened by 5%	**–**	2,677

(c) Liquidity risks

The Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements. In addition, the Company strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Company raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The table below summarises the maturity profile of the Company's liabilities at the financial period end based on contractual undiscounted repayment obligations.

	Note	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity: Less than 1 period RM	Maturity: Between 2 and 5 periods RM
2023					
Trade payables	10	**12,805**	**12,805**	**12,805**	**–**
Other payables and accruals	11	**22,894**	**22,894**	**22,894**	**–**
		35,699	**35,699**	**35,699**	**–**

	Note	Carrying amount	Contractual undiscounted cash flow	Maturity Less than 1 period	Between 2 and 5 periods
2022		RM	RM	RM	RM
Trade payables	10	730,332	730,332	730,332	–
Other payables and accruals	11	131,115	131,115	131,115	–
		861,447	861,447	861,447	–

(d) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

19. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
2023			
Non-derivative financial assets			
Trade receivables	**86,108**	**86,108**	**–**
Other receivables and deposits	**2,518**	**2,518**	**–**
Cash and bank balances	**840,468**	**840,468**	**–**
	929,094	**929,094**	**–**
Non-derivative financial liabilities			
Trade payables	**12,805**	**12,805**	**–**
Other payables and accruals	**22,894**	**22,894**	**–**
	35,699	**35,699**	**–**
2022			
Non-derivative financial assets			
Trade receivables	1,120,808	1,120,808	
Other receivables and deposits	2,518	2,518	–
Cash and bank balances	617,304	617,304	–
	1,740,630	1,740,630	–
Non-derivative financial liabilities			
Trade Payables	730,332	730,332	–
Other payables and accruals	131,115	131,115	–
	861,447	861,447	–

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Kulashekar Raghavan and Lisa Anne Lesko, being two of the Directors of Bristlecone (Malaysia) Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages herein are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 19 April 2023.

Kulashekar Raghavan
Director

Lisa Anne Lesko
Director

Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

I, Kulashekar Raghavan, being the Director primarily responsible for the financial management of Bristlecone (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages herein are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notaries Act, 1952.

Subscribed and solemnly declared by the abovenamed Kulashekar Raghavan at Pune in the state of Maharashtra, India on 19 April 2023.

Before me,

Kulashekar Raghavan
Director

To the general shareholders‘ meeting of
BRISTLECONE INTERNATIONAL AG
Rheinweg 7
8200 Schaffhausen

REPORT OF THE STATUTORY AUDITOR ON THE LIMITED STATUTORY EXAMINATION OF THE FINANCIAL STATEMENTS FOR THE YEAR 2022/2023

(for the period from 1 April 2022 to 31 March 2023)

21 April 2023

Report of the statutory auditor on the limited statutory examination to the general shareholders’ meeting of **BRISTLECONE INTERNATIONAL AG, Schaffhausen**

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of BRISTLECONE INTERNATIONAL AG for the financial year ended 31 March 2023.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to be-lieve that the financial statements do not comply with Swiss law and the company’s articles of in-corporation.

Berne, 21 April 2023

BDO Ltd

Thomas Bigler
Auditor in Charge
Licensed Audit Expert

i. V. Ruby Albala

Enclosure

Financial statements and proposed appropriation of available earnings

BALANCE SHEET AS PER 31 MARCH

ASSETS	2023 CHF	2022 CHF
Current assets		
Cash and cash equivalents	**299,867.40**	493,512.97
Accounts receivables due from		
group companies	**–**	15,031.74
third parties	**777,964.80**	878,610.84
Other receivables	**66,976.67**	23,506.61
Services in progress	**334,285.78**	109,655.56
Accrued income and prepaid expenses	**58,226.34**	17,663.46
	1,537,320.99	1,537,981.18
Non current assets		
Financial assets group companies	**1,827,500.00**	1,849,400.00
Financial assets third parties	**6,034.02**	6,034.02
Office equipment	**1,577.30**	723.90
Non paid up share capital	**50,000.00**	50,000.00
	1,885,111.32	1,906,157.92
TOTAL ASSETS	**3,422,432.31**	3,444,139.10
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Accounts payable due to		
group companies	**421,156.61**	801,374.54
third parties	**7,261.10**	–
Other payables	**8,695.77**	12,026.18
Deferred income and accrued expenses	**691,403.44**	425,456.27
Short term liabilities	**1,128,516.92**	1,238,856.99
Shareholder's equity		
Share capital	**100,000.00**	100,000.00
Statutory reserves	**50,000.00**	50,000.00
Voluntary retained earnings		
– Balance brought forward from prior year	**2,055,282.11**	2,415,696.19
– Result for the period	**88,633.28**	(360,414.08)
Total voluntary retained earnings	**2,143,915.39**	2,055,282.11
Total shareholder's equity	**2,293,915.39**	2,205,282.11
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**3,422,432.31**	3,444,139.10

Bristlecone International AG

Schaffhausen

(Signature/s)

INCOME STATEMENT FOR THE YEAR ENDED

	2022/23 CHF	2021/22 CHF
Income from services	**1,995,894.23**	2,163,714.04
Changes services in progress	**(92,548.47)**	(122,795.37)
Provision for doubtful debts	**60,097.53**	(66,197.44)
Net income	**1,963,443.29**	1,974,721.23
Services expenses	**(1,327,419.71)**	(1,669,676.69)
Gross result I	**636,023.58**	305,044.54
Personnel expenses	**(397,759.38)**	(465,564.35)
Gross result II	**238,264.20**	(160,519.81)
Rental expenses	**(20,107.35)**	(23,938.21)
Administrative expenses	**(13,927.63)**	(11,883.53)
Consulting, accounting and audit fees	**(44,038.79)**	(42,733.25)
Operating result before depreciation	**160,190.43**	(239,074.80)
Depreciation	**(464.22)**	(481.20)
Operating result (level EBIT)	**159,726.21**	(239,556.00)
Financial income	**41,683.05**	15,285.28
Financial expenses	**(115,525.98)**	(137,993.46)
Other income	**1,675.00**	1,101.10
Result before taxes	**87,558.28**	(361,163.08)
Taxes	**1,075.00**	749.00
Result for the year	**88,633.28**	(360,414.08)

Bristlecone International AG

Schaffhausen

(Signature/s)

NOTES TO THE FINANCIAL STATEMENTS AS PER 31 MARCH

Accounting principles applied in the preparation for the financial statements

These financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

Disclosure on balance sheet items	2023 CHF	2022 CHF
Services in progress	**334,285.78**	109,655.56

The services in progress are valued as below:-

a) Fixed Price Projects - Based on the percentage-of-completion method

b) Time & Material Projects - Based on the efforts and customer approved billing rate card

Full-time equivalents

The annual average number of full-time equivalents for the reporting period, as well as the previous year, were below 10.

Events after the balance sheet date

With effect from 3 April 2023, Bristlecone Limited, the immediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER 31 MARCH

	2023 CHF	2022 CHF
Balance brought forward from prior year	**2,055,282.11**	2,415,696.19
Result for the period	**88,633.28**	(360,414.08)
Total voluntary retained earnings	**2,143,915.39**	2,055,282.11
Motion of the board of directors:		
Balance to be carried forward to new period	**2,143,915.39**	2,055,282.11

Bristlecone International AG

Schaffhausen

(Signature/s)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRISTLECONE UK LIMITED

Opinion

We have audited the financial statements of Bristlecone UK Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

— give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

— the financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit; or

— the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages herein, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

– Enquiries of management, concerning the company's policies and procedures relating to:
    * Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    * Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

– Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

– Performed analytical procedures to identify unusual relationships.

– Tested journal entries to identify unusual transactions.

– Evaluated accounting policies used and reasonableness of accounting estimates made.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mukesh Desai (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor

Third Floor
126-134 Baker Street
London W1U 6UE

Date: 21 April 2023.

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER		**74,397**	81,826
Cost of sales		**44,121**	15,877
GROSS PROFIT		**30,276**	65,949
Administrative expenses		**13,211**	12,242
OPERATING PROFIT and PROFIT BEFORE TAXATION		**17,065**	53,707
Tax on profit	**4**	**–**	–
PROFIT FOR THE FINANCIAL YEAR		**17,065**	53,707
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**17,065**	53,707

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

BALANCE SHEET 31 MARCH 2023

	Notes	2023 £	2022 £
CURRENT ASSETS			
Debtors	6	**655**	22,076
Cash at bank		**620,602**	610,038
		621,257	632,114
CREDITORS			
Amounts falling due within one year	7	**6,772**	34,694
NET CURRENT ASSETS		**614,485**	597,420
TOTAL ASSETS LESS CURRENT LIABILITIES		**614,485**	597,420
CAPITAL AND RESERVES			
Called up share capital	8	**2,350,000**	2,350,000
Retained earnings	9	**(1,735,515)**	(1,752,580)
SHAREHOLDERS' FUNDS		**614,485**	597,420

The financial statements were authorised for issue by the Board of Directors and authorised for issue on April 21, 2023 and were signed on its behalf by:

A Deshmukh
Director

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	**2,350,000**	**(1,806,287)**	**543,713**
Changes in equity			
Total comprehensive income	–	53,707	53,707
Balance at 31 March 2022	**2,350,000**	**(1,752,580)**	**597,420**
Changes in equity			
Total comprehensive income	–	17,065	17,065
Balance at 31 March 2023	**2,350,000**	**(1,735,515)**	**614,485**

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. STATUTORY INFORMATION

Bristlecone UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents the invoiced amounts of services provided and it is stated net of Value Added Tax.

Revenue for software services is recognised on the basis of services rendered. For time and material contracts, invoices are raised on the basis of customer approved timesheets. For fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance/sign-off received from the customer. Revenue on fixed price contracts is recognised based on the percentage completion method.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	–	50% on cost
Computer equipment	–	50% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with the continuing support from the parent company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2023 **£**	2022 £
Auditors' remuneration	**3,300**	2,700
Foreign exchange differences	**2,987**	3,011

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 **£**	2022 £
Profit before tax	**17,065**	53,707
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	**3,242**	10,204
Effects of:		
Capital allowances in excess of depreciation	**(36)**	(44)
Tax losses brought forward	**(3,206)**	(10,160)
Total tax charge	**–**	–

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2022 and 31 March 2023	104	26,195	26,299
DEPRECIATION			
At 1 April 2022 and 31 March 2023	104	26,195	26,299
NET BOOK VALUE			
At 31 March 2023	–	–	–
At 31 March 2022	–	–	–

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 **£**	2022 £
Trade debtors	**–**	21,123
VAT	92	390
Prepayments and accrued income	563	563
	655	22,076

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 **£**	2022 £
Trade creditors	**–**	17,985
Amounts owed to group undertakings	**–**	10,127
Tax	**–**	78
Other creditors	**–**	702
Accrued expenses	**6,772**	5,802
	6,772	34,694

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2023 £**	2022 £
2,350,000	Ordinary	£1	**2,350,000**	2,350,000

9. RESERVES

	Retained earnings £
At 1 April 2022	(1,752,580)
Profit for the year	17,065
At 31 March 2023	**(1,735,515)**

10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. ULTIMATE CONTROLLING PARTY

With effect from 3 April 2023, Bristlecone Limited, the immediate holding company has been deregistered in Cayman Island and domesticated to the United States of America with a new name, Bristlecone Worldwide, Inc.

The Directors consider the company's ultimate holding company and controlling party to be Mahindra & Mahindra Limited which is incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Gateway Building, Apollo Bunder, Mumbai 400 001, India.

Trading and Profit and Loss Account

	2023		2022	
	£	£	£	£
Consulting Income		**74,397**		81,826
Cost of sales				
Sub contractors		**44,121**		15,877
GROSS PROFIT		**30,276**		65,949
Expenditure				
Rates and water	**35**		**–**	
Professional Expenses	**6,452**		**6,244**	
Auditors' remuneration	**3,300**		**2,700**	
Foreign exchange losses	**2,987**		**3,011**	
		12,774		11,955
		17,502		53,994
Finance costs				
Bank charges		**437**		287
NET PROFIT		**17,065**		53,707

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors Bristlecone, Inc.

Opinion

We have audited the financial statements of Bristlecone, Inc. ("the "company") (a California Corporation and a wholly owned subsidiary of Bristlecone Worldwide Inc.) (formerly known as Bristlecone Limited) which comprise the Balance sheets as of March 31, 2023 and 2022, and the related Statements of comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton Bharat LLP

Place: New Delhi, India
Date: April 28, 2023

BALANCE SHEETS

Particulars	Notes	As at March 31, 2023 (US$)	As at March 31, 2022 (US$)
ASSETS			
Current assets			
Cash and cash equivalents	B	**6,049,797**	8,620,734
Accounts receivable, net	C	**–**	–
– Due from related party		**1,191,531**	55,964
– Others		**22,149,572**	15,289,518
Loan to related parties	G	**5,000,000**	5,500,000
Prepaid Expenses		**875,280**	793,403
Others Current assets			
– Due from related party	M	**259,452**	661,642
– Others		**117,172**	507,043
Total current assets		**35,642,804**	31,428,304
Non-current assets			
Property and equipment, net	D (A)	**1,659,459**	1,212,935
Intangible assets, net	D (B)	**11,731**	1,176
Operating lease right to use assets, net		**1,136,595**	–
Advance Income Tax		**131,287**	124,620
Deferred tax assets, net	F	**1,372,771**	1,239,006
Other assets		**141,523**	171,573
Total non-current assets		**4,453,366**	2,749,310
Total assets		**40,096,170**	34,177,614
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable:			
– Due to related parties	M	**13,367,397**	13,066,578
– Others		**1,136,228**	260,243
Employee related liabilities		**5,123,060**	4,477,538
Accrued expenses and other current liabilities	E	**1,647,860**	2,000,417
Provision for income tax expense		**1,136,212**	954,348
Unearned revenue		**1,980,169**	1,862,530
Lease liability		**455,596**	–
Total current liabilities		**24,846,522**	22,621,654
Non Current liabilities			
Long term lease liability	L	**1,294,093**	–
Deferred rent and lease incentive		**–**	325,150
Total non current liabilities		**1,294,093**	325,150
Total liabilities		**26,140,615**	22,946,804
Stockholders' equity, including convertible preference shares	H		
Series A preferred stock, convertible, no par value 865,540 shares authorized and 865,540 shares issued as of March 31, 2023 and March 31, 2022		**774,518**	774,518
Series B preferred stock, convertible, no par value 3,628,960 shares authorized and 2,749,995 shares issued as of March 31, 2023 and March 31, 2022		**5,939,606**	5,939,606
Common stock, no par value 30,000,000 shares authorized and 8,492,157 shares issued of March 31, 2023 and March 31, 2022		**136,664**	136,664
Additional paid-in capital		**18,992,576**	18,799,290
Retained Earnings		**(11,887,809)**	(14,419,268)
Total stockholders' equity		**13,955,555**	11,230,810
Total liabilities and stockholders' equity		**40,096,170**	34,177,614

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Notes	Year ended March 31, 2023 (US$)	Year ended March 31, 2022 (US$)
Revenues	A(3.4)	**92,235,188**	66,912,943
Operating expenses			
Cost of revenues		**73,286,807**	52,064,598
Selling, general and administrative expenses		**15,179,671**	12,744,418
Depreciation and amortization	D	**483,764**	241,354
Total operating expenses		**88,950,242**	65,050,370
Operating Income		**3,284,946**	1,862,573
Other income, net		**374,644**	64,548
Income before income tax expense		**3,659,590**	1,927,121
Income tax expense	F	**1,128,131**	122,700
Net Income		**2,531,459**	1,804,421
Other comprehensive income		**–**	–
Total Comprehensive income		**2,531,459**	1,804,421

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Particulars	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Total stockholders' equity
	Shares	Amount (US$)	Shares	Amount (US$)	Amount (US$)	Amount (US$)	Amount (US$)
Balance as at April 1, 2021	3,615,535	6,714,124	8,492,157	136,664	18,633,513	(16,223,689)	9,260,612
Stock based compensation expense	–	–	–	–	165,777	–	165,777
Net income for the year	–	–	–	–	–	1,804,421	1,804,421
Balance as at March 31, 2022	**3,615,535**	**6,714,124**	**8,492,157**	**136,664**	**18,799,290**	**(14,419,268)**	**11,230,810**
Stock based compensation expense	–	–	–	–	193,286	–	193,286
Net income for the year	–	–	–	–	–	2,531,459	2,531,459
Balance as at March 31, 2023	**3,615,535**	6,714,124	**8,492,157**	136,664	**18,992,576**	**(11,887,809)**	**13,955,555**

STATEMENT OF CASH FLOWS

Particulars	Year ended March 31, 2023 (US$)	Year ended March 31, 2022 (US$)
Cash flow from operating activities		
Net Income	**2,531,459**	1,804,421
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	**483,764**	241,354
Amortization on right of use asset	**300,141**	–
Deferred tax (credit)	**(133,766)**	(193,991)
(Gain) on disposal of equipment and software	**(6)**	(526)
Unrealised exchange loss, net	**6,654**	100
Interest income, net	**(227,580)**	(64,548)
Advance written back	**(147,064)**	–
Bad debts	**–**	17,070
Creation / (reversal) of provision for doubtful debts	**11,810**	(49,104)
Stock compensation expense	**193,286**	165,777
Changes in assets and liabilities		
Accounts receivable and unbilled revenue	**(7,867,021)**	(3,963,523)
Due from related parties	**402,190**	211,371
Other current assets	**647,501**	414,547
Prepaid expenses	**(81,877)**	(90,815)
Income tax receivable	**(6,667)**	1,551
Accounts payable, related parties	**300,819**	6,604,572
Accounts payable	**875,985**	40,012
Other liabilities	**997,227**	1,716,469
Lease liability	**(416,957)**	–
Net cash (used in) / from operating activities	**(2,130,102)**	6,854,737
Cash flow from investing activities		
Purchase of property & equipment and software	**(940,863)**	(575,474)
Proceeds from sale of property, equipment	**28**	550
Loan to related parties	**–**	(5,000,000)
Repayment of loan by related parties	**500,000**	500,000
Net cash (used in) / investing activities	**(440,835)**	(5,074,924)
Cash flow from financing activities		
Net cash (used in) financing activities	**–**	**–**
Net increase in cash and cash equivalents	**(2,570,937)**	1,779,813
Cash and cash equivalents at the beginning of the year	**8,620,734**	6,840,921
Cash and cash equivalents at the end of the year	**6,049,797**	8,620,734
Supplemental cash flow information		
Interest received	**41,804**	5,738
Interest paid	**50,912**	–
Income taxes paid	**1,079,203**	13,925

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

NOTE A - BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone, Inc. (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in the United States of America (the 'US' or 'USA'). The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

1.1 BASIS OF PREPARATION OF FINCIAL STATEMENTS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

These financial statements have been presented in United State Dollars ('USD$'), which is the functional and reporting currency of the Company.

2. GENERAL INFORMATION

The Company was incorporated under the laws of the State of California in 1998. In May 2004, the Company became a wholly-owned subsidiary of Bristlecone Worldwide Inc., a USA Company (formerly Bristlecone Limited, a Cayman Island Company). The Company's then stockholders and stock option holders, in exchange for their stock interest in Bristlecone, Inc., received cash, common stock, preferred stock, warrants and common stock options of Bristlecone Worldwide Inc (formerly Bristlecone Limited). Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting.

These financial statements have been presented in United States Dollars ('US$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The significant estimates and assumptions that affect the financial statements include, but are not limited to, useful lives of assets, realization of deferred tax assets, provision for variable pay and provision for sales commission the nature and timing of the satisfaction of performance obligations, estimated costs to complete fixed price contracts, provision against receivables, obligations related to employee benefit plans, income-tax uncertainties and other contingencies, assumptions used to calculate stock-based compensation expense, recoverability of long-lived assets, and intangibles.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of comprehensive income.

3.4. REVENUE RECOGNITION

The Company is principally engaged in business consulting, software implementation and related support services.

- Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time /efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. The use of this method requires significant judgment to estimate the cost required to complete the contracted scope of work, including assumptions and estimates relative to the length of time to complete the project and the nature and complexity of the work to be performed and resources engaged. We regularly monitor these estimates throughout the execution of the project and record changes in the period in which a change in an estimate is determined.
- Revenue from the sale of third party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Unearned and deferred revenue is recognised when there is billing in excess of revenues. The billing schedules agreed with customers include periodic performance - based payments and / or milestone - based progress payments. Invoices are payable within contractually agreed credit period. Deferred revenue also includes the amount for which services have been rendered but other conditions of revenue recognition are not met.
- Contract acquisition costs are amortized over the period of contract however the contract acquisition costs are charged to statement of comprehensive income when the life of contract is less than one year.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.
- Payment terms - All contracts entered into by the Company specify the payment terms and are defined for each contract separately.

Use of significant estimates and judgements

Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgments while determining the transactions price allocated to performance obligation using the expected cost-plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geography and contract type, as it believes it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by industry, market and other economic factors.

The Company's revenue by geography is as follows:

Geographic location	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
North America	**82,880,979**	65,791,488
Europe	**6,283,019**	130,480
Rest of the World	**3,071,190**	990,975
Total	**92,235,188**	66,912,943

The Company's revenue by type of contract is as follows:

Type of Contract	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
Time and materials	**56,844,582**	36,271,480
Fixed Price	**35,390,606**	30,641,463
Total	**92,235,188**	66,912,943

3.5. ACCOUNTS RECEIVABLE

Account receivable are recorded net of allowance for doubtful accounts. Allowance for doubtful accounts are established through evaluation of the accounts receivable ageing and prior collection experience, current market conditions, customer's financial conditions and the amount of receivable in dispute to ascertain ultimate collectability of these receivables. Account balances are charged off against the allowance after all means of collection have been exhausted and potential for recovery is remote.

3.6. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of ninety days or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance in checking and money market accounts.

3.7. DIVIDENDS

Final dividend on common stock and preferred stock are recorded as a liability on the date of declaration by the Board of Directors.

3.8. PROPERTY, EQUIPMENT AND SOFTWARE

Equipment and software are stated at historical cost less accumulated depreciation and amortization.

Depreciation/ amortization is calculated on the straight-line method over the estimated useful life of the respective assets. Assets under capital leases and leasehold improvements are amortized over lower of their estimated useful lives and the term of the lease.

The Company has determined the estimated useful lives of assets for depreciation/ amortization purposes as follows:

Computers	3 – 5 years
Furniture and fixtures	5 – 7 years
Office equipment	3 – 5 years
Software	3 years
Leasehold improvements	Over the shorter of primary lease period and the useful life of the asset

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortisation are eliminated from the financial records. Any gain or loss on disposal is credited or charged to the statement of comprehensive income.

Advances paid towards property and equipment and the cost of property and equipment not yet placed in service before the end of the reporting period are classified as capital work in progress.

3.9. IMPAIRMENT OF LONG LIVED ASSETS

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value. Management has performed its impairment review and concludes that the Company's long lived assets are not impaired as of March 31, 2023.

3.10. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, stock compensation expense, sub-contractor fees, off-shore consultancy charges, project related travel and other costs, including those reimbursed by customers.

3.11. EMPLOYEE BENEFITS

The Company has a policy of unlimited vacation time for eligible employees. These employees can take unlimited vacation time off at their discretion. Accordingly, Company is not creating any liability towards such eligible employees.

The Company's liability towards compensated absences is determined on an arithmetical basis for the entire unavailed vacation balance standing to the credit of non-eligible employee as at year-end.

Contributions to defined contribution plans are charged to statements of operations in the year in which they accrue.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board and expense is recorded in the year to which such contributions pertain.

Long term cash incentive award include cash bonus (a long-term cash incentive award) consisting of performance-based awards and retention-based awards. Retention-based (LTI) awards is the award for which the payment is contingent on participant's continuing employment whereas the performance-based awards is an award for which the payment is contingent on the achievement of performance goals with respect to a performance period. The Company estimates the expected liability towards LTI as at each reporting date based on progress made by employees against the defined objectives. The expenses are recognized on straight-line basis over the estimated period of service over which such awards are provided.

3.12. STOCK COMPENSATION

The Company accounts for the equity-settled options and cash-settled options granted to its employees in accordance with ASC 718, "Shared based payments". ASC 718 addresses the accounting for stock based compensation transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

In accordance with the provisions of ASC 718, stock compensation for all awards granted, modified or settled, that the Company expects to vest is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

(a) Equity Settled Options

The employees of the Company participate in stock compensation plans which are operated by the Bristlecone Worldwide Inc. (formerly Bristlecone Limited) (Holding Company), based on which the employees of the Company have been granted stock options of the Holding Company. The Company accounts for stock compensation in accordance with ASC 718, “Share based payments”.

The Company applies the same accounting principles as the Holding Company for recording stock compensation in respect of stock of the Holding Company granted to employees of the Company for the purposes of reporting in the separate financial statements of the Company. An amount equal to such compensation expense for the year is recorded as a capital contribution in stockholders’ equity in the financial statements of the Company.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instruments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award which is generally the vesting period of the award. Forfeitures are accounted when the actual forfeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock-based awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock-based awards on the date of grant. Refer Note J – Stock Compensation.

(b) Stock Appreciation right (SAR) (Cash Settled Options)

“A stock appreciation right (SAR) gives an employee the contractual right to receive an amount of cash that equals the appreciation in the Company’s stock from the award’s grant date to the exercise date.

The liability for the Share Appreciation Rights (SARs) is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying a Black-Scholes-Merton model, taking into account the terms and conditions on which the SARs were granted. Liabilities for Share Appreciation Rights are recognized as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet. Refer Note J – Stock compensation.“

3.13. INCOME TAXES

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740, “Income Taxes”. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements’ carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Statement of comprehensive income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

The FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The amendments in this update simplify the presentation of deferred income taxes and require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position.

Further, ASC 740-10 requires the Company to recognize a provision for uncertainty in income taxes based on minimum recognition threshold. The Company applies a two-step approach for recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining, based on the technical merits, that the position will be more likely than not sustained upon examination. The second step is to measure the tax benefit as the largest amount of the tax benefit that is greater than 50% likely of being realized upon settlement. The Company evaluates tax positions each year and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

3.14. LEASES

“Effective April 1, 2022, the Company has adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, “Leases (Topic 842)” (ASC 842), which replaces existing lease accounting rules (ASC 840) with a comprehensive lease measurement and recognition standard and expanded disclosure.

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are included in operating lease right-of-use (“ROU”) assets and current and non-current operating lease liabilities on the Company’s consolidated balance sheets. ROU assets represent the Company’s right to use an underlying asset for the lease term. The corresponding lease liabilities represent its obligation to make lease payments arising from the lease. The Company does not recognize ROU assets or lease liabilities for leases with a term of 12 months or less for any asset classes. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement, net of any future tenant incentives. The Company only has entered into lease agreements where there are no non-lease components.

The Company’s lease terms may include options to extend or terminate the lease. Periods beyond the non-cancellable term of the lease are included in the measurement of the lease liability when it is reasonably certain that the Company will exercise the associated extension option or waive the termination option. As most of the Company’s leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the risk free rate in the economic environment where the leased asset is located.

Lease expense for operating lease arrangements is recognized on a straight-line basis over the lease term.

The key change upon adoption of the standard was balance sheet recognition, given that operating lease was recognised as lease expense in the statement of comprehensive income under historical accounting. Using the modified retrospective transition method of adoption, the Company did not adjust the balance sheet for comparative periods.

The adoption of ASC 842 resulted in the recognition of an operating lease liability of US$ 2,166,645 and an operating right-of-use asset of the same amount. Refer Note L – Operating Leases. “

3.15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

Level 1—Quoted prices for identical instruments in active markets;

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and

Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Balance in checking and money market accounts	**6,049,797**	8,620,734

Cash balances of the Company are held in checking accounts, which are non-interest bearing, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2022, all non-interest bearing transaction accounts are guaranteed by the FDIC for US$ 250,000 per tax ID for State Bank of India, California and Silicon Valley Bank

As at March 31, 2023, the Company has US$ 5,549,797 [2022 US$ 8,120,734] as balances in excess of the federally insured amounts.

NOTE C - ACCOUNTS RECEIVABLE, NET

Accounts receivables comprise of the following:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Due from related parties (refer Note - M)	**1,191,531**	55,964
Due from others (refer note below)	**22,228,040**	15,356,176
	23,419,571	15,412,140
Less: Allowance for uncollectible accounts receivables	**(78,468)**	(66,658)
Total	**23,341,103**	15,345,482

Accounts receivable include unbilled accounts receivable which represent revenues on contracts to be billed, in subsequent periods, as per the terms of the related contracts. As of March 31, 2023 the Company had US$ 4,617,310 [2022: US$ 5,976,631] of unbilled accounts receivable.

The allowance for uncollectible amounts reflected the following activity during the year:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Balance at the beginning of the year	**66,658**	**115,762**
Add: Allowance created/(reversed) during the year	**11,810**	**(32,034)**
Less: Written off during the year	**–**	**(17,070)**
Balance at the end of the year	**78,468**	**66,658**

NOTE D - PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS, NET

A) Property and equipment consist of the following:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Computers	**1,318,791**	1,154,755
Furniture and fixtures	**252,431**	137,661
Office equipment	**374,574**	381,383
Lease hold improvements	**1,584,322**	786,038
	3,530,118	2,459,837
Less: Accumulated Depreciation	**(1,870,659)**	(1,655,304)
Property and equipment, net	**1,659,459**	804,533
Capital work-in-progress	**–**	408,402
Total	**1,659,459**	1,212,935

Depreciation expense for the year ended March 31, 2023 was US$ 468,984 (2022: US$ 241,354)

B) Intangible assets consist of the following:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Software	**251,301**	284,670
Capitalised Software development costs	**839,388**	839,388
	1,090,689	1,124,058
Less: Accumulated amortization	**(1,078,958)**	(1,122,882)
Intangible assets, net	**11,731**	1,176

Amortization expense for the year ended March 31, 2023 was 14,780 (2022: US$ NIL)

NOTE E - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Accrued expenses	**1,647,860**	1,921,941
Deferred rent and lease incentive	**–**	78,476
	1,647,860	2,000,417

NOTE F - INCOME TAXES

Income tax expense for the year comprises of the following:

Particulars	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
Current tax expense	**1,261,897**	598,897
Deferred tax (credit)	**(133,766)**	(193,991)
(Excess) provision of earlier years written back	**–**	(282,206)
Total	**1,128,131**	122,700

The difference between the amount of income tax expense that would result from applying domestic federal statutory income tax rates to the net profit and the net deferred tax assets is related to certain non-deductible expenses, state income taxes and the change in valuation allowance. Permanent differences are primarily on account of non-deductible meals and entertainment expenses. During the year, the company utilized carry forward Net Operating Losses (NOL) of US$ 122,294 [2022: US$ 122,294].

The Company recorded valuation allowances of USD$ 566,149 as of March 31, 2023 and 2022, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carry forwards, as it believes that it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

Particulars	As at March 31, 2023 US$	As at March 31, 2022 US$
Deferred tax assets		
Net operating loss carry forwards	**615,968**	670,548
Accrued payroll	**1,325,879**	1,117,389
Provision for uncollectible receivables	**21,186**	17,998
Sub-total	**1,963,033**	1,805,935
Valuation allowance	**(566,149)**	(566,149)
Total deferred tax asset	**1,396,884**	1,239,786
Deferred tax liability		
Equipment and software	**8,374**	(780)
Leases	**(32,487)**	–
Net deferred tax asset	**1,372,771**	1,239,006

As at March 31, 2023, the Company has US$ 2,219,142 [2022: US$ 2,341,436] in US Federal Net Operating Loss ("NOL") carryovers, which can be carried forward for future utilization within 20 years from the year in which such losses are generated subject to certain limitations under US tax laws.

As at March 31, 2023, the Company also has US$ 1,282,185 [2022: US $ 1,515,452] in State Operating Losses carried forward, which can be carried forward for future utilization within 5-17 years.

The carry forward of the NOLs prior to the date of change of ownership will be impacted by Sec 382 limitation under the International Revenue Code. In terms of this limitation, while the carry forward of any of the NOL's will not be restricted, there will be a limitation on the annual amounts available for set-off under the Code, (currently computed as the value of Bristlecone Inc. prior to the Transaction * 4.45%).

During the year ended March 31, 2023, the Company has not reversed any valuation allowance. In evaluating the Company's ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, Company's future plans and results of recent operations. In evaluating the objective evidence that historical results provide, the Company considers three years of cumulative operating income. Using all available evidence, the Company determined that it was uncertain that it will realize the deferred tax asset for certain of these carry forwards within the carry forward period.

No statutes have been extended on any of the Company's federal income tax filings. The statute of limitation on the Company's March 2020, March 2021 and March 2022 Federal income tax returns will expire on December 15, 2023, December 15, 2024 and December 15, 2025, respectively.

The Company is currently not under examination by any state authority for income tax purposes and no statutes of limitation for state income tax filings have been extended. As of March 31, 2023, the Company does not have any uncertain tax position in respect of unrecognized tax positions as per ASC 740-10.

NOTE G - LOAN TO RELATED PARTIES

The Company has granted an unsecured loan of US$ 5,000,000 [2022: US$ 5,500,000] being inter-corporate deposits to Holding Company (Bristlecone Worldwide Inc, formerly Bristlecone Limited). The loan bears an interest rate of 2.25% p.a. till September 30, 2022 and interest rate of 6.50% p.a from October 1, 2022 on US$ 5,000,000 as at March 31, 2023 [2022: 2.25% p.a] and is repayable on demand.

NOTE H - STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of 4,494,500 preferred stock at no par value and 30,000,000 common stock at no par value as at March 31, 2023 and March 31, 2022; of which 865,540 preferred stock Series A, 2,749,995 preferred stock series B and 8,492,157 common stock are issued and outstanding as at March 31, 2023 and March 31, 2022.

Conversion of preferred stock

Each preferred stock series A and preferred stock series B is entitled to be converted, without payment of any additional consideration, into one fully paid common stock.

Voting

Every holder of preferred stock series A and preferred stock series B is entitled to one vote for each common stock held into which such series A or series B preferred stock could be converted.

Liquidation

In the event of a liquidation, dissolution or winding up of the Company:

(a) Holders of preferred stock series A and preferred stock series B, shall on a pari passu basis, in preference to any distribution to holders of common stock receive an amount per stock equal to (i) US$ 0.94 for each outstanding stock of preferred stock series A and (ii) US$ 2.21 for each outstanding stock of preferred stock series B subject to appropriate adjustments for stock splits, stock dividends, combinations or recapitalization etc. If upon the occurrence of such event, the assets available for distribution shall be insufficient to permit the payment of the full aforesaid preferential amounts, then the available funds shall be distributed rateably in proportion to the preferential amount each such holder is otherwise entitled to receive pursuant to this clause.

(b) Upon the completion of distribution required by clause (a) above, the remaining assets available for distribution shall be distributed among the holders of series A preferred stock, series B preferred stock and common stock pro rata based on the number of stocks of common stock held by each, provided that the common stock holders shall not receive any distribution unless the series A preferred stock holders have received an aggregate of US$ 0.47 per stock and the series B preferred stock holders have received an aggregate of US$ 1.11 per stock (not including amounts paid pursuant to clause (a) above).

NOTE I - EMPLOYEE BENEFIT PLANS

Effective April 1, 2021, the Company has discontinued accrual for compensated absences for exempt employees. Accrual for compensated absences is applicable for non-exempt employees. The accrual for compensated absences for non-exempt employees as at March 31, 2023 is US$ 14,845 [2022: US$ 8,159].

The Company in the current year made a contribution of US$ 237,117 [2022: US$ 199,799] to 401(k) plan.

NOTE J - STOCK COMPENSATION

Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited), the Holding Company has following stock option plans under which the options are granted to the employees of the Company:

1. Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) 2004 stock option plan (arising out of conversion of the earlier Bristlecone Inc. existing stock option plan) and Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) 2008 stock option plan:

Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Limited (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Limited under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

Features of these plans are as under:

Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the Shares subject to the Option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each Option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per Share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per Share determined by the Board on the date of grant, unless otherwise ratified by the Board.

2. Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) 2021 stock plan:

Under 2021 stock plan, the Group has issued stock options and stock appreciation rights as below:

Options granted under this plan include incentive stock options and non-statutory stock options. As per this plan, 100 per cent of the shares subject to the option, vest on the completion of 48 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 48 months, subject to the grantee continuing to be an employee through each such period. The term of each option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the Board on the date of grant."

On September 15, 2021 the Group granted 300,000 Stock Appreciation Rights (SARs) to employees that entitle them to a cash payment. Each SAR entitles the participant to receive, upon exercise, an amount equal to the excess of (a) the Fair Market Value of one share on the date of exercise, over (b) the Exercise Price (the "Appreciation Value"). Further during the year the Group has granted 181,700 SARs to employees that entitle them to cash payment.

The SAR's will vest and become exercisable with respect to twenty-five percent (25%) of the SAR's on the first anniversary of the vesting commencement date and will vest with respect to an additional one forty-eighth (1/48th) of the SAR's on the expiration of each month thereafter.

3. The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term. We estimate the expected term based on the simplified method for employee stock options considered to be "plain vanilla" options, as our historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term. The expected dividend yield is 0.0% as we have not paid and do not anticipate paying dividends on our common stock. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

Activity pursuant to Stock option :

Particulars	Options outstanding Year ended March 31, 2023	Weighted average exercise price March 31, 2023	Options outstanding Year ended March 31, 2022	Weighted average exercise price March 31, 2022
Stock Option				
Outstanding at April 1	**730,274**	**2.04**	858,215	1.91
Granted	**153,934**	**4.72**	–	–
Exercised	**(75,000)**	**1.75**	(61,600)	0.99
Expired / forfeited	**(45,834)**	**2.03**	(66,341)	1.79
Outstanding at March 31	**763,374**	2.61	730,274	2.04

Additional information on outstanding options

Exercise price range for the options outstanding is given below:

Grant Price	March 31, 2023	March 31, 2022
$0.10	**6,000**	13,500
$0.77	**17,500**	27,500
$2.03	**457,940**	503,774
$2.14	**28,000**	85,500
$2.38	**50,000**	50,000
$2.87	**50,000**	50,000
$4.72	**153,934**	–
Total	**763,374**	730,274

Options outstanding that have Vested and exercisable and Unvested are as follows:

	March 31, 2023			March 31, 2022		
Particulars	Outstanding options	Weighted average exercise price in US$	Weighted average remaining contract term (in years)	Outstanding options	Weighted average exercise price in US$	Weighted average remaining contract term (in years)
Vested and exercisable	**498,578**	**2.33**	**6.98**	387,445	2.00	6.10
Unvested	**264,796**	**3.14**	**8.14**	342,829	2.09	8.55

Stock unit activity under stock-based compensation plans is shown below:

Particulars	March 31, 2023		March 31, 2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Those vested at the beginning of the year	**387,445**	**2.00**	273,452	1.51
Vested	**186,133**	**2.79**	195,277	2.11
Forfeited	**–**	**–**	(19,684)	1.43
Exercised during the year	**(75,000)**	**1.75**	(61,600)	0.99
Those vested at the end of the year	**498,578**	**2.33**	387,445	2.00

Particulars	March 31, 2023		March 31, 2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Those nonvested at the beginning of the year	**342,829**	**2.09**	584,763	2.10
Those nonvested at the end of the year	**264,796**	**3.14**	342,829	2.09
Those that during the year were:				
Vested	**186,133**	**2.79**	195,277	2.11
Granted	**153,934**	**4.72**	–	–
Forfeited	**(45,834)**	**2.03**	(46,657)	1.94

Assumptions for Fair valuation

Dividend yield	0.00 percent
Expected life	5.50 years
Risk free interest rate	2.59 percent
Volatility	49.07 percent

Recognised compensation expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock compensation expense	**193,287**	165,777

Unrecognised compensation expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Unrecognized compensation cost for shares expected to vest	**300,091**	347,050
Weighted average period for unrecognised expenses	**2.02**	1.41

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Aggregate FV of options granted during the year	**186,313**	–
Grant date unit fair value of options granted during the year	**1.2103**	–

There have been no modifications or cancellations of the above plans during the current or preceding year.

Sales and marketing and general and administrative expenses were as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock based compensation expenses:		
Sales and marketing	**13,228**	15,031
General and administrative	**180,059**	150,746
Total stock option expenses	**193,287**	165,777

Activity pursuant to Stock Appreciation Rights (SARs) :

Particulars	SARS outstanding Year ended March 31, 2023	Weighted average exercise price March 31, 2023	SARs outstanding Year ended March 31, 2022	Weighted average exercise price March 31, 2022
2021 Plan				
Outstanding at the beginning of the year	**225,000**	**$2.03**	–	–
Granted	**158,950**	**$4.72**	225,000	$2.03
Exercised	**(15,625)**	**$2.03**	–	–
Expired / forfeited	**(99,375)**	**$2.03**	–	–
Outstanding at the end of the year	**498,950**	**$3.62**	225,000	$2.03

Assumptions for Fair valuation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend yield	0.00 percent	0.00 percent
Expected life	5-6.5 years	6.25 years
Risk free interest rate	3.77 percent	2.59 percent
Volatility	43.74 percent	49.07 percent

Particulars	Outstanding number of SARs Year ended 31 March, 2023	Weighted average exercise price March 31, 2023	Outstanding number of SARs Year ended 31 March, 2022	Weighted average exercise price March 31, 2022
Vested	**51,875**	**2.03**	–	–
Unvested	**217,075**	**4.00**	225,000	2.03
Total SARs expenses	**268,950**	**3.62**	225,000	2.03

Weighted average remaining contractual life (in years)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Vested	**8.42**	–
Unvested	**9.19**	9.42

Aggregate intrinsic value

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Vested	**86,113**	–
Unvested	**96,488**	276,750

Recognised and unrecognised compensation expenses

Particulars	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
Recognised compensation cost for SARs compensation expense	**173,642**	40,330
Unrecognized compensation cost for SARs expected to vest	**334,574**	236,420

Intrinsic value of SARs exercised

Particulars	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
Intrinsic value of SARs exercised	**19,219**	–

General and administrative expenses were as follows:

Particulars	Year ended March 31, 2023 US$	Year ended March 31, 2022 US$
SARs expenses:		
General and administrative	**133,312**	40,330
Total SARs expenses	**133,312**	40,330

NOTE K - CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 “Contingencies”. It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE L - OPERATING LEASES

The Company has various operating leases for certain facilities with lease term ranging from 5 to 6 years.

A. Components of lease costs for the year ended March 31, 2023 included in the statement of comprehensive income are as follows:

Particulars	March 31, 2023
Operating lease cost	**347,393**
Short term lease cost	**85,051**
Total lease cost	**432,444**

B. Cash paid for amounts included in measurement of lease liability:

Particulars	March 31, 2023
Operating cash flow towards operating leases	**467,869**

C. Components of lease assets and liabilities as at March 31, 2023 included in the balance sheet are as follows:

Particulars - assets	March 31, 2023
Operating lease right-of-use assets*	**1,124,424**

Particulars - liabilities	March 31, 2023
Operating lease:	
Current	**455,596**
Non-current	**1,294,093**

D. Remaining Lease term and Discount Rate:

Particulars - assets	March 31, 2023
Remaining Lease Term:	
Operating leases	6.41 years
Discount Rate:	
Operating leases	2.57%

Future minimum rental payments over the next five years and thereafter as of March 31, 2023 for all non-cancelable leases with terms in excess of one year are as follows:

Particulars - Operating leases	Amount
Remaining Lease Term:	
2024	495,210
2025	519,445
2026	531,202
2027	271,138
2028	18,006
Total lease payments	**1,835,001**
Less: Imputed Interest	85,312
Net	**1,749,689**

NOTE M - RELATED PARTY TRANSACTIONS

1. **List of related parties and their relationships (where there are transactions):**

Name of related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Tech Mahindra (Americas) Inc.	Affiliate of the Ultimate Holding Company
Tech Mahindra Limited	Affiliate of the Ultimate Holding Company
Bristlecone Worldwide Inc (formerly Bristlecone Limited)	Holding Company
Bristlecone India Limited	Fellow subsidiary
Bristlecone Consulting Limited	Fellow subsidiary
Bristlecone International AG	Fellow subsidiary
Bristlecone Middle East DMCC	Fellow subsidiary
Bristlecone (Singapore) Pte Ltd	Fellow subsidiary
Bristlecone (Malaysia) Sdn Bhd	Fellow subsidiary
Bristlecone UK Limited	Fellow subsidiary
Bristlecone GmbH	Fellow subsidiary
Ulhas Yargop	Director
Nirav Patel	Director and Key Management Personnel
Kulashekar Raghavan	Director and Key Management Personnel

2. **Related parties transactions:**

Nature of transaction	Name of related party	March 31, 2023	March 31, 2022
		Amount (in US$)	Amount (in US$)
Loan given during the year	Bristlecone Worldwide Inc	**–**	5,000,000
Interest income	Bristlecone Worldwide Inc	**224,075**	58,867
Reimbursement of expenses received	Bristlecone Worldwide Inc	**78,841**	12,665
Subcontracting expenses paid	Bristlecone India Ltd	**43,657,079**	29,293,460
Income from services rendered	Bristlecone India Ltd	**18,963**	–
Reimbursement of expenses paid	Bristlecone India Ltd	**592,786**	–
Reimbursement of expenses received	Bristlecone India Ltd	**17,356**	–
Reimbursement of expenses received	Bristlecone GmbH	**39,107**	211,415
Reimbursement of expenses paid	Bristlecone GmbH	**2,331**	–
Income from services rendered	Bristlecone GmbH	**4,291,751**	67,431
Subcontracting expenses paid	Bristlecone GmbH	**778,914**	179,527
Reimbursement of expenses received	Bristlecone International AG	**187,341**	106,621
Income from services rendered	Bristlecone International AG	**1,194,818**	–
Reimbursement of expenses received	Bristlecone (Singapore) Pte. Ltd	**99,933**	103,478
Subcontracting expenses paid	Bristlecone (Singapore) Pte. Ltd	**97,113**	–
Income from services rendered	Bristlecone (Singapore) Pte. Ltd	**1,216,100**	6,535
Income from services rendered	Bristlecone UK Ltd	**52,475**	–
Reimbursement of expenses received	Bristlecone Middle East DMCC	**45,287**	163,241
Interest income	Bristlecone Middle East DMCC	**–**	5,778
Purchase of licenses	Bristlecone Middle East DMCC	**388,430**	–
Income from services rendered	Bristlecone Middle East DMCC	**1,233,018**	–
Income from services rendered	Tech Mahindra Limited	**–**	111,792
Reimbursement of expenses paid	Bristlecone Malaysia Sdn. Bhd	**9,032**	–
Subcontracting expenses paid	Bristlecone Malaysia Sdn. Bhd	**42,219**	–
Income from services rendered	Bristlecone Malaysia Sdn. Bhd	**36,246**	–

Nature of transaction	Name of related party	March 31, 2023	March 31, 2022
		Amount (in US$)	Amount (in US$)
Subcontracting expenses paid	Bristlecone Consulting Limited	**250,513**	128,662
Reimbursement of expenses paid	Mahindra & Mahindra Limited	**136,789**	2,625
Consultancy fees	Ulhas Yargop	**60,000**	60,000
Salaries and other Benefits	Nirav Patel	**957,949**	726,250
Salaries and other Benefits	Kulashekar Raghavan	**459,009**	403,116
Reimbursement of expenses paid	Kulashekar Raghavan	**10,152**	–

3. Related parties balances:

Nature of balances:	Name of related party	March 31, 2023	March 31, 2022
		Amount (in US$)	Amount (in US$)
Amount received towards repayment of loan	Bristlecone Middle East DMCC	**–**	500,000
Loan outstanding as at year end	Bristlecone Worldwide Inc	**5,000,000**	5,500,000
Interest receivable as at year end	Bristlecone Worldwide Inc	**259,452**	76,887
Amount receivable as at year end	Bristlecone Worldwide Inc	**78,841**	12,665
Amount payable as at year end	Bristlecone India Ltd	**13,144,410**	12,976,085
Amount receivable as at year end	Bristlecone India Ltd	**36,319**	–
Amount receivable as at year end	Bristlecone GmbH	**405,366**	211,415
Amount payable as at year end	Bristlecone GmbH	**74,843**	31,016
Amount receivable as at year end	Bristlecone International AG	**460,910**	106,621
Amount receivable as at year end	Bristlecone (Singapore) Pte. Ltd	**13,172**	103,478
Amount payable as at year end	Bristlecone (Singapore) Pte. Ltd	**8,314**	–
Amount payable as at year end	Bristlecone Middle East DMCC	**97,108**	–
Amount receivable as at year end	Bristlecone Middle East DMCC	**161,642**	163,241
Amount receivable as at year end	Tech Mahindra (Americas) Inc.	**–**	23,281
Amount receivable as at year end	Tech Mahindra Limited	**21,216**	16,432
Amount payable as at year end	Tech Mahindra Limited	**–**	56,852
Amount receivable as at year end	Bristlecone Malaysia Sdn. Bhd	**2,905**	–
Amount receivable as at year end	Bristlecone Consulting Limited	**–**	3,586
Amount payable as at year end	Bristlecone Consulting Limited	**27,110**	–
Amount payable as at year end	Mahindra & Mahindra Limited	**3,538**	2,625
Amount payable as at year end	Ulhas Yargop	**5,700**	6,400
Amount payable as at year end	Nirav Patel	**443,483**	207,500
Amount payable as at year end	Kulashekar Raghavan	**157,733**	143,041

NOTE N - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, loan to related party and bank deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and bank deposits are invested with banks with high investment grade credit ratings.

Trade receivables (primarily denominated in US$) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. In the current year, the Company had one major customer which individually accounted for more than 10% of Company's revenues. Revenue from this customer amounted to US$ 12,868,480 or 13.95% of the total revenue. Revenue from one major customer in 2022 which individually accounted for more than 10% of Company's revenues amounted to US$ 10,477,769 or 15.66% of total revenue. Total accounts receivable from such customers is US$ 1,038,251 [2022: US$ 1,312,616] at March 31, 2023 or 5.57% [2022: 13.09%] of total receivables.

During the year ended March 31, 2023, the sales in United States of America and Canada accounted for 89.86% of the total sales (2022: 98.32%).

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, accounts receivables, loans, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE P - RECENT ACCOUNTING PRONOUNCEMENT

New Accounting Standards yet to be adopted by the Company

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13) "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires the use of forward-looking information to calculate credit loss estimates. These changes will result in earlier recognition of credit losses. The guidance is effective for the company for fiscal years, and interim periods within those fiscal years beginning after December 15, 2022. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In August 2020, FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU removes separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature and hence most of the instruments will be accounted for as a single model (either debt or equity). The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In October 2021, FASB ("Financial Accounting Standard Board") issued ASU No. 2021-08, Business Combinations ("ASC Topic 805"): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU provides guidance in ASC Topic 805 to require the acquirer entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC Topic 606, as if it had originated the contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements, if the acquiree prepared financial statements in accordance with U.S. GAAP. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The adoption of this ASU will not have any impact on the Company's financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions," which clarifies that contractual sale restrictions are not considered in measuring fair value of equity securities and requires additional disclosures for equity securities subject to contractual sale restrictions. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

In September 2022, the FASB issued ASU 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations," which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose sufficient information about the program. The amendments do not affect the recognition, measurement or financial statement presentation of obligations covered by supplier finance programs. The standard is effective for nonpublic companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. The adoption of this ASU will not have any impact on the Company's financial statements.

NOTE Q - SUBSEQUENT EVENTS

With effect from April 3, 2023, Bristlecone Limited, the immediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc.

In accordance with ASC 855-10 "Subsequent events", the Company has evaluated subsequent events through April 28, 2023, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditor's Report

To the Shareholder of Bristlecone Middle East DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone Middle East DMCC (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants'* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of DMCC Companies Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the DMCC Companies Regulations 2020. Based on the information that has been made available to us during our audit of the financial statements of the Company for the year ended March 31, 2023, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these financial statements, are significantly different from the activities mentioned in the license issued to the Company by DMCCA.

GRANT THORNTON
Farouk Mohamed
Registration No. 86

Dubai, April 25, 2023

Statement of financial position
As at March 31, 2023

	Note	2023 AED	2022 AED
ASSETS			
Non-current			
Property and equipment	5	**4,849**	8,354
		4,849	8,354
Current			
Trade and other receivables	6	**3,447,268**	4,277,017
Cash and cash equivalents	7	**2,061,412**	6,272,967
		5,508,680	10,549,984
TOTAL ASSETS		**5,513,529**	10,558,338
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**50,000**	50,000
Retained earnings		**4,105,134**	7,676,507
Total equity		**4,155,134**	7,726,507
LIABILITIES			
Non-current			
Employees' end of service benefits	9	**67,226**	32,433
Current			
Trade and other payables	11	**1,291,169**	2,799,398
		1,291,169	2,799,398
Total liabilities		**1,358,395**	2,831,831
TOTAL EQUITY AND LIABILITIES		**5,513,529**	10,558,338

These financial statements for the year ended March 31, 2023 (including comparatives) were approved by the Board of Directors on April 25, 2023 and were signed on their behalf by:

Mr. Amit Deshmukh
Director

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Statement of comprehensive income
For the year ended March 31, 2023

	Note	**For the year ended March 31, 2023 AED**	For the year ended March 31, 2022 AED
Revenue		**8,441,049**	12,854,524
Cost of sales	12	**(7,629,437)**	(8,057,248)
GROSS PROFIT		**811,612**	4,797,276
Selling, administrative and general expenses	13	**(706,980)**	(793,932)
Finance costs	10	**–**	(21,046)
Depreciation	5	**(3,505)**	(2,160)
Other income		**–**	52,272
NET PROFIT FOR THE YEAR		**101,127**	4,032,410
Other comprehensive income for the year		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**101,127**	4,032,410

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Statement of changes in equity
For the year ended March 31, 2023

	Share capital	Retained earnings	Total equity
	AED	AED	AED
Balance at March 31, 2021	50,000	3,644,097	3,694,097
Net profit for the year	–	4,032,410	4,032,410
Balance at March 31, 2022	50,000	7,676,507	7,726,507
Net profit for the year	–	101,127	101,127
Dividend declared and paid (note 8.1)		(3,672,500)	(3,672,500)
Balance at March 31, 2023	**50,000**	**4,105,134**	**4,155,134**

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Statement of cash flows
For the year ended March 31, 2023

	Note	**For the year ended March 31, 2023 AED**	For the year ended March 31, 2022 AED
OPERATING ACTIVITIES			
Net profit for the year		**101,127**	4,032,410
Adjustment for:			
Depreciation	5	**3,505**	2,160
Provision for employees' end of service benefits	9	**36,545**	3,086
Provision/(reversal) of provision for expected credit losses	6.1	**563,701**	(106,684)
Finance costs	10	**–**	21,046
Net changes in working capital:			
Trade and other receivables		**266,048**	(1,069,199)
Trade and other payables		**(1,508,229)**	1,378,492
Net cash flow from operating activities		**(537,303)**	4,261,311
Employees' end of service benefits paid		**(1,752)**	(12,292)
Net cash (used in)/from operating activities		**(539,055)**	4,249,019
INVESTING ACTIVITY			
Purchase of property and equipment	5	**–**	(10,514)
Net cash used in investing activity		**–**	(10,514)
FINANCING ACTIVITIES			
Repayment of loan	10	**–**	(1,868,084)
Dividend paid	8.1	**(3,672,500)**	–
Net cash used in financing activities		**(3,672,500)**	(1,868,084)
Net change in cash and cash equivalents		**(4,211,555)**	2,370,421
Cash and cash equivalents, beginning of year		**6,272,967**	3,902,546
Cash and cash equivalents, end of year	7	**2,061,412**	6,272,967

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Notes to the financial statements
For the year ended March 31, 2023

1 Legal status and nature of operations

Bristlecone Middle East DMCC (the "Company") was incorporated in Dubai, United Arab Emirates ("UAE") on July 18, 2016 under the commercial license number DMCC-208734 issued by Dubai Multi Commodities Centre. The registered address of the Company is Unit No. 3O-01-3572, DMCC Business Center, Level No. 1, Jewellery & Gemplex 3, Dubai, UAE.

The principal activities of the Company is to provide supply chain services ranging from supply chain strategy and network design to supply chain system implementation.

The Company is a wholly-owned subsidiary of Bristlecone Worldwide, Inc. (previously known as Bristlecone Ltd. (the "Parent Company"). The Parent Company has been de-registered in Cayman Island and re-domiciled to the United States.

On January 31, 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after June 1, 2023 and on December 9, 2022, the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses was issued. There is no impact of this announcement on the financial statements of the Company for the year ended March 31, 2023. Management will assess the implications of this Federal Corporate Tax in due course.

2 Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective in 2022

Standards, interpretations and amendments that are effective for the first time in 2022 (for entities with a December 31, 2022, year-end) are:

- References to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle):
    - Subsidiary as a First-time Adopter (Amendments to IFRS 1)
    - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)
    - Lease Incentives (Amendments IFRS 16)
    - Taxation in Fair Value Measurements (Amendments to IAS 41)

These standards, amendments and interpretations do not have a significant impact on these financial statements and therefore the disclosures have not been made.

3.2 Standards, interpretations and amendments to existing standards not yet adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

3.3 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact.

4 Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are consistent with those used in prior year and are summarised below:

4.1 Overall considerations

These financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional currency.

These financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Foreign currency

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4.3 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset has expired, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or has expired.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured at amortised cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

Notes to the financial statements
For the year ended March 31, 2023 (continued)

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss ('FVTPL'). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency.

As at the reporting date, the Company's financial assets comprise trade and most other receivables, amounts due from related parties, other financial assets and cash and cash equivalents. These are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets measured at amortised cost are recognised in profit or loss and presented within 'finance costs – net' or 'other income – net', except for impairment of trade receivables which is presented within 'administrative and general expenses'.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise trade and most other payables and amount due to related parties.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Discounting is omitted if the impact is immaterial.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and balance in bank accounts and are initially and subsequently recorded at fair value.

For purpose of the statement of cash flows, all cash and bank balances are considered to be cash and cash equivalents.

4.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense when the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

Employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in U.A.E. Labour Law. The expected costs of these benefits are accrued over the period of employment.

4.6 Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period profits/losses (net of earnings).

4.7 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Notes to the financial statements
For the year ended March 31, 2023 (continued)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

4.8 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable by the Company, excluding discounts, rebates, and duty.

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Company's efforts or inputs to the satisfaction of the performance obligations.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Amounts included in the financial statements, which relate to recoverable costs and accrued margins, if any, not yet billed on contracts are classified as "Unbilled revenue".

4.9 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Cost of sales comprises salaries and employee benefits, sub-contractor fees, project related travel and other costs.

4.10 Leases

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.11 Significant management judgments and estimates in applying accounting policies

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Key source of estimation uncertainty at the date of the financial statements, which may cause material adjustments to the carrying amount of assets and liabilities within the next financial year, is in respect of allowance for uncollectible amounts and efforts to completion for fixed price projects represents certain of these particularly sensitive estimates.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due and based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Efforts to completion for fixed price contracts

The management considers man-days to be the best possible measure of progress in these contracts. Revenues from fixed-price contracts are recognized in accordance with percentage of completion method measured by the percentage of man-days incurred to date in relation to the estimated total man-days for such contracts.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date by assessing the expected utility of the assets to the Company.

Notes to the financial statements
For the year ended March 31, 2023 (continued)

5 Property and equipment

	2023	2022
	AED	AED
Gross block (at cost)		
Balance as at April 1,	**10,514**	–
Additions	**–**	10,514
Balance as at March 31,	**10,514**	10,514
Accumulated depreciation		
Balance as at April 1,	**(2,160)**	–
Charge for the year	**(3,505)**	(2,160)
Balance as at March 31,	**(5,665)**	(2,160)
Net carrying value as at March 31,	**4,849**	8,354

6 Trade and other receivables

	2023	2022
	AED	AED
Financial assets		
Trade receivables	**2,433,494**	1,874,888
Unbilled revenue	**1,238,915**	1,644,039
Amounts due from a related party (note 10)	**356,668**	787,063
Deposits	**1,000**	1,000
	4,030,077	4,306,990
Less: Provision for expected credit losses on unbilled revenue and trade receivables	**(657,590)**	(93,889)
	3,372,487	4,213,101
Non-financial asset		
Prepayments	**74,781**	63,916
	3,447,268	4,277,017

6.1 Provision for expected credit loss

	2023	2022
	AED	AED
As at April 1,	**93,889**	200,573
(Reversal)/provision for expected credit loss (note 13)	**563,701**	(106,684)
As at March 31,	**657,590**	93,889

7 Cash and cash equivalents

	2023	2022
	AED	AED
Cash at banks	**2,061,412**	6,238,262
Cheque in hand	**–**	34,705
	2,061,412	6,272,967

8 Share capital

The share capital of the Company consists of 50 fully paid ordinary shares with a par value of AED 1,000 each.

Shares issued and fully paid:	
Beginning and end of the year	**50**
Total shares authorised at March 31, 2023	**50**
Total share capital (issued and fully paid at March 31, 2023, in AED)	**50,000**

The Company's issued share capital is held by the following shareholder:

	2023	2022
	AED	AED
Bristlecone Limited	**50,000**	50,000

8.1 Dividend

During the current year, the Company declared a dividend amounting to AED 3,672,500 (2022: nil). This was paid on March 29, 2023.

9 Employees' end of service benefits

	2023	2022
	AED	AED
Opening balance	**32,433**	41,639
Charge for the year	**36,545**	3,086
Paid during the year	**(1,752)**	(12,292)
Closing balance	**67,226**	32,433

10 Related parties

The Company in the normal course of business carries on transactions with other business enterprises that fall within the definition of a related party. These transactions are carried out in the normal course of business and are measured at exchange amounts, being the amounts agreed by both the parties.

The Company's related parties mainly include its shareholder, key management personnel and entities under common control.

Amounts due to related parties

	2023	2022
	AED	AED
Entities under common control		
Bristlecone India Limited	**–**	1,406,945
Bristlecone Inc.	**593,699**	599,503
Bristlecone (Singapore) Pte. Ltd	**–**	57,633
	593,699	2,064,081

Amounts due from related parties

	2023	2022
	AED	AED
Bristlecone Inc	**356,668**	–
Bristlecone International AG	**–**	787,063
	356,668	787,063

Notes to the financial statements
For the year ended March 31, 2023 (continued)

Transactions with related parties

Significant transactions carried out with related parties:

	For the year ended March 31, 2023	For the year ended March 31, 2022
	AED	AED
Reimbursement of expenses	**166,335**	105,446
Sub-contracting charges	**4,528,429**	5,124,283
Repayment of loan to related parties	**–**	1,868,084
Finance costs	**–**	21,046
Management fees (note 13)	**–**	686,254
Revenue	**1,426,510**	1,457,216
Dividend declared and paid	**3,672,500**	–

11 Trade and other payables

	2023	2022
	AED	AED
Financial liabilities		
Trade payables	**380,205**	473,823
Amounts due to related parties (note 10)	**593,699**	2,064,081
Accruals and provisions	**274,611**	97,795
Other	**–**	1,000
	1,248,515	2,636,699
Non-financial liabilities		
VAT payable, net	**1,191**	11,394
Advance from customers	**41,463**	151,305
	1,291,169	2,799,398

12 Cost of sales

	For the year ended March 31, 2023	For the year ended March 31, 2022
	AED	AED
Sub-contracting charges	**4,696,752**	5,601,767
Software license fees	**1,391,919**	1,283,208
Salaries and other benefits	**1,324,147**	939,220
Travelling expenses	**196,103**	219,539
Insurance expense	**16,016**	13,514
Other	**4,500**	–
	7,629,437	8,057,248

13 Selling, administrative and general expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
	AED	AED
Provision/(reversal) of provision for expected credit losses (note 6.1)	**563,701**	(106,684)
Legal and professional fees	**54,110**	91,954
License fees	**40,932**	38,752
Rent	**16,000**	15,000
Bank charges	**10,106**	11,032
Membership and subscription	**3,555**	2,318
Withholding tax	**–**	20,650
Management fees (note 10)	**–**	686,254
Others	**18,576**	34,656
	706,980	793,932

14 Contingencies and commitments

As at the year end, commitments under non-cancellable operating leases as lessee were:

	2023	2022
	AED	AED
Within one year	**4,000**	4,000

15 Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at Parent Company level, in close cooperation with the management, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial instrument risks to which the Company is exposed are described below.

15.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Company's transactions are carried out in AED and US dollars (USD). The AED is effectively pegged to the USD thus balances in USD do not represent significant currency risks.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Company does not have any variable interest-bearing financial instruments.

Notes to the financial statements
For the year ended March 31, 2023 (continued)

15.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised in subsequent pages:

	2023	2022
	AED	AED
Trade and other receivables (note 6)	**3,372,487**	4,213,101
Cash at banks (note 7)	**2,061,412**	6,238,262
Cheque in hand (note 7)	**–**	34,705
	5,433,899	10,486,068

The Company's management considers that all the above financial assets are not impaired and the same are of good credit quality. None of the Company's financial assets are secured by collateral or other credit enhancements. The credit risk for cash and cash equivalents is limited, since the counterparties are reputable banks with quality credit ratings.

15.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

	2023	2022
	AED	AED
Trade and other payables note 11)	**1,248,515**	2,636,699
	1,248,515	2,636,699

16 Fair value measurement

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

None of the Company's financial instruments, non-financial assets and non-financial liabilities as at the reporting date are measured at fair value.

17 Capital management policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholder. Capital for the reporting period under review is summarised as follows:

	2023	2022
	AED	AED
Equity	**4,105,134**	7,726,507
Cash and cash equivalents (note 7)	**2,061,412**	6,272,967

A. Audit engagement

Our report below on the non-statutory audit of the annual financial statements of Bristlecone GmbH, Frankfurt am Main as at March 31, 2023 is addressed to the audited company.

At the shareholders' meeting held on February 20, 2023 of

Bristlecone GmbH, Frankfurt am Main
(referred to below as the "Company")

we were appointed as auditors of the annual financial statements for the financial year from April 1, 2022 until March 31, 2023. Accordingly, the Company's management engaged us to audit the annual financial statements, together with the accounting records, for the financial year from April 1, 2022 until March 31, 2023 in analogous voluntary application of §§ 316 and 317 of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

The Company is classified as a small corporation as defined in § 267 (1) HGB and, pursuant to §§ 316 *et seq.* HGB, is therefore exempt from the requirement to have its financial statements and management report audited.

We confirm that we have conducted our audit in compliance with the applicable independence regulations pursuant to § 321 (4 a) HGB.

Our engagement is not subject to any reasons for exclusion pursuant to §§ 319, 319 a, 319 b HGB, §§ 49 and 53 of the German Public Accountants Act (*Wirtschaftsprüferordnung*, "WPO") and §§ 28 *et seq.* of the Professional Charter for Professional Accountants in Public Practice (*Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer*, "BS WP / vBP").

We carried out our engagement at our offices in April 2023. The long form audit report was then completed.

We have documented the nature and scope of our audit procedures in our working papers.

We present the following report on the findings of our audit procedures.

We have appended the audited 2022 / 2023 annual financial statements, comprising the balance sheet **(Annex 1),** the income statement **(Annex 2)** and the notes to the annual financial statements **(Annex 3)** to this report.

We have prepared this audit report in accordance with Auditing Standard IDW PS 450 (revised) "German Generally Accepted Standards on the Preparation of Long-form Audit Reports" (*Grundsätze ordnungsmäßiger Erstellung von Prüfungsberichten*) as promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V. (IDW), Düsseldorf.

The terms governing this engagement and our liability, including towards third parties, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] (*Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften*) in the version dated 1 January 2017, which are attached to this report as **Annex 5**. No. 1 (2) and No. 9 of the General Engagement Terms are controlling with respect to third parties.

This report on the audit of the annual financial statements is not intended for disclosure to third parties. If it is disclosed or made available to third parties with our consent, the Company shall undertake to agree with such third parties in writing that the agreed-upon liability provisions shall also apply to potential third-party claims against us.

B. Basic findings

I. Opinion on the executive director's assessment of the company's position

In accordance with § 321 (1) sentence 2 HGB, we provide below in our report our opinion on the executive director's assessment of the position of the Company in the annual financial statements.

We issue our opinion on the basis of our own assessment of the economic position of the Company, which we gained in the course of our audit of the annual financial statements.

Specifically, we examined the going concern assumption and the assessment of the future development of the Company, as expressed in the annual financial statements.

The documents audited by us in accordance with § 321 (1) sentence 2 HGB comprised those documents which constituted the direct subject matter of our audit of the annual financial statements, i. e., the accounting records, the annual financial statements as well as any documents such as cost accounting records, planning projections, significant agreements, sets of minutes and reports to the persons responsible for supervision and monitoring, which we examined in the course of our audit.

We considered the management's presentation and assessment of the Company's position and its expected development in the annual financial statements to be accurate.

The management has duly exercised the option exempting it from preparing a management report. It was therefore not possible for us to evaluate the management's assessment of the Company's position in accordance with § 321 (1) sentence 2 HGB in reference to the management report. Nor was it our responsibility as auditors to include such an assessment in the audit report on behalf of the executive directors.

Our audit has found that the going concern assumption is correct.

C. Replication of the Audit Opinion

We have granted the following audit opinion as stated below to the financial statements as of March 31, 2023 of Bristlecone GmbH, Frankfurt am Main:

"Opinion of the Independent Auditor"

To Bristlecone GmbH, Frankfurt am Main:

Audit Opinion

We have audited the annual financial statements of Bristlecone GmbH, Frankfurt am Main, which comprise the balance sheet as at March 31, 2023, and the income statement for the financial year from April 1, 2022 until March 31, 2023, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at March 31, 2023 as well as the results of operations for the financial year from April 1, 2022 until March 31, 2023 in accordance with German principles of proper accounting. Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Executive Director's Responsibilities for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual

financial statements, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nettetal, April 19, 2023

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schmedt	ppa. Sonfeld
Wirtschaftsprüfer	Wirtschaftsprüfer
(Auditor)	*Auditor)*

D. Subject, nature and scope of the audit

I. Subject of the audit

In accordance with § 317 HGB, as part of our engagement we have audited the accounting records and the annual financial statements, which were prepared in accordance with German accounting requirements, in order to verify compliance with the relevant statutory requirements.

The executive directors are responsible for the accounting, the accounting related internal controls and the information provided to us in our function as the auditors. Our responsibility as the auditors is to express an opinion on these documents based on the accounting records and the information provided to us in our audit.

The audit of compliance with other statutory requirements only falls within the scope of our audit to the extent that these other requirements commonly affect the annual financial statements prepared in accordance with German accounting requirements.

Our audit of the annual financial statements did not include any special review for the purposes of identifying irregularities in relation to monetary or service transactions (misappropriation audit). Our audit activities did not reveal any indications that would have necessitated any further examinations in that regard.

II. Nature and scope of the audit procedures

We conducted our audit in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Pursuant to § 317 (4 a) HGB, our audit does not extend to whether assurances can be made as to the continued existence of the audited entity as a going concern or the effectiveness and efficiency of its management.

The basis for our risk and process-oriented audit approach was the development of an audit strategy. This is based on an assessment of the economic and legal bases for the Company, its objectives, strategies and business risks, which we assessed on the basis of critical success factors. The audit of the accounting related internal control system and its effectiveness was supplemented by process analyses, which we conducted with the objective of determining their influence on relevant items of the annual financial statements, thereby enabling us to estimate the risk of errors and our own audit risk.

We selected the analytical audit procedures (plausibility assessments) and tests of details in relation to the substantiation of balances, recognition, presentation and measurement in the annual financial statements based on the findings from our audit of processes and the accounting related internal control system. In the individual audit plan for the company, we defined the focal points of our audit, the nature and scope of our audit activities as well as the sequencing of audit procedures and the use of human resources. In so doing, we observed the principles of materiality and risk orientation and therefore arrived at our audit opinion primarily on a test basis.

The critical audit objectives identified in our audit strategy resulted in the identification of the following focal points for our audit:

Trade receivables as well as receivables from and payables to related parties.

Third-party confirmations were obtained as follows and subject to the following criteria:

Bank confirmations were obtained from credit institutions.

Balance confirmations were obtained from some debtors.

The opening balance sheet amounts were properly taken from the prior-year annual financial statements audited by us.

All necessary explanations and evidence requested by us at our due discretion to enable us to duly perform our audit were provided by the executive directors. The management has provided us with written confirmation of the completeness of the accounting records and the annual financial statements in the letter of representation obtained by us.

E. Findings and explanatory notes regarding the accounting

I. Propriety of the accounting

1. Accounting records and related documents

In our audit, we found that, in all material respects, the accounting records and further audited documents comply with the statutory requirements, including the German Legally Required Accounting Principles.

We found the Company's records of transactions to be complete, continuous and timely. The chart of accounts renders it possible to clearly and transparently organise the accounting data with a sufficient level of detail in keeping with the interests of the Company. In instances where accounting vouchers were inspected in the course of our audit, all such vouchers contained the necessary information to enable proper documentation. The vouchers were filed in a transparent manner. The accounting records therefore satisfied, in all material respects, the statutory requirements for the entire financial year.

The organisation of the accounting records, the internal control system, the flow of data and the records management system facilitate the complete, accurate, timely and orderly recognition and posting of transactions.

Our audit found that, in all material respects, the information obtained from further audited documents was properly reflected in the accounting records and in the annual financial statements prepared in accordance with German accounting requirements.

The Company's financial reporting (financial bookkeeping, fixed asset accounting, payroll accounting) is managed externally by the accounting and tax advising firm Schiff-Martini & Cie. GmbH, Frankfurt am Main.

No significant organisational changes were made to the accounting processes during the year under review.

In our opinion, there are no indications that the organisational and technical measures taken by the Company are not appropriate to ensure the security of accounting-relevant data and IT systems.

2. Annual financial statements

In all material respects, the annual financial statements as at March 31, 2023, prepared in accordance with German accounting requirements and submitted to us for audit, complied with all applicable statutory requirements, including the German Legally Required Accounting Principles and all size-related, legal form-related and sector-specific requirements.

We found the balance sheet and the income statement of Bristlecone GmbH, Frankfurt am Main for the financial year from April 1, 2022 to March 31, 2023 to be properly derived from the accounting records and the other audited documents. The relevant recognition, presentation and measurement requirements were, in all material respects, complied with, as was the principle of continuity set out in § 252 (1) no. 6 HGB.

With respect to the propriety of the disclosures contained in the notes, which we do not report on elsewhere, we note that the reporting in the notes has been carried out by the executive directors in full and to the extent required by law.

II. Overall presentation of the annual financial statements

1. Conclusions on the overall presentation of the annual financial statements

In our opinion, the annual financial statements – i. e., the overall assertion of the annual financial statements provided by the interaction of balance sheet, income statement and notes – give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German Legally Required Accounting Principles (§ 264 (2) HGB).

2. Measurement bases

The measurement bases in accordance with § 321 (2) sentence 4 clause 1 HGB comprise the accounting and valuation methods and the relevant factors affecting the valuation of assets and liabilities (parameters, assumptions and the exercise of discretion).

No changes were made to the measurement bases during the reporting period.

For information on the presentation of the material measurement bases, please refer to the corresponding disclosures in the notes, because their inclusion in this audit report would only be repetitive.

F. Concluding Remark

The audit report was prepared in accordance with legal requirements and the principles of drawing up audit reports established by the German Institute of Chartered Accountants ("Grundsätze ordnungsmäßiger Berichterstattung bei Abschlussprüfungen" (IDW PS 450)).

Any use of the above reproduced auditor's opinion outside of this audit report is subject to our prior consent.

Nettetal, April 19, 2023

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schmedt	ppa. Sonfeld
Wirtschaftsprüfer	Wirtschaftsprüfer
(Auditor)	*(Auditor)*
Marco Schmedt	Florian Sonfeld
24.04.2023	24.04.2023

Balance Sheet as of March 31, 2023

	2023/3/31 €	2022/3/31 €
Assets		
A. Fixed assets		
I. Property, plant and equipment		
1. Other equipment, operational and office equipment	**10,161.00**	5,557.00
II. Financial assets		
1. Loans due from affiliated companies	**3,987,594.15**	3,987,594.15
B. Current assets		
I. Accounts receivable and other assets		
1. Accounts receivable, trade	**810,171.36**	760,993.99
2. Receivables due from affiliated companies – thereof with a remaining term of more than one year: € 127,028.58 (prior year: € 32,946.12)	**127,028.58**	42,758.20
3. Other assets – thereof with a remaining term of more than one year: € 14,351.56 (prior year: € 11,737.90)	**56,985.52**	17,314.95
	994,185.46	821,067.14
II. Cash in banks	**1,679,836.49**	1,527,664.98
C. Prepaid expenses	**4,324.73**	6,908.93
	6,676,101.83	6,348,792.20
Shareholder's equity and liabilities		
A. Equity		
I. Subscribed capital	**50,000.00**	50,000.00
II. Capital reserve	**425,000.00**	425,000.00
III. Profit carried forward	**4,966,970.00**	4,414,672.26
IV. Net profit	**159,138.08**	552,297.74
B. Provisions		
1. Tax accruals	**202,688.42**	153,005.00
2. Other provisions and accrued liabilities	**542,949.85**	301,490.87
	745,638.27	454,495.87
C. Liabilities		
1. Accounts payable, trade – thereof with a remaining term of less than one year: € 12,322.73 (prior year: € 6,631.34)	**12,322.73**	6,631.34
2. Liabilities due to shareholder – thereof with a remaining term of less than one year: € 0.00 (prior year: € 254,471.65)	**0.00**	254,471.65
3. Liabilities due to affiliated companies – thereof with a remaining term of less than one year: € 303,928.51 (prior year: € 162,652.02)	**303,928.51**	162,652.02
4. Other liabilities – thereof with a remaining term of less than one year: € 13,104.24 (prior year: € 28,571.32) – thereof for taxes: € 1,133.18 (prior year: € 23,928.17) – thereof for social security: € 8,553.11 (prior year: € 4,610.17)	**13,104.24**	28,571.32
	329,355.48	452,326.33
	6,676,101.83	6,348,792.20

Annexure 2

Income Statement for the Period April 1, 2022 through March 31, 2023

		2022/4/1 - 2023/3/31	2021/4/1 - 2022/3/31
		€	€
1.	Sales	**6,464,807.54**	3,995,076.98
2.	Other operating income	**49,049.42**	58,506.14
	– thereof from foreign currency translation: € 18,737.07 (prior year: € 3,556.69)		
3.	Costs of purchased services	**4,113,921.63**	2,160,221.85
4.	Personnel expenses		
	a) Wages and salaries	**1,384,696.86**	7,12,536.38
	b) Social security, pension and other benefit costs	**212,876.53**	128,972.45
		1,597,573.39	841,508.83
5.	Depreciation on intangible assets, plant and Equipment	**4,809.80**	3,008.43
6.	Other operating expenses		
	– thereof from foreign currency translation: € 60,126.46 (prior year: € 2.023,55)	**678,123.99**	387,068.64
7.	Other interest and similar income	**98,143.46**	32,956.12
8.	Other interest and similar expenses	**58,433.53**	142,748.75
9.	**Profit after taxes on income**	**159,138.08**	551,972.74
10.	Other taxes	**0.00**	(325.00)
11.	**Net profit**	**159,138.08**	552,297.74

Annexure 3

Notes to the Financial Statements for the fiscal year from April 1, 2022 to March 31, 2023

I. GENERAL EXPLANATIONS

Bristlecone GmbH, Frankfurt am Main (referred to below as the "Company"), has its domicile in Frankfurt am Main and has been registered in the trade register at the local court in Frankfurt am Main in department B, with number 58387.

The financial statements of the Company for the fiscal year ended March 31, 2023 have been prepared according to the Sect. 242 ff. and 264 ff. of the German Commercial Code (HGB) and the relevant Sections of the Law on Limited Liability Companies (GmbHG).

The income statement is structured towards the cost-summary method in accordance with Sect. 275 Para. 2 German Commercial Code (HGB).

The Company is a small corporation according to Sect. 267 Para. 1 German Commercial Code (HGB).

II. ACCOUNTING POLICIES

Fixed assets

Tangible assets are stated at acquisitionor production cost and, if utilizable, depreciated through the useful life.

Depreciation on additions to tangible assets is calculated pro rata temporis. Low value items are fully depreciated in the year of acquisition.

Depreciation takes place as follows:

Item	Depreciation method	Useful lifetime
Other equipment, operational and office equipment	straight line	3 13 years

Among financial assets, shares and securities are measured at the lower of cost or market and loans are recognized at their nominal value.

Accounts receivable and other assets

Accounts receivable and other assets are stated at nominal value or their net realizable value. All items subject to risk are written down on an item-by-item basis.

Provisions and accrued liabilities

Tax accruals, other provisions and accrued liabilities are stated with the settlement amount based on reasonable business judgement and cover all identifiable risks from uncertain liabilities and anticipated losses from pending transactions.

Liabilities

Liabilities are stated at the settlement amount.

Deferred assets and liabilities

Deferred taxes resulting from temporary or quasi-permanent differences between the commercial values and the respective tax base of assets, liabilities and deferred items as well as from tax loss carry forwards are measured at the tax rates specific to the Company that are expected to apply to the period when the asset is realised or the liability is settled and are not discounted. Deferred tax assets and deferred tax liabilities are offset. Deferred taxes were set up according to § 249 HGB.

Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are evaluated with the exchange rate at the business transaction date.

Receivables and payables in foreign currencies with a remaining term of less than one year are stated with the average spot exchange rate of the balance sheet date.

Receivables and payables in foreign currencies with a remaining term of more than one year are stated with the average spot exchange rate of the balance sheet date or the lower or higher of cost or market value.

III. INDIVIDUAL COMMENTS TO THE BALANCE SHEET

Fixed assets

Reference is made to the separate analysis of fixed assets (see exhibit to the notes).

Other provisions and accrued liabilities

Other provisions and accrued liabilities in the amount of K€ 543 mainly represent provisions for outstanding invoices (K€ 300), accruals for personnel expenses K€ (223) as well as accruals for legal and advisory fees (K€ 11) and for the audit of the financial statements (K€ 9).

Receivables and liabilities from shareholder and affiliated companies

Receivables due from and liabilities due to affiliated companies result from current business operations and a granted loan for general business operation purposes.

IV. OTHER INDIVIDUAL COMMENTS

Affiliated companies

Companies which are directly or indirectly controlled by Mahindra & Mahindra Ltd., Mumbai, India, are considered as affiliated companies.

Financial commitments

Substantial financial commitments which are not stated in provisions, liabilities or contingent liabilities, exist of the following commitments from a rental and lease agreement:

	Total amount K€
Office premises	4

The payments refer to the following years:

	Total amount K€
2023 / 2024	4
	4

Contingent liabilities

As of balance sheet date, there are no contingent liabilities according to Sect. 251 German Commercial Code (HGB) which have to be reported on.

Headcount

During the fiscal year the Company employed an average of 12 employees (prior year: 7 employees).

Consolidation scope

Mahindra & Mahindra Ltd., Mumbai, India is the ultimate parent company responsible for preparing the consolidated financial statements for the largest and smallest group of companies.

Frankfurt am Main, April 13, 2023

Kulashekar Raghavan

Narayan Vaidyanathan Iyer

Lisa Anne Lesko

Development of fixed assets for the year ended March 31, 2023

	At costs			Accumulated Depreciation			Net Book Value	
	April 1, 2022	Additions	March 31, 2023	April 1, 2022	Additions	March 31, 2023	March 31, 2023	March 31, 2022
	€	€	€	€	€	€	€	€
I. Property, Plant and Equipment								
1. Other equipment, operational and office equipment	6,252.91	9,413.80	15,666.71	695.91	4,809.80	5,505.71	10,161.00	5,557.00
II. Financial Assets								
1. Loans due from affiliated companies	3,987,594.15	0.00	3,987,594.15	0.00	0.00	0.00	3,987,594.15	3,987,594.15
	3,993,847.06	9,413.80	4,003,260.86	695.91	4,809.80	5,505.71	3,997,755.15	3,993,151.15

Annexure 4

Opinion of the Independent Auditor

To Bristlecone GmbH:

Audit Opinion

We have audited the annual financial statements of Bristlecone GmbH, Frankfurt am Main, which comprise the balance sheet as at March 31, 2023, and the income statement for the financial year from April 1, 2022 until March 31, 2023, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at March 31, 2023 as well as the results of operations for the financial year from April 1, 2022 until March 31, 2023 in accordance with German principles of proper accounting.

Pursuant to § [Article] 322 Abs. [paragraph 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Executive Directors' Responsibilities for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nettetal, April 19, 2023

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schmedt	ppa. Sonfeld
Wirtschaftsprüfer	Wirtschaftsprüfer
(Auditor)	*(Auditor)*

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRISTLECONE (SINGAPORE) PTE LTD

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Singapore) Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KNAV SERVICES LLP
Public Accountants and Chartered Accountants

Singapore
18 April 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		S$	S$
Revenue	**4**	**2,237,386**	3,002,066
Cost of sales		**(2,093,250)**	(2,117,270)
Gross profit		**144,136**	884,796
Other income		–	71,200
Other losses, net	**5**	**(53,722)**	(5,415)
Selling and marketing expense		**(6,694)**	(55,024)
Administrative expense		**(38,875)**	(207,671)
Finance costs		**–**	–
Profit before income tax	**6**	**44,845**	687,886
Income tax expense	**8**	**(13,801)**	(42,108)
Profit for the financial year, representing total comprehensive income for the financial year		**31,044**	645,778

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023	2022
		S$	S$
ASSETS			
Non-current assets			
Equipment	**9**	**698**	1,395
Current assets			
Contract assets	**4**	**–**	1,947
Trade and other receivables	**10**	**406,307**	690,713
Cash and bank balances	**11**	**1,349,572**	1,465,221
Total current assets		**1,755,879**	2,157,881
Total assets		**1,756,577**	2,159,276
EQUITY AND LIABILITIES			
Equity			
Share capital	**12**	**1,670,000**	1,670,000
Retained earnings/(Accumulated losses)		**7,488**	(23,556)
Total equity		**1,677,488**	1,646,444
Current liabilities			
Trade and other payables	**13**	**47,341**	470,724
Contract liabilities	**4**	**17,650**	–
Current tax payable	**8**	**14,098**	42,108
Total liabilities		**79,089**	512,832
Total liabilities and equity		**1,756,577**	2,159,276

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share capital	Retained earnings/ (Accumulated losses)	Total
	S$	**S$**	**S$**
Balance at 1 April 2021	1,670,000	(669,334)	1,000,666
Profit for the financial year, representing total comprehensive income for the financial year	–	645,778	645,778
Balance at 31 March 2022	1,670,000	(23,556)	1,646,444
Profit for the financial year, representing total comprehensive income for the financial year	**–**	**31,044**	**31,044**
Balance at 31 March 2023	**1,670,000**	**7,488**	**1,677,488**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		S$	S$
Cash flows from operating activities			
Profit before income tax		**44,845**	687,886
Adjustments for:			
Deposit written off		–	7,799
Provision for estimated credit loss	10	–	1,692
Depreciation on equipment		**697**	698
Unrealised foreign exchange loss		**68,855**	783
Reversal of allowance for estimated credit loss	10	**(1,692)**	–
Reversal of provision		–	(71,200)
Operating cash flows before movements in working capital		**112,705**	627,658
Change in working capital:			
Trade and other receivables		**283,584**	(313,655)
Contract assets and liabilities		**19,597**	(701,689)
Trade and other payables		**(423,383)**	(169,918)
Cash used in operations		**(7,497)**	(557,604)
Income tax paid	8	**(41,811)**	–
Net cash used in operating activities		**(49,308)**	(557,604)
Net cash used in investing activities			
Purchase of equipment		–	(2,093)
Net decrease in cash and cash equivalents		**(49,308)**	(559,697)
Cash and cash equivalents at beginning of financial year		**1,465,221**	2,023,954
Effect on foreign exchange difference		**(66,341)**	964
Cash and cash equivalents at end of financial year	11	**1,349,572**	1,465,221

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Bristlecone (Singapore) Pte Ltd. (the "Company") is domiciled and incorporated in Singapore with its registered office at 77 Robinson Road #13-00, Robinson 77, Singapore 068896 and principal place of business is at 3, Temasek Avenue, #21-00 Centennial Tower, Singapore 039190.

The principal activities of the Company are those providing software related consulting services. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding corporation of the Company is Bristlecone India Limited, a company incorporated in India. The intermediate holding corporation is Bristlecone Limited, a company incorporated in Cayman Island. The penultimate holding corporation is Mahindra Holdings Limited, a company incorporated in India. The ultimate holding corporation of the Company is Mahindra & Mahindra Ltd, a company incorporated in India. With effect from 3 April 2023, Bristlecone Limited, the intermediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc.

The financial statements of the Company for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors as at date of the Directors' Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S$") which is the Company's functional currency.

2.2 Adoption of new or revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the annual periods beginning on or after 1 April 2022. The adoption of these new or revised FRS and INT FRS did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRS, INT FRS and amendments to FRS were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
FRS 8	Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
FRS 1	Amendments to FRS 1: Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024

The Company do not intend to early adopt any of the above new/ revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/ new standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

2.4 Foreign currency transactions and balances

Transactions in a foreign currency are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or a translating monetary item at the end of the reporting period are recognised in profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank and are subject to an insignificant risk of changes in value.

2.6 Financial instruments

The Company recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets at amortized cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Company assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Company uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Company's contracts with customers under FRS 115 are assessed for impairment in accordance with FRS 109, similar to that of trade receivables.

The Company directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary share and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Company commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.7 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring the promised services to a customer. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue are presented, net of goods and services tax, rebates and discounts.

The Company provide software related consulting services. Revenue is recognised when the control over the agreed services has been transferred to the customer. At contract inception, the Company assesses whether the Company transfers control of the services over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Company; and (b) the Company has an enforceable right to payment for performance completed to date.

For contract where the asset created has no alternative use for the Company due to contractual restriction, and the Company has enforceable rights to payment arising from the contractual terms, revenue is recognised over time by reference to the Company's progress towards completing the asset. The measure of progress is determined based on the proportion of actual service provided to date relative to the estimated total services to be provided. This is determined based on the direct expenses incurred or actual labour hours spent relative to the total expected labour hours.

For contracts where the Company does not have an enforceable right to payment, revenue is recognised only when the asset is delivered to the customers and the customers have accepted it in accordance with the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a milestone payment schedule. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has billed the customer. Contract assets are transferred to the receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue when the Company performs under the contract.

2.10 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.11 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted by the end of the financial year.

(b) Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.12 Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset of as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.13 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.14 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company

(vi) the entity is controlled or jointly controlled by a person identified in (a)

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company.

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements.

<u>Key management personnel</u>

Key management personnel are those people who have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

2.15 Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the equipment.

Subsequent expenditures relating to equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computer	3 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated equipment are retained in the financial statements until they are no longer in use. The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of equipment is recognised in profit or loss

2.16 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount:

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

Impairment losses of continuing operations are recognised in the statement of comprehensive income

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Measurement of expected credit losses ("ECLs") of other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matric to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 15.

4. REVENUE

	2023	2022
	S$	S$
Type of good or service		
Rendering of service	**2,237,386**	2,912,257
Sale of hardware	–	89,809
	2,237,386	3,002,066
Time of revenue recognition		
Over time	**2,237,386**	2,912,257
At point of time	–	89,809
	2,237,386	3,002,066
Contract assets	**–**	1,947
Contract liabilities	**17,650**	**–**

The contract assets balance decreased due to lesser contracts in which the Company provided more services ahead of the agreed payment schedules.

The contract liabilities balance decreased due lesser contract in which the Company billed ahead of the provision of services to customer.

The contract assets and contract liabilities are denominated in United States Dollar.

5. OTHER LOSSES, NET

	2023	2022
	S$	S$
Foreign exchange loss, net	**(53,722)**	(5,415)

6. PROFIT BEFORE INCOME TAX

In addition to the charges disclosed elsewhere in the financial statements, the following charges are included in the determination of profit before income tax:

	2023	2022
	S$	S$
Under cost of sales		
Subcontractor cost	**1,683,031**	1,979,517
Employee benefits expense (Note 7)	**390,377**	–
Under selling and marketing expense		
Employee benefits expense (Note 7)	**2,182**	49,036
Short term lease expense*	**4,512**	4,296
Under administrative expenses		
Professional and consulting fee	**13,300**	13,665
Employee benefits expense (Note 7)	**2,625**	2,500
Legal fee	**–**	7,799
Management fees	**–**	140,048

* The Company leases its office space under a virtual office arrangement which does not qualify as lease under FRS 116, hence expensed.

7. EMPLOYEE BENEFITS EXPENSE

	2023	2022
	S$	S$
Staff salaries and bonuses	**392,559**	49,036
Directors' fees	**2,625**	2,500

8. INCOME TAX EXPENSE

	2023	2022
	S$	S$
Income tax		
- Current year	**10,575**	42,108
- Under-provision prior year	**3,226**	–
	13,801	42,108

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2022: 17%) to profit before income tax as a result of the followings differences:

	2023	2022
	S$	S$
Profit before income tax	**44,845**	687,886
Tax calculated at a tax rate of 17%	**7,624**	116,941
Tax effect of:		
- Expenses not deductible for tax purposes	**14,376**	132
- Non-taxable income	**–**	(12,341)
- Tax exemptions	**(11,425)**	(17,425)
Under-provision prior year	**3,226**	**–**
Unutilised tax loss not recognised	**–**	(45,199)
	13,801	42,108

Movement in income tax payable

	2023	2022
	S$	S$
At the beginning of financial year	**42,108**	–
Income tax paid	**(41,811)**	–
Income tax expense		
- Current year	**10,575**	42,108
- Under-provision prior year	**3,226**	–
At the end of financial year	**14,098**	42,108

9. EQUIPMENT

	2023
	S$
Cost	
As at 31 March 2023 and 1 April 2022	**2,093**
Accumulated depreciation	
At 1 April 2022	**698**
Charge for the financial year	**697**
At 31 March 2023	**1,395**
Carrying amount	
At 31 March 2023	**698**
At 31 March 2022	**1,395**

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	S$	S$
Trade receivables		
- related corporation	**11,032**	51,609
- third parties	**387,439**	633,198
Less: Allowance for estimated credit loss	–	(1,692)
	398,471	683,115
Prepayments	**4,640**	4,402
Deposits	**3,196**	3,196
	406,307	690,713

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2022: 30 to 60 days) according to the terms agreed with the customers. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2023	2022
	S$	S$
At the beginning of financial year	**1,692**	–
Provision for estimated credit loss	–	1,692
Reversal of allowance for estimated credit loss	**(1,692)**	–
At the end of financial year	–	1,692

The currency profiles of the Company's trade and other receivables as at 31 March are as follows:

	2023	2022
	S$	S$
United States Dollar	**398,471**	652,745
Singapore Dollar	**7,836**	37,968
	406,307	690,713

11. CASH AND BANK BALANCES

	2023	2022
	S$	S$
Cash and cash equivalents	**1,349,572**	1,465,221

The currency profiles of the Company's cash and bank balances as at 31 March are as follows:

	2023	2022
	S$	S$
United States Dollar	**1,301,215**	1,321,795
Singapore Dollar	**48,357**	143,426
	1,349,572	1,465,221

12. SHARE CAPITAL

	2023		2022	
	No. of shares	**S$**	No. of shares	S$
At beginning and end of financial year	**1,670,000**	**1,670,000**	1,670,000	1,670,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

13. TRADE AND OTHER PAYABLES

	2023	2022
	S$	S$
Trade payables		
- immediate holding corporation	–	248,904
- related corporation	**17,479**	13,181
Other payables		
- related corporation	–	140,048
- third parties	–	2,507
GST payables	**1,888**	38,857
Accruals	**27,974**	27,227
	47,341	470,724

Trade payables are non-interest bearing and the average credit period on services is 30 (2022: 30) days according to the terms agreed with the suppliers.

Amount due to immediate holding corporation and related corporation are unsecured, interest free and repayable on demand.

The currency profiles of the Company's trade and other payables as at 31 March are as follows:

	2023	2022
	S$	S$
United States Dollar	**17,479**	140,048
Singapore Dollar	**29,862**	330,676
	47,341	470,724

14. RELATED PARTY TRANSACTIONS

Apart from the disclosures made elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the financial year at terms agreed between the parties.

	2023	2022
	S$	S$
Rendering of services		
Related corporation		
- Professional service charges	**133,597**	51,609
Purchase of services		
Immediate holding corporation		
- Subcontractor fees	**–**	1,783,477
Related corporation		
- Professional service charge	**–**	162,432
- Subcontractor fees	**1,683,031**	**–**
- Management fees	**–**	140,048

Key management personnel remuneration

Except for the directors of the Company, there are no other key management personnel. Other than the remuneration paid to the director, Mr Tiong Hin Won, Eric (Note 7), the Company's other directors are not paid any remuneration.

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Company does not expect the impairment loss from bank balances to be material, if any.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Trade receivables (Note 10)

The Company uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses the gross domestic production growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

		Past due			
	Current	**Within 30 days**	**30 to 60 days**	Over 60 days	Total
	$	**$**	**$**	$	$
31 March 2023					
Expected loss rate	**–**	**–**	**–**	**–**	**–**
Trade receivables (gross)	**54,549**	**129,948**	**213,974**	**–**	398,471
Loss allowance	**–**	**–**	**–**	**–**	**–**
					398,471
31 March 2022					
Expected loss rate	**–**	**–**	**–**	4.5%	–
Trade receivables (gross)	**431,535**	**209,214**	**–**	44,058	684,807
Loss allowance	**–**	**–**	**–**	(1,692)	(1,692)
					683,115

There are no credit loss allowance for other financial asset at amortised cost as at 31 March 2023 and 2022.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The trade receivables of the Company comprise one debtor (2022: two debtors) that represented 84% (2022: 95%) of trade receivables.

The normal trade credit terms granted to customers ranged from 30 to 60 days (2022: 30 to 60 days) or contractual periods based on project contract sales.

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

Market risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

Foreign currency risk

The Company's main foreign currency exposures arise from the exchange rate movements of United States dollar against Singapore Dollar, which is the Company's functional currency. As at the end of the reporting date, foreign currency balances for contract assets, trade and other receivables, cash and bank balances, and trade and other payables are disclosed in Notes 4, 10, 11 and 13, to the financial statements.

Sensitivity analysis for foreign currency risk

A 5% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would increase profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase/(Decrease) in Profit or Loss	
	2023	2022
	S$	S$
United States Dollar	**84,110**	91,725

Liquidity risk

Liquidity risks refer to the risks in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company is not exposed to any significant liquidity risk however the Company adopts prudent liquidity risk management by maintaining sufficient cash and available funding through an adequate amount of committed credit facilities.

All the Company's financial assets and liabilities are due within 12 months after the reporting date.

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	2023	2022
	S$	S$
Financial assets at amortised cost		
Cash and cash equivalents	**1,349,572**	1,465,221
Trade and other receivables (excluding prepayments)	**401,667**	686,311
	1,751,239	2,151,532
Financial liabilities at amortised cost		
Trade and other payables	**45,453**	431,867

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

Except as disclosed in the respective notes, the carrying amounts of cash and cash equivalents, trade and other receivables and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital management of the Company is monitored by the management on an ongoing basis. The Company is not subject to any externally imposed capital requirements during the financial years ended 31 March 2023 and 2022.

The capital structure of the Company consists of share capital and retained earnings/ (accumulated losses).

ATTESTATION ON FINANCIAL STATEMENTS

Sirs
Bristlecone Internacional Costa Rica, S.R.L.

The undersigned Certified Public Accountant was engaged by **Bristlecone Internacional Costa Rica, S.R.L.** ("the Company") to attest the financial figures shown in the statement of financial position as of March 31, 2023 and the statement of profit or loss and other comprehensive income for the year then ended. The Company's management is responsible for the preparation and fair presentation of these financial statements based on the International Financial Reporting Standards.

In accordance with the International Financial Reporting Standards, a set of financial statements consists of the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements as of a given date in accordance with the International Financial Reporting Standards. For the issuance of this attestation, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements were not provided for verification.

Our engagement was conducted in accordance with the professional standards that regulate public accounting in Costa Rica, taking into consideration communication No.02: "Minimum Requirements to Issue an Attestation Report" and communication No.14: "Minimum Guidance to Issue an Attestation Report on the Financial Statements regarding a Specific Element, Account, or Item of a Financial Statement", published by the Association of Public Accountant of Costa Rica. An attestation engagement consists of attesting to the certainty of the matter or specific element indicated in the report, therefore this attestation was carried out with the sole purpose of informing the user that the figures shown in the statement of financial position and the statement of profit or loss and other comprehensive income, shown in Exhibit I, were extracted from the Company's accounting records of the Company as of March 31, 2023 and for the year then ended, which I also verified in accordance with the procedures described in the next section:

Procedure

The procedure performed in order to confirm what has been indicated in the previous paragraphs is described as follows:

Compare the figures of the statement of financial position and the statement of profit or loss and other comprehensive income detailed in Exhibit 1 with the corresponding figures that show the Company´s accounting records as of March 31, 2023 and for the year then ended.

Result

Based on the procedure described above, we will verify that:

The figures in the statement of financial position and the statement of profit or loss and other comprehensive income detailed in Exhibit 1 were extracted from the Company's accounting records as of March 31th, 2023 and for the year then ended.

Attestation

By virtue of the foregoing, I attest that the figures in the statement of financial position and the statement of profit or loss and other comprehensive income, detailed in Exhibit I, correspond to those shown in the Company's accounting records as of March 31th, 2023 and for the year then ended.

The procedures described above are substantially less than the requirements of an audit on a full set of financial statements according to the International Standards on Auditing, and they are not sufficient to express a conclusion about whether, based on the review, the financial statements are prepared in accordance with the applicable financial information framework since, as mentioned above, the work consisted of comparing the figures of the statement of financial position and the statement of profit or loss and other comprehensive income with the corresponding figures shown in the Company's accounting records as of March 31, 2023 and for the year then ended. Consequently, this attestation is not and should not be interpreted as an opinion on the fairness of the referred information or as a comprehensive review thereof. Had we had applied additional procedures, other potential matters could have come to our attention that we would have reported to you.

Our report is solely intended for the purpose stated in the third paragraph of this report and for your information, and it should not be used for any other purpose or distributed to any other parties.

Statement of Competence and Independence

I hereby express that I am authorized, in accordance with Article 4 of Law No.1038, to issue this attestation on the consolidated financial statements, and I state that I am independent by complying with the provisions set forth in Article 9 of Law No.1038, Articles 20 and 21 of the Regulation to the same Law, and the independence requirements and other ethics requirements established in the Professional Ethics Code issued by the Association of Certified Public Accountants of Costa Rica.

Place and Date of Issue

This attestation report is issued in the city of San José on April 25th, 2023.

Jorge Salazar Rodríguez - C.P.A. No.4573
Insurance Policy R 0116. FIG 7
Expires September 30, 2023
Revenue Stamp - Law No.6663, ¢25.00
Affixed and paid in the original

STATEMENT OF FINANCIAL POSITION
As of March 31st, 2023

	(Expressed in US Dollars)
ASSETS	**US$**
Current assets	
Cash and cash equivalents	99.902
Total current assets	**99.902**
Total assets	**99.902**
STOCKHOLDERS' EQUITY	
Share capital	100.000
64,076 authorized share capital at par value of ₡1.000 each share out of which 54,387 shares issued as at March 31, 2023 (NIL shares issued as at March 31, 2022) (₡54.387.000 @CRC 543.87/USD)	–
Retained losses	(98)
Total equity	**99.902**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended as of March 31st, 2023

(Expressed in US Dollars)

	US$
REVENUES	**–**
OTHER EXPENSES	
Bank charges	98
Total Other expenses	**98**
Net loss before tax	**98**
Income tax	–
Net loss	**98**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA – BT INVESTMENT COMPANY (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra – BT Investment Company (Mauritius) Limited**, the "Company", which comprise the statement of financial position as at 31 March 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of the Directors sections but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 10 May 2023

Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2023	2022	2022
		USD	**INR (Note 1)**	USD	INR (Note 1)
INCOME					
Interest income on bank deposits	10	**419,642**	**34,490,376**	17,217	1,415,065
Dividend income	9(iv)	**142,879**	**11,743,225**	144,301	11,860,099
		562,521	**46,233,601**	161,518	13,275,164
EXPENDITURES					
Professional fees	12	**33,443**	**2,748,680**	27,104	2,227,678
Audit fees		**6,658**	**547,221**	6,578	540,646
Licence fees		**2,300**	**221,913**	2,700	221,913
Bank charges		**3,845**	**316,021**	4,200	345,198
		46,646	**3,833,835**	40,582	3,335,435
PROFIT BEFORE TAX		**515,875**	**42,399,766**	120,936	9,939,730
Tax expense	8(iv)	**(77,025)**	**(6,330,685)**	(30,612)	(2,516,000)
PROFIT FOR THE YEAR		**438,850**	**36,069,081**	90,324	7,423,730
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss					
Fair value (loss)/gain on financial asset at fair value through other comprehensive income	9(i)	**(1,548,863)**	**(127,301,050)**	1,511,722	124,248,431
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		**(1,548,863)**	**(127,301,050)**	1,511,722	124,248,431
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,110,013)**	**(91,231,969)**	1,602,046	131,672,161

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023	2023	2022	2022
		USD	**INR**	USD	INR
			(Note 1)		(Note 1)
ASSETS					
Non-current assets					
Financial asset at fair value through other comprehensive income (“FVOCI”)	9	**3,256,898**	**267,684,447**	4,805,761	394,985,497
Current					
Prepayments		**2,675**	**219,858**	2,983	245,173
Cash and cash equivalents	10	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,656
Current assets		**18,775,373**	**1,543,147,907**	18,288,269	1,503,112,829
Total assets		**22,032,271**	**1,810,832,354**	23,094,030	1,898,098,326
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**11,880,000**	**976,417,200**	11,880,000	976,417,200
Retained earnings		**6,927,546**	**569,375,006**	6,488,696	533,305,924
Fair value reserves for financial asset at fair value through other comprehensive income	9(iii)	**3,166,853**	**260,283,648**	4,715,716	387,584,698
Total equity		**21,974,399**	**1,806,075,854**	23,084,412	1,897,307,822
Liabilities					
Current liabilities					
Accruals		**11,151**	**916,501**	9,618	790,504
Current tax liabilities		**46,721**	**3,839,999**	–	–
		57,872	**4,756,500**	9,618	790,504
Total equity and liabilities		**22,032,271**	**1,810,832,354**	23,094,030	1,898,098,326

Approved by the Board of Directors on 10 May 2023 and signed on its behalf by:

Zakir Niamut
Director

Gopall Tooram
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	USD	USD	USD	USD
Balance at 01 April 2021	11,880,000	6,398,372	3,203,994	21,482,366
Profit for the year	–	90,324	–	90,324
Other comprehensive income	–	–	1,511,722	1,602,046
Total comprehensive income for the year	–	90,324	1,511,722	1,511,722
Balance at 31 March 2022	11,880,000	6,488,696	4,715,716	23,084,412
Balance at 01 April 2022	**11,880,000**	**6,488,696**	**4,715,716**	**23,084,412**
Profit for the year	**–**	**438,850**	**–**	**438,850**
Other comprehensive loss	**–**	**–**	**(1,548,863)**	**(1,548,863)**
Total comprehensive income/(loss) for the year	**–**	**438,850**	**(1,548,863)**	**(1,110,013)**
Balance at 31 March 2023	**11,880,000**	**6,927,546**	**3,166,853**	**21,974,399**

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Balance at 01 April 2021	976,417,200	525,882,195	263,336,267	1,765,635,662
Profit for the year	–	7,423,730	–	7,423,730
Other comprehensive income	–	–	124,248,431	124,248,431
Total comprehensive income for the year	–	7,423,730	124,248,431	131,672,161
Balance at 31 March 2022	976,417,200	533,305,925	387,584,698	1,897,307,822
Balance at 01 April 2022	**976,417,200**	**533,305,925**	**387,584,698**	**1,897,307,823**
Profit for the year	**–**	**36,069,081**	**–**	**36,069,081**
Other comprehensive loss	**–**	**–**	**(127,301,050)**	**(127,301,050)**
Total comprehensive income/(loss) for the year	**–**	**36,069,081**	**(127,301,050)**	**(91,231,969)**
Balance at 31 March 2023	**976,417,200**	**569,375,006**	**260,283,648**	**1,806,075,854**

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Operating activities				
Profit before tax	**515,875**	**42,399,766**	120,936	9,939,730
Adjustments for:				
Dividend income	**(142,879)**	**(11,743,225)**	(144,301)	(11,860,099)
Interest income	**(419,642)**	**(34,490,376)**	(17,217)	(1,415,065)
	(46,646)	**(3,833,835)**	(40,582)	(3,335,434)
Changes in working capital:				
Decrease/(increase) in prepayments	**308**	**25,315**	(100)	(8,219)
Increase in accruals	**1,533**	**125,998**	225	18,493
Net cash from operations	**1,841**	**151,313**	125	10,274
Net cash used in operating activities	**(44,805)**	**(3,682,522)**	(40,457)	(3,325,160)
Investing activities				
Interest received	**419,642**	**34,490,376**	17,217	1,415,065
Dividend received (Net)	**112,575**	**9,252,539**	113,689	9,344,099
Net cash from investing activities	**532,217**	**43,742,915**	130,906	10,759,164
Net change in cash and cash equivalents	**487,412**	**40,060,393**	90,449	7,434,004
Cash and cash equivalents, beginning of year	**18,285,286**	**1,502,867,656**	18,194,837	1,495,433,653
Cash and cash equivalents, end of year	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,657
Cash and cash equivalents made up of:				
Cash at bank (Note 10)	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,656

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Company was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 09 May 2005 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, Twenty-Eight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. The amounts shown in INR are for convenience only, the rate of 1 USD = INR82.19 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2023 and 31 March 2022.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended standards that are effective for the current year

The following new and amended Standards and Interpretations are mandatory for the first time for the financial year beginning 01 April 2022:

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before intended use (Amendments to IAS 36)
IAS 37	Onerous Contracts-Cost of fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9	Annual improvements to IFRS Standards 2018-2020 cycle (Amendments to IFRS
IFRS 16 and IAS 41	IFRS 1, IFRS 9, IFRS 16 and IAS 41).

Management has assessed the impact of these revised amendments and concluded that none of these has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 17	Amendments to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)
IFRS 17	Initial Application of IFRS 17 and IFRS 9-Comparative Information (Amendment to IFRS 17)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Non-Current Liabilities with Covenants (Amendments to IAS 1)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: Revenue from contracts with customers, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ('FVOCI')

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled upon derecognition of the asset.

Subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised cost, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Equity and reserves

Stated capital is determined using the value of shares that have been issued.

Retained earnings include all current and prior years' results as disclosed in the statement of comprehensive income.

Fair value reserves comprise of accumulated gains and losses relating to financial asset at FVOCI.

3.8 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.9 Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is the functional and presentation currency of the Company. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION CERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company's financial assets and financial liabilities by category are summarised below.

	2023	2023	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Financial assets				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**3,256,898**	**267,684,447**	4,805,761	394,985,497
Current				
Financial assets measured at amortised cost:				
Cash and cash equivalents	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,656
Total financial assets	**22,029,596**	**1,810,612,496**	23,091,047	1,897,853,153
Financial liabilities				
Current				
Financial liabilities measured at amortised cost:				
Accruals	**11,151**	**916,501**	9,618	790,504

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The most significant financial risks to which the Company is exposed are described below.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and other price risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on account of its financial assets at fair value through other comprehensive income denominated in the Indian Rupee ("INR").

The currency profile of its financial assets and financial liabilities is as follows:

	Financial assets 2023	Financial liabilities 2023	Financial assets 2022	Financial liabilities 2022
	USD	**USD**	USD	USD
Long term exposure				
Indian Rupee (INR)	**3,256,898**	**–**	4,805,761	–
Short term exposure				
United States Dollar (USD)	**18,772,698**	**11,151**	18,285,286	9,618
Total exposure	**22,029,596**	**11,151**	23,091,047	9,618

	Financial assets 2023	Financial liabilities 2023	Financial assets 2022	Financial liabilities 2022
	INR (Note 1)	**INR (Note 1)**	INR (Note 1)	INR (Note 1)
Long term exposure				
Indian Rupee (INR)	**267,684,447**	**–**	394,985,497	–
Short term exposure				
United States Dollar (USD)	**1,542,928,049**	**916,501**	1,502,867,656	790,504
Total exposure	**1,810,612,496**	**916,501**	1,897,853,153	790,504

The following analysis illustrates the sensitivity of other comprehensive income and equity with regard to the Company's financial assets and the USD/INR exchange rate, "all other things being equal".

It assumes a 9% change of the USD/INR exchange rate for the year ended 31 March 2023 (31 March 2022: 3%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the INR by 9%, other comprehensive income would have decreased by USD 278,290 and equity would have increased by USD 278,290 (2022: USD 144,173). If the USD had weakened against the INR by 8.5%, then other comprehensive income would have increased by USD 278,290 and equity would have decreased by USD 278,290 (2022: USD 144,173).

There would be no impact on profit or loss for the year as the investment denominated in INR comprises listed securities classified as financial asset at fair value through other comprehensive income.

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market interest rates. At 31 March 2023, the bank balance stood at **USD 18,772,698** (2022: USD 18,285,507), excluding interest receivable and bank interest income earned during the year was **USD 419,642** (2022: USD 17,217). A change in the market interest rate would only impact marginally on the Company's operating cash flows.

Other price sensitivity

The Company is exposed to other price risk in respect of the listed securities held by it, which are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The average volatility observed in the share price during the year ended 31 March 2023 is shown in the table below.

Name of investee company	% change in share price 2023	% change in share price 2022
Tech Mahindra Limited	**27%**	51%

	Other comprehensive income and equity 2023 USD	2023 INR (Note 1)	2022 USD	2022 INR (Note 1)
Increase	**879,363**	**72,274,845**	2,450,938	185,585,025
Decrease	**(879,363)**	**(72,274,845)**	(2,450,938)	(185,585,025)

The listed securities are classified as a financial asset at fair value through other comprehensive income and therefore no effect on profit has occurred.

5.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as follows:

	2023	2023	2022	2022
	USD	INR (Note 1)	USD	INR (Note 1)
ASSETS				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**3,256,898**	**267,684,447**	4,805,761	394,985,497
Current				
Financial assets measured at amortised cost:				
Cash and cash equivalents	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,656
Total assets	**22,029,596**	**1,810,612,496**	23,091,047	1,897,853,153

The Company holds investment in Tech Mahindra Limited, a listed company incorporated in the Republic of India. As at 31 March 2023, the Company held 242,904 ordinary shares in the investee company, representing a 0.0251% of its shareholding. The fair value of the investment has decreased as at the reporting date, resulting in a fair value loss of USD 1,548,863 (Note 9).

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company might be unable to meet its obligations.

The Company manages its liquidity risk by carefully monitoring all its cash inflows and outflows. Cash inflows during the year mainly relate to dividend income and interest income and cash outflows mainly relate to operating expenses.

At 31 March 2023, the Company's financial liabilities have contractual maturities which are summarised below:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	**11,151**	**916,501**

This compares with the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	9,618	790,504

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2023 and 31 March 2022:

31 March 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Assets				
Investments at FVOCI	**3,256,898**	**–**	**–**	**3,256,898**

31 March 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	INR (Note 1)	**INR (Note 1)**	**INR (Note 1)**	**INR (Note 1)**
Assets				
Investments at FVOCI	**267,684,447**	**–**	**–**	**267,684,447**

31 March 2022	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Investments at FVOCI	4,805,761	–	–	4,805,761

31 March 2022	Level 1	Level 2	Level 3	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Assets				
Investments at FVOCI	394,985,497	–	–	394,985,497

There were no transfers between Level 1 and Level 2 during the years ended 31 March 2023 and 31 March 2022.

Measurement of fair value of financial instruments

The method used for the purpose of measuring fair value are unchanged compared with the previous reporting year.

(i) Listed investment (Level 1)

The listed equity investment is denominated in INR and is publicly traded on the Bombay Stock Exchange and the National Stock Exchange of India. Fair values have been determined by reference to its quoted closing share price at the reporting date.

The Company's other financial assets and financial liabilities are measured at their carrying amounts, which approximate to their fair values.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial asset consists of prepayments. For these items, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. As at 31 March 2023, the Company does not have any non-financial liability.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its members, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended 31 March 2023 and 31 March 2022, the Company was not geared.

8. TAXATION

(i) Income tax

The Company, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax payable in respect of its foreign source income. Gains or profits arising from sale of units or securities are exempt from tax in the Republic of Mauritius and any dividends or redemption proceeds paid by the Company to shareholders would not attract withholding tax in the Republic of Mauritius.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of certain specific income, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2023, the Company had a current tax liability of **USD 46,721** (2022: USD Nil).

(ii) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2023, the Company had no temporary differences and hence no deferred taxation is to be recognised in the financial statements.

(iii) Income tax reconciliation

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Profit before tax	**515,875**	**42,399,766**	120,936	9,939,730
Tax calculated at the rate of 3%	**77,381**	**6,359,944**	3,628	298,185
Exempt income not subject to tax	**–**	**–**	(144)	(11,835)
Withholding tax	**63**	**5,178**	–	–
Expenses not allowable for tax purposes	**–**	**–**	571	46,930
Foreign tax credit	**(30,723)**	**(2,525,123)**	(4,055)	(333,280)
Tax expense	**46,721**	**3,839,999**	–	–

(iv) Withholding tax

	2023	**2023**	2022	2022
	USD	**INR**	USD	INR
Withholding tax paid	**30,304**	**2,490,686**	30,612	2,516,000

At 31 March 2023, a withholding tax of 20%, amounting to USD 30,304 (2022: USD 30,612) was charged on dividend income earned from investment in Tech Mahindra Limited, a listed company in the Republic of India.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) Fair value				
At beginning of year	**4,805,761**	**394,985,497**	3,294,039	270,737,065
Fair value adjustment for the year	**(1,548,863)**	**(127,301,050)**	1,511,722	124,248,431
At end of year	**3,256,898**	**267,684,447**	4,805,761	394,985,497

(ii) Details pertaining to the listed company incorporated in the Republic of India and representing a stake of 0.0251% are as follows:

Name of investee company	**Cost 2022 & 2023**	**Fair value 2023**	Fair value 2022	**Cost 2022 & 2023**	**Fair value 2023**	Fair value 2022
	USD	**USD**	USD	**INR (Note 1)**	**INR (Note 1)**	INR (Note 1)
Tech Mahindra Limited	**90,045**	**3,256,898**	4,805,761	**7,400,799**	**267,684,447**	394,985,497

(iii) Fair value reserves for financial asset at fair value through other comprehensive income

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
At beginning of year	**4,715,716**	**387,584,698**	3,203,994	263,336,267
Fair value adjustment for the year	**(1,548,863)**	**(127,301,050)**	1,511,722	124,248,431
At end of year	**3,166,853**	**260,283,648**	4,715,716	387,584,698

The World Health Organisation ("WHO") declared the new coronavirus ("COVID-19") outbreak to be a pandemic on 11 March 2020. The Management acknowledges the outbreak of COVID-19 and its adverse impact on industries and markets. The Management is monitoring the situation closely and have adopted various measures to mitigate the risk involved such as business continuity planning. The fair value of the financial asset at fair value through other comprehensive income as at 31 March 2023 reflects the conditions known as at that date. On 13 April 2023, the fair value of the investment was USD 3,212,072.

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. The potential impact from the emerging conflict remains uncertain, including but not limited to, global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the investee company is unclear at this stage.

(iv) During the year ended 31 March 2023, the Company earned a dividend income of USD 142,879 inclusive of withholding tax of USD 30,304 (2022: USD 144,301 inclusive of withholding tax of USD 30,612).

10. CASH AND CASH EQUIVALENTS

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Cash at bank – USD	**319,909**	**26,293,321**	252,139	20,723,304
Short term deposits	**18,375,357**	**1,510,270,592**	18,030,368	1,481,915,946
Interest receivable	**77,432**	**6,364,136**	2,779	228,406
Total	**18,772,698**	**1,542,928,049**	18,285,286	1,502,867,656

The Company has fixed deposit placements with HSBC Bank (Mauritius) Limited as at 31 March 2023 which would mature within three months. During the year ended 31 March 2023, the Company has earned interest income of USD 419,642 (2022: USD 17,217) on its short-term deposits.

11. STATED CAPITAL

	2023 & 2022	**2023 & 2022**
	USD	**INR (Note 1)**
Issued and fully paid:		
11,880,000 Ordinary shares of USD1 each	**11,880,000**	**976,417,200**

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

12. PROFESSIONAL FEES

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Administration fees and disbursements	**22,999**	**1,890,286**	17,807	1,463,556
Directors' fees	**3,750**	**308,213**	3,750	308,213
Secretarial fees	**1,500**	**123,285**	1,500	123,285
Professional fees	**450**	**36,986**	450	36,986
Tax filing fees	**2,308**	**189,695**	1,700	139,723
Trademark fees	**980**	**80,546**	1,347	110,710
FATCA filing fees	**250**	**20,548**	250	20,548
Data Protection fee	**200**	**16,438**	300	24,657
Office charges	**506**	**41,588**	–	–
FSC Survey fee	**500**	**41,095**	–	–
Total	**33,443**	**2,748,680**	27,104	2,227,679

13. CONTINGENT ASSETS AND LIABILITIES

Contingent assets

On 22 March 2010, the Company disposed part of its shareholding in Tech Mahindra Limited, a listed company incorporated in the Republic of India, to AT&T International, Inc. ("AT&T"). Following the withholding tax order received from the Indian Tax Authorities, AT&T withheld an amount of INR190,061,898 as 'withholding tax' under Section 195 of the Indian Income Tax Act and remitted the amount to the treasury of the Government of India. In the opinion of the Company, there is no tax liability on this transaction as the Company is a resident of the Republic of Mauritius and capital gains realised in the Republic of India on this disposal are therefore exempted from tax under the Mauritius- India Tax Treaty. Accordingly, in line with the decision of its Board of Directors, the Company filed an application to the Authority for Advance Rulings ("AAR") in the Republic of India on the taxability of capital gains under the Mauritius-India Tax Treaty. The AAR pronounced its ruling in favour of the Company on 08 August 2016. However, the Indian Tax Authorities have filed a Writ Petition against the AAR ruling in the High Court of Bombay in India. On 24 January 2019, the Counsel granted the Company's Notice of Motion requesting an early hearing of the Writ Petition. The Writ Petition was listed for final hearing as from the week commencing on 11 February 2019 but has not yet been heard, owing to the volume of cases ahead of it in the list.

During the year ended 31 March 2020, the Counsels representing the Company had planned to mention the matter to Court for early hearing. However, the Counsels of the Indian Tax Authorities were not present at Court and hence the matter was postponed.

In January 2020, the tax bench of the Bombay High Court has changed. The Counsels are deliberating regarding mentioning of this matter before the new bench for an early hearing. Since January 2020 due to the COVID-19 pandemic and lockdown in the Republic of India, the Bombay High Court has prioritised to take urgent matters only. Matters which were filed and admitted in 2017 have still not been taken up by the High Court. Once Court starts functioning normally, the Counsels will strategise on approaching the Court for an early hearing. For the year ended 31 March 2023, the Writ Petition is yet to be listed for hearing by the High Court.

Contingent liabilities

At 31 March 2023, the Company had no material litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on its financial position or results.

14. RELATED PARTY TRANSACTIONS

During the year under review, the Company had no transactions with its related parties.

15. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which require disclosure or adjustment to the 31 March 2023 financial statements.

16. HOLDING COMPANIES

The directors regard Mahindra Overseas Investment Company (Mauritius) Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Mahindra and Mahindra Limited, a listed company incorporated in the Republic of India, as the Company's ultimate holding company.

17. CHANGE OF NAME OF SECRETARY

The Secretary of the Company has changed its name from SANNE Mauritius to Apex Financial Services (Mauritius) Ltd.

The name of its office building has also changed from Sanne House to Apex House.

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Accelo Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Accelo Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Standalone *Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Nirav Patel
Partner
Membership No.: 113327
ICAI UDIN:23113327BGZLXG2840

Place: Mumbai
Date: 24 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA ACCELO LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted loans, secured or unsecured to other companies during the year, in respect of which the requisite information is as below. The Company has not made investments and granted loans to firms, limited liability partnership and other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other companies as below:

	Rupees in crore
Particulars	**Loans**
Aggregate amount during the year	
- Subsidiaries*	189.10
Balance outstanding as at balance sheet date	
- Subsidiaries*	72.60

* As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of Section 185 of the Act apply and hence not commented upon. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans given and investments made. The Company has not provided guarantee or security during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Value Added Tax, Central Sales Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in crores)	Amount not deposited under dispute (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	1.12	0.94	2010-11	Appellate Tribunal
Maharashtra Value added tax 2002	Value Added Tax	0.16	0.15	April 2017 to June 2017	Joint Commissioner
Goods and Service Tax Act, 2017	Goods and Service Tax	9.53	9.53	F.Y. 2018-19	Deputy Commissioner
Income Tax Act 1961	Income Tax	5.30	5.30	A.Y. 2020-21	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Nirav Patel
Partner

Place: Mumbai

Membership No.: 113327

Date: 24 April 2023

ICAI UDIN:23113327BGZLXG2840

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA ACCELO LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Accelo Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nirav Patel
Partner
(Membership No.: 113327)
ICAI UDIN:23113327BGZLXG2840

Place : Mumbai
Date : 24 April 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs. in Crores

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	**ASSETS**			
	1 Non-current assets			
	a) Property, plant and equipment	5	**101.52**	57.26
	b) Capital work-in-progress	5	**0.31**	–
	c) Other intangible assets	6	**0.01**	0.01
	d) Financial assets			
	(i) Investments	7	**167.87**	136.46
	(ii) Others	8	**0.19**	14.11
	e) Deferred tax assets (net)	19	**3.11**	0.33
	f) Other non-current assets	9	**23.62**	11.58
	Total non-current assets		**296.63**	219.75
	2 Current assets			
	a) Inventories	10	**703.77**	535.27
	b) Financial assets			
	(i) Investments	7	**5.01**	65.51
	(ii) Trade receivables	11	**315.15**	454.94
	(iii) Cash and cash equivalents	12	**25.51**	68.08
	(iv) Loans	13	**70.70**	23.50
	(v) Others	8	**1.81**	0.94
	c) Other current assets	9	**4.22**	17.59
	Total current assets		**1,126.17**	1,165.83
	Total assets (1+2)		**1,422.80**	1,385.58
B	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	a) Equity share capital	14	**16.60**	16.60
	b) Other equity	15	**805.64**	735.40
	Total equity		**822.24**	752.00
	LIABILITIES			
	2 Non-current liabilities			
	a) Financial liabilities			
	(i) Lease liabilities		**–**	1.72
	(ii) Other financial liabilities	16	**0.03**	1.23
	b) Provisions	17	**3.35**	4.03
	Total non-current liabilities		**3.38**	6.98
	3 Current liabilities			
	a) Financial liabilities			
	(i) Lease liabilities		**1.78**	1.59
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises; and	20	**3.27**	3.73
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	**573.36**	600.74
	(iii) Other financial liabilities	16	**9.70**	8.15
	b) Other current liabilities	21	**8.35**	8.50
	c) Provisions	17	**0.72**	0.61
	d) Current tax liabilities (Net)		**–**	3.28
	Total current liabilities		**597.18**	626.60
	Total equity and liabilities (1+2+3)		**1,422.80**	1,385.58

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248W / W-100022

Nirav Patel
Partner
Membership number : 113327

Place: Mumbai
Date: 24 April, 2023

For and on behalf of board of directors U51900MH1978PLC020222

Parag Shah
Director
DIN: 00374944

Bharat Doshi
Chairman
DIN : 00012541

Romali Malvankar
Company Secretary
Membership No : A-29447

Sumit Issar
Managing Director
DIN: 06951249

Place: Mumbai
Date: 24 April, 2023

Saroj Khuntia
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Crores

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	22	**3,231.52**	2,451.25
II	Other income	23	**12.28**	8.33
III	**Total revenue (I + II)**		**3,243.80**	2,459.58
IV	**Expenses**			
	a) Cost of materials consumed	24	**1,978.24**	1,373.93
	b) Purchases of stock-in-trade		**1,052.44**	917.77
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(46.39)**	(105.29)
	d) Employee benefits expense	26	**20.52**	25.42
	e) Finance costs	27	**9.92**	2.55
	f) Depreciation and amortisation expense	5 & 6	**9.07**	8.67
	g) Other expenses	28	**69.66**	42.76
	Total expenses		**3,093.46**	2,265.81
V	**Profit before tax (III – IV)**		**150.34**	193.77
VI	**Tax expense**			
	a) Current tax	18	**40.14**	52.00
	b) Deferred tax	19	**(2.89)**	(2.15)
	Total tax expense		**37.25**	49.85
VII	**Profit after tax for the year (V – VI)**		**113.09**	143.92
VIII	**Other comprehensive income**		**(0.31)**	0.06
	(i) Items that will not be reclassified to profit or loss – Remeasurements of the defined benefit liabilities/(asset)		**(0.42)**	0.08
	(ii) Income tax relating to items that will not be reclassified to profit or loss	19	**0.11**	(0.02)
IX	**Total comprehensive income for the year (VII – VIII)**		**113.40**	143.86
X	**Earnings per equity share (of Rs. 10 each): Basic/Diluted (Rs.)**	31	**68.12**	86.70

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration
number : 101248W / W-100022

Nirav Patel
Partner
Membership number : 113327

Place: Mumbai
Date: 24 April, 2023

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 24 April, 2023

STATEMENT OF CHANGES IN EQUITY

Rs. in Crores

A. Equity share capital

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance at the beginning of the year	**16.60**	16.60
Changes in equity share capital during the year	**–**	**–**
Balance at the close of the year	**16.60**	16.60

B. Other equity

Particulars	**General reserve**	**Capital redemption reserve**	**Retained earnings**	**Total**
Balance as at March 31, 2021	**52.87**	**18.75**	**553.12**	**624.74**
Profit for the year	–	–	143.92	143.92
Other comprehensive loss (net of tax)	–	–	(0.06)	(0.06)
Total comprehensive income for the year	–	–	143.86	143.86
Dividend paid on equity shares (Rs.20.00 per share on fully paid & Rs.6.00 per share on partly paid equity share)	–	–	(33.20)	(33.20)
Balance as at March 31, 2022	**52.87**	**18.75**	**663.78**	**735.40**
Profit for the year	–	–	113.09	113.09
Other comprehensive profit (net of tax)	–	–	0.31	0.31
Total comprehensive income for the year	–	–	113.40	113.40
Dividend paid on equity shares (Rs.26.00 per share on fully paid & Rs.7.80 per share on partly paid equity share)	–	–	(43.16)	(43.16)
Balance as at March 31, 2023	**52.87**	**18.75**	**734.02**	**805.64**

Description of the nature and purpose of Other Equity

i) General reserve : General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013

ii) Capital Redemption Reserve: Capital redemption reserve generated on preference share redemption.

iii) Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the company in accordance with the provisions of Companies Act, 2013

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration
number : 101248W / W-100022

Nirav Patel
Partner
Membership number : 113327

Place: Mumbai
Date: 24 April, 2023

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 24 April, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
		Rs. in Crores
A. Cash flows from operating activities		
Profit before tax	**150.34**	193.77
Adjustments for:		
Finance costs	**9.92**	2.55
Depreciation and amortisation expense	**9.07**	8.67
Dividend income	**(4.52)**	(0.10)
Interest income	**(5.69)**	(7.61)
Gain on sale of current investments	**(0.93)**	(0.45)
Unrealised net (gain) / loss on foreign exchange transactions and translations	**0.82**	–
Bad debts written off	**–**	0.32
Expected credit loss	**0.78**	–
Provision for doubtful advances	**1.90**	–
Fair value loss /(gain) on financial instruments at fair value through profit or loss	**2.06**	(0.10)
Net (gain) / loss on sale / scrapped / write off of property, plant and equipments	**(0.04)**	(0.07)
	13.38	3.21
Operating profit before working capital changes	**163.71**	196.98
Changes in working capital:		
(Increase) / Decrease in inventories	**(168.52)**	(303.21)
Decrease / (Increase) in trade receivable	**139.01**	(137.19)
Decrease / (Increase) in other assets	**13.59**	(3.49)
(Decrease) / Increase in trade payables	**(28.66)**	292.88
(Decrease) / Increase in provision	**(0.15)**	0.52
(Decrease) / Increase in other liabilities	**(1.95)**	1.78
	(46.68)	(148.71)
Cash generated from operations	**117.03**	48.27
Net income tax paid	**(44.10)**	(48.79)
Net cash (used in)/generated form operating activities (A)	**72.93**	(0.52)
B. Cash flows from investing activities		
Payment for property, plant and equipment's	**(65.18)**	(5.13)
Proceeds from sale of property, plant and equipment's	**0.33**	0.16
Inter corporate deposits placed	**(189.10)**	(157.75)
Inter corporate deposits matured	**140.00**	164.20
Bank balances not considered as cash and cash equivalents		
– Placed	**–**	(13.93)
– Matured	**13.93**	152.77
Investment in equity shares of subsidiaries	**(31.41)**	(9.61)
Current investments not considered as cash and cash equivalents		
– Purchased	**(1,621.32)**	(1,498.65)
– Proceeds from sale	**1,682.75**	1,453.10
Interest received	**4.71**	10.93
Dividend received		
– Subsidiaries	**4.52**	0.10
Net cash generated/(used in) form investing activities (B)	**(60.77)**	96.19

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023 (CONTINUED)

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Cash flows from financing activities		
Payments for the principal portion of the lease liability	**(1.64)**	(1.46)
Dividend paid	**(43.16)**	(33.20)
Payments for the interest portion of the lease liability	**(0.21)**	(0.32)
Finance costs	**(9.71)**	(2.23)
Net cash used in form financing activities (C)	**(54.72)**	(37.21)
Net increase in cash and cash equivalents (A + B + C)	**(42.56)**	58.46
Cash and cash equivalents at beginning of the year	**68.08**	9.61
Bank over draft	**(0.01)**	0.01
Cash and cash equivalents at end of the year	**25.51**	68.08
	(42.56)	58.46
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 12)	**25.51**	68.08
Total	**25.51**	68.08

Notes:

The above cash flow statements has been prepared under the “Indirect method” as set out in Indian Accunting Standard (IND AS-7) “Statement of Cash Flow”

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm’s registration
number : 101248W / W-100022

Nirav Patel
Partner
Membership number : 113327

Place: Mumbai
Date: 24 April, 2023

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 24 April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate information

Mahindra Intertrade Limited is a public limited company domiciled in India and is incorporated on 20 March, 1978 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018. The Company's main activity is steel processing from the plants located at Nashik and Vadodara. The Company is principally engaged in processing of automotive and electrical steel.

2 Statement of Compliance and Basis of preparation and presentation:

2.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 and other relevant provision of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest crores.

The financial statements were approved by the Board of Directors and authorised for issue on 24th April, 2023.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.3.1	Property, plant & equipment
Note No.3.2	Intangible asset acquired separately
Note No.3.8	Employee benefits
Note No.3.16	Leases

3 Significant accounting policies:

3.1 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class, based on technical advise which has considered estimated uses and operating condition of the assets:

(a) Vehicles : 5 years

(b) Blanking Line (Nashik) and Roll forming line (Nashik) : 20 years

3.2 Intangible asset acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

3.3 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

3.4 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads.

3.5 Foreign Currencies:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise.

3.6 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

3.7 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

3.8 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

3.9 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services availed, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit or Loss for the year.

3.10 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

3.11 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.12 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.13 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

3.15 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

3.16 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Note 5 - Property, Plant and Equipment

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset	Buildings - freehold	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2022	**1.11**	**5.94**	**27.64**	**101.08**	**0.49**	**0.61**	**0.68**	**1.99**	**2.45**	**141.99**
Additions	41.23	0.12	–	9.73	–	0.10	0.40	0.30	1.74	53.61
Disposals	–	–	–	(0.08)	–	(0.05)	(0.18)	(0.04)	(0.80)	(1.16)
Balance as at March 31, 2023	**42.34**	**6.06**	**27.64**	**110.73**	**0.49**	**0.65**	**0.90**	**2.25**	**3.38**	**194.45**
II. Accumulated depreciation										
Balance as at April 1, 2022	**–**	**1.78**	**11.50**	**66.93**	**0.26**	**0.49**	**0.55**	**1.62**	**1.60**	**84.73**
Depreciation expense for the year	–	1.66	0.85	5.74	0.05	0.05	0.05	0.18	0.49	9.07
Eliminated on disposal of assets	–	–	–	(0.03)	–	(0.05)	(0.18)	(0.04)	(0.57)	(0.87)
Balance as at March 31, 2023	**–**	**3.44**	**12.35**	**72.64**	**0.31**	**0.49**	**0.42**	**1.76**	**1.52**	**92.93**
Net carrying amount (I-II)										
Balance as at March 31, 2023	**42.34**	**2.62**	**15.29**	**38.10**	**0.18**	**0.16**	**0.48**	**0.49**	**1.86**	**101.52**
Balance as at March 31, 2022	1.11	4.16	16.14	34.15	0.23	0.12	0.13	0.37	0.85	57.26

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset	Buildings - freehold	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2021	1.11	5.09	27.49	99.91	0.49	0.56	0.68	1.68	2.28	139.29
Additions	–	4.77	0.15	1.29	–	0.06	–	0.31	0.53	7.11
Disposals	–	(3.92)	–	(0.12)	–	(0.01)	–	–	(0.36)	(4.41)
Balance as at March 31, 2022	1.11	5.94	27.64	101.08	0.49	0.61	0.68	1.99	2.45	141.99
II. Accumulated depreciation										
Balance as at April 1, 2021	–	4.10	10.61	61.33	0.21	0.46	0.51	1.56	1.61	80.39
Depreciation expense for the year	–	1.60	0.89	5.65	0.05	0.04	0.04	0.06	0.33	8.66
Eliminated on disposal of assets	–	(3.92)	–	(0.05)	–	(0.01)	–	–	(0.34)	(4.32)
Balance as at March 31, 2022	–	1.78	11.50	66.93	0.26	0.49	0.55	1.62	1.60	84.73
Net carrying amount (I–II)										
Balance as at March 31, 2022	1.11	4.16	16.14	34.15	0.23	0.12	0.13	0.37	0.85	57.26
Balance as at March 31, 2021	1.11	0.99	16.88	38.58	0.28	0.10	0.17	0.12	0.67	58.90

Note : Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March, 2023 Rs. 10.76 Crore (31st March, 2022 Rs.6.20 Crore)

	Amount in CWIP for a period of				Rs. in Crores
Particulars	**Less than 1 year**	**1-2 Year**	**2-3 Year**	**More than 3 Years**	**Total**
As at March 31, 2023					
Projects in progress	**0.31**	**–**	**–**	**–**	**0.31**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	0.31	**–**	**–**	**–**	**0.31**

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 Year	2-3 Year	More than 3 Years	Rs. in Crores Total
As at March 31, 2022					
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–
	–	–	–	–	–

Note 6 - Other intangible assets

Rs. in Crores

Description of Assets	Computer software	Website	Total
I. Cost			
Balance as at April 1, 2022	**0.60**	**0.47**	**1.07**
Additions	–	–	–
Disposals	–	–	–
Balance as at March 31, 2023	**0.60**	**0.47**	**1.07**
II. Accumulated amortisation			
Balance as at April 1, 2022	**0.59**	**0.47**	**1.06**
Amortisation expense for the year	0.00	–	0.00
Eliminated on disposal of assets	–	–	–
Balance as at March 31, 2023	**0.59**	**0.47**	**1.06**
Net carrying amount (I-II)			
Balance as at March 31, 2023	**0.01**	**–**	**0.01**
Balance as at March 31, 2022	0.01	–	0.01

Rs. in Crores

Description of Assets	Computer software	Website	Total
I. Cost			
Balance as at April 1, 2021	0.60	0.47	1.07
Additions	–	–	–
Disposals	–	–	–
Balance as at March 31, 2022	0.60	0.47	1.07
II. Accumulated amortisation			
Balance as at April 1, 2021	0.58	0.47	1.05
Amortisation expense for the year	0.01	–	0.01
Eliminated on disposal of assets	–	–	–
Balance as at March 31, 2022	0.59	0.47	1.06
Net carrying amount (I-II)			
Balance as at March 31, 2022	0.01	–	0.01
Balance as at March 31, 2021	0.02	–	0.02

Note 7 - Investments

Rs. in Crores

Particular	As at March 31, 2023 Quantity	Amounts Current	Non-current	As at March 31, 2022 Quantity	Amounts Current	Non-current
A. Investment carried at cost						
Unquoted investments (all fully paid)						
Investments in equity instruments of subsidiaries						
a) Equity shares of USD 550 each in Mahindra Middle East Electrical Steel Service Centre (FZC), Sharjah	**900**	**–**	**2.25**	900	–	2.25
b) Equity shares of Rs. 10 each in Mahindra Electrical Steel Private Limited	**500,000**	**–**	**0.50**	500,000	–	0.50
c) Equity shares of Rs. 10 each in Mahindra Steel Service Centre Limited	**10,089,257**	**–**	**42.45**	10,089,257	–	42.45
d) Equity shares of Rs. 10 each in Mahindra Auto Steel Private Limited	**51,717,500**	**–**	**64.94**	34,935,000	–	34.93
e) Equity shares of Rs. 10 each in Mahindra MSTC Recycling Private Limited	**30,000,000**	**–**	**30.00**	28,600,000	–	28.60
f) Equity shares of Indonesian Rp. 10,000,000 each in PT Mahindra Accelo Steel Service Indonesia	**5,549**	**–**	**27.73**	5,549	–	27.73
Investment carried at cost [A]	**–**	**–**	**167.87**	–	–	136.46
B. Investments carried at fair value through profit and loss						
Unquoted investments						
Investments in equity instruments (all fully paid)						
Investments in mutual funds						
a) HDFC Overnight Fund - Growth	**–**	**–**	**–**	41,462	13.00	–
b) SBI Overnight Fund-Reg - Growth	**–**	**–**	**–**	36,502	12.51	–
c) ICICI Prudential Overnight Fund - Growth	**50,000,000**	**5.01**	**–**	700,543	8.00	–
d) Aditya Birla SL Overnight Fund-Reg - Growth	**–**	**–**	**–**	69,891	8.00	–
e) Kotak Overnight Fund - Reg - Growth	**–**	**–**	**–**	70,750	8.00	–

Rs. in Crores

Particular	As at March 31, 2023 Quantity	Amounts Current	Non-current	As at March 31, 2022 Quantity	Amounts Current	Non-current
f) Nippon Overnight Fund	–	–	–	7,03,482	8.00	–
g) Axis Overnight Fund	–	–	–	71,329	8.00	–
Investment carried at FVTPL [B]		**5.01**	**–**		65.51	–
Total investments [A] + [B]		**5.01**	**167.87**		65.51	136.46

Note 8 - Other financials assets

Rs. in Crores

Particulars	As at March 31, 2023 Amounts Current	Non-current	As at March 31, 2022 Amounts Current	Non-current
Financial assets at amortised cost				
Bank deposits	**–**	**–**	–	13.93
Security deposits	**–**	**0.19**	–	0.18
Interest receivable				
a) Interest accrued on deposits	**–**	**–**	0.20	–
b) Interest accrued on inter-corporate deposit	**1.46**	**–**	0.28	–
Others				
a) Export incentive receivable	**0.24**	**–**	0.12	–
Total (A)	**1.70**	**0.19**	0.60	14.11
Financial assets at fair value				
Derivatives financial instruments				
Foreign currency forward contracts	**0.11**	**–**	0.34	–
Total (B)	**0.11**	**–**	0.34	–
Total (A+B)	**1.81**	**0.19**	0.94	14.11

Note 9 - Other assets

Rs. in Crores

Particulars	As at March 31, 2023 Current	Non-current	Total	As at March 31, 2022 Current	Non-current	Total
Capital advances	**–**	**14.11**	**14.11**	–	2.85	2.85
Prepayments	**0.54**	**–**	**0.54**	0.26	–	0.26
Advance income tax (net of provision for tax)	**–**	**8.87**	**8.87**	–	8.08	8.08
Balances with government authorities						
a) GST credit	**2.06**	**–**	**2.06**	14.81	–	14.81
b) Custom duty	**0.43**	**–**	**0.43**	0.43	–	0.43
	2.49	**–**	**2.49**	15.24	–	15.24
Others						
a) Advance to vendors	**0.80**	**–**	**0.80**	1.98	–	1.98
b) Surplus of plan assets over obligation – gratuity	**–**	**0.45**	**0.45**	–	0.46	0.46
c) Others	**0.39**	**0.19**	**0.58**	0.11	0.19	0.30
	1.19	**0.64**	**1.83**	2.09	0.65	2.74
Total	**4.22**	**23.62**	**27.84**	17.59	11.58	29.17

Note 10 - Inventories

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Raw materials [refer note 24]	**441.42**	319.74
b) Work-in-Progress [refer note 25]	**50.54**	23.68
c) Finished goods [refer note 25]	**25.75**	19.82
d) Stock-in-trade [refer note 25]	**183.27**	169.67
e) Stores and spares	**2.79**	2.36
Total	**703.77**	535.27
Included above, goods-in-transit:		
Raw materials	**63.96**	67.46

Notes:

i) The cost of inventories recognised as an expenses during the year was Rs. 2,984.29 crores (31st March, 2022 - Rs. 2,186.41 crores).

ii) The cost of inventories recognised as an expenses includes Rs. 3.11 crores (31st March, 2022 - Rs.0.08 crores) in respect of write-downs of inventory to net realisable value.

iii) The mode of valuation of inventories has been stated in note 3.4

Note 11 - Trade receivables

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
a) Considered good-Unsecured	**315.15**	454.94
b) Credit impaired	**2.35**	1.57
Less: Allowances for bad and doubtful debts	**(2.35)**	(1.57)
	–	–
Total (a+b)	**315.15**	454.94

Notes:

(i) The average credit period on Job work processing is 30 days and on sales of products ranges between 10 to 120 days.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired other than those disclosed above

	Outstanding for following periods from due date of payment						
Particulars	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2023							
Undisputed Trade receivables — considered good	**304.33**	**10.76**	**0.03**	**0.01**	**0.01**	**0.01**	**315.15**
(Less) Loss Allowance Provision	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**304.33**	**10.76**	**0.03**	**0.01**	**0.01**	**0.01**	**315.15**
As at March 31, 2022							
Undisputed Trade receivables — considered good	438.71	15.39	0.80	–	0.03	0.01	454.94
(Less) Loss Allowance Provision	–	–	–	–	–	–	–
Total Trade Receivables	438.71	15.39	0.8	–	0.03	0.01	454.94

Note 12 - Cash and cash equivalents and Other bank balances

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash and cash equivalents		
Unrestricted balances with banks		
In current account	**17.51**	9.69
Fixed deposits with origional maturities less than 3 months	**8.00**	58.00
b) Cheques on hand	**–**	0.39
Cash on hand	*	*
	25.51	68.08

* Represents amount less than Rs. 1 lakh

Note 13 - Loans

Rs. in Crores

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-current	As at March 31, 2023 Total	As at March 31, 2022 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Total
Loans						
Inter-corporate deposits given :						
Unsecured considered good						
to related parties						
a) Mahindra Auto Steel Private Limited (refer Note 38) *	**30.00**	**–**	**30.00**	–	–	–
b) Mahindra Steel Service Center Limited (refer Note 38) *	**28.00**	**–**	**28.00**	20.50	–	20.50
c) Mahindra Electrical Steel Private Limited (refer Note 38) *	**14.60**	**–**	**14.60**	–	–	–
d) PT Mahindra Accelo Steel Indonesia (refer Note 38) *	**–**	**–**	**–**	3.00	–	3.00
Total	**72.60**	**–**	**72.60**	23.50	–	23.50
Less : Provision for doubtful advances	**(1.90)**	**–**	**(1.90)**	–	–	–
Total	**70.70**	**–**	**70.70**	23.50	–	23.50

* Private Limited companies in which directors of the Company are directors.

Note 14 - Share capital

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 Rs. in Crores	As at March 31, 2022 Number of Shares	As at March 31, 2022 Rs. in Crores
(a) Authorised				
Equity shares of Rs. 10 each	**28,000,000**	**28.00**	28,000,000	28.00
Cumulative redeemable preference shares of Rs. 100 each	**1,875,000**	**18.75**	1,875,000	18.75
	29,875,000	**46.75**	29,875,000	46.75
(b) Issued				
Equity shares of Rs. 10 each	**27,100,007**	**27.10**	27,100,007	27.10
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each	**12,100,007**	**12.10**	12,100,007	12.10
(d) Subscribed but not fully paid up				
Equity shares of Rs. 10 each, Rs. 7 not paid up	**15,000,000**	**4.50**	15,000,000	4.50
	27,100,007	**16.60**	27,100,007	16.60

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 Rs. in Crores	As at March 31, 2022 Number of Shares	As at March 31, 2022 Rs. in Crores
Equity shares of Rs. 10 each				
Subscribed and fully paid up				
Opening Balance	**12,100,007**	**12.10**	12,100,007	12.10
Fresh issue	**–**	**–**	–	–
Buy back	**–**	**–**	–	–
Closing Balance	**12,100,007**	**12.10**	12,100,007	12.10
Subscribed but not fully paid up				
Opening Balance	**15,000,000**	**4.50**	15,000,000	4.50
Fresh issue	**–**	**–**	–	–
Buy back	**–**	**–**	–	–
Closing Balance	**15,000,000**	**4.50**	15,000,000	4.50

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person or being a company present by a representative duly authorised shall have one vote. and (ii) On a poll: the voting rights of every member entitled to vote and present in person (including a company present by representative duly authorised) or by proxy shall be in proportion to his share of the paid up equity capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	**As at March 31, 2023**	As at March 31, 2022
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees) (Refer note 39)...	**27,100,007**	27,100,007

(iv) Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Number of shares**	**% of holding**	Number of shares	% of holding
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees) (Refer note 39)..	**27,100,007**	**100%**	27,100,007	100%

Note 15 - Other equity

Rs. in Crores

Particulars	**General reserve**	**Capital redemption reserve**	**Retained earnings**	**Total**
Balance as at March 31, 2021	**52.87**	**18.75**	**553.13**	**624.75**
Profit for the year	–	–	143.92	143.92
Other comprehensive loss (net of tax)......................	–	–	(0.06)	(0.06)
Total comprehensive income for the year........	–	–	143.86	143.86
Dividend paid on equity shares (Rs.20.00 per share on fully paid & Rs.6.00 per share on partly paid equity share)	–	–	(33.20)	(33.20)
Balance as at March 31, 2022	**52.87**	**18.75**	**663.78**	**735.40**
Profit for the year	–	–	113.09	113.09
Other comprehensive loss (net of tax)	–	–	0.31	0.31
Total comprehensive income for the year........	–	–	113.40	113.40
Dividend paid on equity shares (Rs.20.00 per share on fully paid & Rs.6.00 per share on partly paid equity share)	–	–	(43.16)	(43.16)
Balance as at March 31, 2023	**52.87**	**18.75**	**734.02**	**805.64**

Note 16 - Other financial liabilities

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Non Current		
Financial liabilities measured at fair value		
Cash-settled share-based payments	**0.03**	1.23
Total	**0.03**	1.23
Current		
a) Financial liabilities measured at fair value		
i) Derivatives financial instruments		
Foreign currency forward contracts	**2.16**	0.72
ii) Others		
Cash-settled share-based payments	**2.22**	1.75
Total (a)	**4.38**	2.47
b) Financial liabilities measured at amortised cost		
i) Overdrawn bank balances (as per books)	**0.04**	0.05
ii) Short term deposits	**1.59**	1.54
iii) Salary & wages payable	**3.69**	4.09
Total (b)	**5.32**	5.68
Total (a+b)	**9.70**	8.15

Note 17 - Provisions

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Non Current		
Provision for employee benefits		
a) Provision for compensated absences	**2.95**	3.46
b) Provision for post retirement medical benefit	**0.40**	0.57
Total	**3.35**	4.03
Current		
Provision for employee benefits		
a) Provision for compensated absences	**0.70**	0.59
b) Provision for post retirement medical benefit	**0.02**	0.02
Total	**0.72**	0.61

Note 18 - Current tax

(a) Income Tax recognised in profit and loss

Rs. in Crores

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current tax:		
In respect of current year	**40.14**	52.00
In respect of prior year	**–**	–
Deferred tax (Asset)/Liability:		
In respect of current year origination and reversal of temporary differences	**(2.89)**	(2.15)
Total	**37.25**	49.85

(b) Income tax recognised in other comprehensive income

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligation	**0.11**	(0.02)
Total	**0.11**	(0.02)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**0.11**	(0.02)
– Items that may be reclassified to profit and loss	**–**	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax	**150.34**	193.77
Income tax expense calculated at 25.168%	**37.84**	48.77
Effect of expenses that is non-deductible in determining taxable profit	**0.55**	0.42
Others	**(1.14)**	0.66
	37.25	49.85
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	**–**
Income tax expense recognised in the Statement of profit and loss	**37.25**	49.85

The tax rate used for the year ended 31st March, 2023 and 31st March, 2022 reconciliations above is the corporate tax rate of 25.168% (including surcharge of 10% and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Law.

Note 19 - Deferred tax

Rs. in Crores

Particulars	As at March 31, 2023			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**4.13**	**(0.31)**	**–**	**3.82**
Tax effect of items constituting deferred tax assets	–			
Employee benefits	**(1.77)**	**0.27**	**0.11**	**(1.38)**
Allowance for bad and doubtful debts / advances	**(0.39)**	**(0.67)**	**–**	**(1.06)**
FVTPL financial instruments including derivatives	**(0.22)**	**0.10**	**–**	**(0.12)**
Others	**(2.08)**	**(2.28)**	**–**	**(4.36)**
Total	**(0.33)**	**(2.89)**	**0.11**	**(3.11)**

Rs. in Crores

Particulars	As at March 31, 2022			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	4.25	(0.12)	–	4.13
Tax effect of items constituting deferred tax assets				
Employee benefits	(1.38)	(0.39)	–	(1.77)
Allowance for bad and doubtful debts	(0.39)	–	–	(0.39)
FVTPL financial instruments including derivatives	(0.13)	(0.09)	–	(0.22)
Others	(0.53)	(1.55)	–	(2.08)
Total	1.82	(2.15)	–	(0.33)

Note 20 - Trade payable

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable for goods and services		
a) total outstanding dues of micro enterprises and small enterprises; and	**3.27**	3.73
b) total outstanding dues of creditors other than micro enterprise and small enterprises	**573.36**	600.74
i) Trade payable for goods and services	**370.37**	425.64
ii) Acceptances	**202.99**	175.10
Total	**576.63**	604.47

Note: Dues to Micro, Small and Medium Enterprises

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
1) The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**3.27**	3.73
2) Interest due thereon	–	–
3) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
4) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	–	–
5) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
6) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs. in Crores

Particulars	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due					
As at March 31, 2023						
Trade payables — MSME	**2.64**	**0.61**	**0.01**	**–**	**0.01**	**3.27**
Trade payables — Others	**559.17**	**14.15**	**0.01**	**0.02**	**0.02**	**573.36**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Payable	**561.81**	**14.76**	**0.02**	**0.02**	**0.02**	**576.63**
As at March 31, 2022						
Trade payables — MSME	3.73	–	–	–	–	3.73
Trade payables — Others	491.35	109.39	–	–	–	600.74
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
Total Trade Payable	495.08	109.39	–	–	–	604.47

Note 21 - Other liabilities

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) **Advances received from customers**	**3.67**	6.44
b) **Others**		
– Employee recoveries and employer contributions	**0.18**	0.18
– Statutory dues (TDS, GST payable etc)	**4.50**	1.88
Total	**8.35**	8.50

Note 22 - Revenue from operations

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers :		
a) Revenue from sale of goods (Refer Note (a) below)	**3,158.34**	2,402.50
b) Revenue from rendering of services (Refer Note (b) below)	**9.09**	5.76
Total (A)	**3,167.43**	2,408.26
Other operating income (Refer Note (c) below) (B)	**64.09**	42.99
Total (A+B)	**3,231.52**	2,451.25

Note :

The management determines that the segment information reported under Note 35 “Segment information” is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Note:		
(a) Sale of products comprises:		
Manufactured goods		
– Steel products	**2,065.84**	1,521.34
Traded goods		
– Steel products	**1,092.50**	881.16
Total	**3,158.34**	2,402.50
(b) Rendering of services comprises:		
– Job work processing	**4.16**	1.28
– Management fees	**4.93**	4.48
Total	**9.09**	5.76
(c) Other operating income comprise:		
– Scrap sales	**55.24**	39.30
– Commission income	**7.88**	3.26
– Insurance claim	**0.11**	0.16
– Other operating income	**0.86**	0.27
Total	**64.09**	42.99
Total	**3,231.52**	2,451.25

Note 23 - Other income

Rs. in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	**Interest income:**		
	– Bank deposits (at amortised cost)	**1.68**	4.80
	– Interest on inter-corporate deposits	**4.01**	2.81
b)	**Dividend income:**		
	– From long-term investments in subsidiaries	**4.52**	0.10
c)	**Other:**		
	– Liabilities no longer required written back	**0.07**	–
	– Fair value gain on derivatives financial instruments at fair value through profit or loss	**–**	0.10
	– Gain on sale of current investments	**0.93**	0.45
	– Gain on sale of property, plant and equipment (net of loss on property, plant and equipment sold/scrapped/written off)	**0.04**	0.07
	– Lease income	**1.03**	–
Total		**12.28**	8.33

Note 24 - Cost of materials consumed

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	**319.74**	122.30
Add: Purchases [includes processing charges Rs. 18.97 Crores (FY 2022 Rs. 14.26 Crores)]	**2,099.92**	1,571.37
	2,419.66	1,693.67
Less: Closing Stock	**441.42**	319.74
Total	**1,978.24**	1,373.93

Note 25 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year: Steel products		
Finished goods	**25.75**	19.82
Work-in-progress	**50.54**	23.68
Stock-in-trade	**183.27**	169.67
	259.56	213.17
Inventories at the beginning of the year: Steel products		
Finished goods	**19.82**	11.92
Work-in-progress	**23.68**	8.10
Stock-in-trade	**169.67**	87.86
	213.17	107.88
(Increase)/Decrease in Stock	**(46.39)**	(105.29)

Note 26 - Employee benefits expense

Rs. in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Salaries and wages	**17.01**	19.15
b)	Contribution to provident and other funds (refer Note 34)	**1.21**	1.05
c)	Share based payments to employees (refer Note 33)	**1.76**	3.03
d)	Staff welfare expenses	**0.54**	2.19
Total		**20.52**	25.42

Note 27 - Finance costs

Rs. in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Usance interest	**8.63**	0.90
b)	Unwinding interest on lease liability	**0.21**	0.32
c)	Other interest cost	**0.38**	0.49
d)	Other finance cost	**0.70**	0.84
Total		**9.92**	2.55

Analysis of interest expenses by category

Rs. in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	On financial liability at amortised cost	**9.22**	1.71
b)	On non-financial liabilities	**0.70**	0.84
Total		**9.92**	2.55

Note 28 - Other expenses

Rs. in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Stores and spares consumed	**1.81**	1.10
b)	Power & fuel oil consumed	**1.34**	1.15
c)	Freight and handling charges	**24.78**	16.20
d)	Repairs and maintenance - Buildings	**0.49**	0.22
e)	Repairs and maintenance - Machinery	**0.99**	0.74
f)	Repairs and maintenance - Others	**1.02**	1.19
g)	Rent	**0.15**	0.16
h)	Rates and taxes	**0.34**	0.24
i)	Insurance charges	**1.32**	0.76
j)	Bad debts written off	**–**	0.32
k)	Expected credit loss	**0.78**	–
l)	Provision for doubtful advances	**1.90**	–

Rs. in Crores

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
m)	Net loss on foreign currency transactions and translation	**11.96**	5.03
n)	Fair value loss on derivatives financial instruments at fair value through profit or loss	**0.01**	–
o)	Auditors' remuneration (refer Note below)	**0.38**	0.38
p)	Legal and professional fees	**6.86**	2.98
q)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (refer Note 32)	**2.17**	1.66
r)	Miscellaneous expenses	**13.36**	10.63
Total		**69.66**	42.76

Note

Rs. in Crores

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Payment to auditors		
	To Statutory auditors-		
a)	For audit	**0.37**	0.37
b)	For other services	**0.01**	0.01
c)	Reimbursement of expenses *	**–**	–
		0.38	0.38

* Represents amount less than Rs. 1 lakh

Note 29 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance	Refer foot note
1	**Current ratio (times)** Current assets / Current liabilities	**1.89**	1.86	**1%**	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings) / (Total equity)	**–**	–	0%	
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation) / (gross interest for the period + principal repayments within a year)	**–**	–	0%	
4	**Return on Equity** (Net profit for the period / Total equity)	**13.75%**	19.14%	-28%	1
5	**Inventory turnover (times)** (Cost of materials consumed / Average inventories for the period)	**4.82**	5.70	-15%	
6	**Trade receivables turnover (times)** Revenue from sale of goods and services) / (Average trade receivable for the year)	**8.23**	6.23	32%	2
7	**Trade payables turnover (times)** (Purchase of goods and services) / (Average trade payable for the year)	**5.34**	5.44	-2%	
8	**Net working capital turnover (times)** Revenue from sale of goods and services) / (working Capital i.e. current assets - current liabilities)	**5.99**	4.47	34%	2
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)	**3.50%**	5.87%	-40%	1
10	**Return on capital employed (%)** (Profit before interest and tax / total equity and total debt)	**19.49%**	26.11%	-25%	1
11	**Return on Investment (%)** (Total income from investment / Average investment for the period)	**2.64%**	1.09%	142%	3

1) Mainly due to reduction in commodity price compared to increase in commodity price in previous year
2) Better working capital management resulted into improvement in turnover ratio.
3) Increase in deposit rates by Banks / better return generated by mutual funds.

Note 30 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities and commitments (to the extent not provided for):		
(i) Claims against the Company not acknowledged as debts:		
a) Central Sales Tax (CST) (Gujarat) FY 2010-11	**1.12**	1.12
b) Goods and Service Tax (GST) (Maharashtra) FY 2018-19	**9.53**	
(ii) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	**10.76**	6.20

Note : The Company has given comfort letter to its wholly owned subsidiary Mahindra Electrical Steel Private Limited (MESPL) to provide such financial support as may be required by MESPL from time to time to meet its financial obligations atleast till 31st March, 2023.

Note 31 - Earnings per share:

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic/Diluted		
Profit after tax for the year (Rs. in Crores) (A)	**113.09**	143.92
Weighted average number of shares Basic/Diluted (B)	**16,600,007**	16,600,007
Earnings per share Basic/Diluted (Rupees) (A/B)	**68.12**	86.70
Nominal value of equity share (Rupees)	**10.00**	10.00

Note 32 - Corporate social responsibility

The CSR obligation for the year as computed by the Company and relied upon by the auditors is Rs. 2.17 Crores (FY 2022 Rs. 1.66 Crores). CSR amount spent during the year is Rs. 2.17 Crores (FY 2022 Rs. 1.66 Crores).

Note 33 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the Company on the exercise date less the Face Value of the Equity Share of the Company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

An Eligible Employee must exercise all the accumulated vested SARs by the Maximum Exercise Period which would be the earlier of the following two events:

(i) 31st January 2027; OR

(ii) Any monetisation event involving the Company, including but not limited to Private Equity Funding / Preferential Allotment of Shares / Public Offering of Shares / Merger / Demerger, etc.

SARs remaining unexercised at the end of the Maximum Exercise Period (as specified above) or such extended period as may be determined by the Remuneration Committee, shall lapse

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Schemes

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended 31st March, 2015, 31st March 2016, 31st March 2017, 31st March 2018, 31st March 2020, 31st March 2021 and as per Stock Appreciation Rights Scheme 2020 (SARS-2020) during the year ended 31st March 2023.

Details of stock appreciation rights outstanding as on March 31, 2023

Particulars	Number of shares	Grant date	Expiry date	Exercise price (In Rs.)	Fair value at grant date (In Rs.)
Cash settled					
F'20 grants	56,006	25-04-2019	30-06-2024	10	179.42
F'21 grants	1,152	30-01-2021	31-03-2025	10	191.77
F'21 grants	1,156	30-01-2021	31-03-2025	10	191.77
F'23 grants	484	14-12-2022	31-01-2024	10	438.70
F'23 grants	484	14-12-2022	31-01-2025	10	438.70
F'23 grants	484	14-12-2022	31-01-2026	10	438.70
F'23 grants	481	14-12-2022	31-01-2027	10	438.70

Movement in Stock appreciation rights

	Particulars	Number of shares
1	The number of share options outstanding at the beginning of the year	134,560
2	Granted during the period	2,417
3	Forfeited during the year	15,245
4	Exercised during the period	61,485
5	Outstanding at the end of the period	60,247

Stock Appreciation Right's exercised during the year

Particulars	Number of SAR's	Exercised date	Share price at exercise date (In Rs.)
Cash settled			
F'18 grant	3,889	27-03-2023	529.40
F'20 grant	55,960	27-03-2023	529.40
F'21 grant	1,152	27-03-2023	529.40
F'23 grant	484	27-03-2023	529.40

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

	Particulars	Cash settled Share Appreciation Rights
1	Share price (In Rs.)	529.40
2	Exercise price (In Rs.)	10
3	Expected volatility (weighted-average)	50.90%
4	Expected life/Option Life (weighted-average)	3.41
5	Expected dividends yield	5.00%
6	Risk–free interest rate (based on government bonds)	7.10%

Note 34 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of profit and loss for the year, an amount of Rs. 0.96 Crore (31st March, 2022 Rs. 0.88 Crore) as expenses under defined contribution plans.

Rs. in Crores

Benefit (Contribution to)	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	**0.51**	0.46
Pension fund	**0.33**	0.31
Superannuation fund	**0.12**	0.11
Total	**0.96**	0.88

(b) Defined Benefit Plans:

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) Post retirement medical benefits:

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on March 31, 2023

Rs. in Crores

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
I. Expense recognised in the Statement of Profit and Loss				
1. Current/past service cost	**0.27**	0.24	**0.03**	0.03
2. Interest on net defined benefit liability/(asset)....	**(0.03)**	(0.06)	**0.04**	0.04
	0.24	0.18	**0.07**	0.07
II. Included in other Comprehensive Income				
1. Actual return on plan assets less interest on plan assets	**(0.02)**	(0.07)	**–**	–
2. Actuarial (Gain)/Loss on account of:..................				
– Financial Assumptions............	**(0.19)**	0.19	**(0.03)**	(0.03)
– Experience Adjustments.............	**0.01**	0.19	**(0.18)**	(0.10)
3. Adjustment to recognise the effect of asset ceiling................	**–**	0.10	**–**	–
	(0.20)	0.41	**(0.21)**	(0.13)
III. Net Asset/(Liability) recognised in the Balance Sheet				
1. Present value of defined benefit obligation as at 31st March	**4.25**	4.35	**0.42**	0.59
2. Fair value of plan assets as at 31st March	**4.71**	4.82	**–**	–
3. Amount not recognised due to asset limit........	**0.02**	0.02	**–**	–
4. Surplus/(Deficit)..........	**0.44**	0.45	**(0.42)**	(0.59)
5. Current portion of the above..........................	**–**	–	**(0.02)**	(0.02)
6. Non current portion of the above	**0.44**	0.45	**(0.40)**	(0.57)
IV. Change in the obligation during the year				
1. Present value of defined benefit obligation at the beginning of the year ..	**4.35**	3.69	**0.59**	0.67
2. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**0.27**	0.24	**0.03**	0.03
– Past Service Cost	**–**	–	**–**	–
– Interest Expense (Income)	**0.29**	0.23	**0.04**	0.04

				Rs. in Crores
	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actuarial Gain (Loss) arising from:				
i. Financial Assumptions	**(0.19)**	0.19	**(0.03)**	(0.03)
ii. Experience Adjustments	**0.01**	0.19	**(0.18)**	(0.10)
4. Benefit payments	**(0.45)**	(0.16)	**(0.02)**	(0.02)
5. Liabilities assumed/ (settled) on intra group transfer	**(0.02)**	(0.03)	**–**	–
6. Present value of defined benefit obligation at the end of the year	**4.25**	4.35	**0.42**	0.59
V. Change in fair value of assets during the year				
1. Fair value of plan assets at the beginning of the year................................	**4.82**	4.61	**–**	–
2. Interest on plan assets	**0.32**	0.29	**–**	–
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actual Return on plan assets in excess of the expected return	**0.02**	0.07	**–**	–
4. Contributions by employer (including benefit payments recoverable)....................	**–**	0.01	**0.02**	0.02
5. Benefit paid.....................	**(0.45)**	(0.16)	**(0.02)**	(0.02)
6. Assets acquired/(settled) on intra group transfer	**–**	–	**–**	–
7. Fair value of plan assets at the end of the year ...	**4.71**	4.82	**–**	–
VI. The Major categories of plan assets				
– List the plan assets by category here...........				
– Insurer managed funds......................	**4.71**	4.82	**–**	–
VII. Actuarial assumptions				
1. Discount rate	**7.60%**	6.90%	**7.60%**	6.90%
2. Medical premium inflation	**–**	–	**6.00%**	6.00%
3. Rate of increase in compensation levels....	**8%**	8%	**–**	–
4. Mortality table	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

				Rs. in Crores
			Impact on defined benefit obligation	
Principal assumptions	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2023**	**1%**	**3.99**	**4.53**
	2022	1%	4.06	4.67
Salary growth rate	**2023**	**1%**	**4.52**	**3.99**
	2022	1%	4.66	4.06

Post retirement medical benefits

The benefit obligation results for the cost of paying hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

				Rs. in Crores
			Impact on defined benefit obligation	
Principal assumption	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2023**	**1%**	**0.37**	**0.47**
	2022	1%	0.51	0.66
Medical inflation rate	**2023**	**1%**	**0.47**	**0.37**
	2022	1%	0.66	0.51

(d) Expected contributions for the next year:

The Company expects to contribute Nil to the gratuity trusts during the next financial year of 2023.

(e) Expected future benefits payable:

Gratuity

Rs. in Crores

Maturity profile of defined benefit obligation:	**As at March 31, 2023**	As at March 31, 2022
Within 1 year	**0.59**	0.35
1 - 2 year	**0.58**	0.55
2 - 3 year	**0.64**	0.55
3 - 4 year	**0.45**	0.59
4 - 5 year	**0.32**	0.44
5 - 9 years	**2.16**	1.72
10 years and above	**2.95**	3.61

Post retirement medical benefits

Rs. in Crores

Maturity profile of defined benefit obligation:	**As at March 31, 2023**	As at March 31, 2022
Within 1 year	**0.02**	0.02
1 - 2 year	**0.02**	0.02
2 - 3 year	**0.02**	0.02
3 - 4 year	**0.02**	0.03
4 - 5 year	**0.02**	0.03
5 - 9 years	**0.11**	0.13
10 years and above	**1.00**	1.47

Note 35 - Segment Reporting

Segment information:

The Company has identified 'Steel Processing' (for steel entities) as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

The amount of the Company's revenue reported under Note 22 "Revenue from operations" refere from external customers broken down by location of the customers is shown in the table below:

Rs. in Crores

Location	**For the year ended March 31, 2023**	For the year ended March 31, 2022
India	**3,129.82**	2,395.34
Overseas	**37.61**	12.92

The Company operates and has its manufacturing / processing facilities based out of Nashik and Vadodara in India.

There is one customer contributing to more than 10% of the Company's revenue, total amount of revenue from such customers for the year ended on 31st March 2023 is Rs. 743.60 Cr (FY 2022 : Rs. 456.57 Cr).

Note 36 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

[A] CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual funds or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities						
March 31, 2023						
Non-interest bearing	**381.18**	**0.03**	**–**	**–**	**381.21**	**381.21**
Variable interest rate instruments*	**204.77**	**–**	**–**	**–**	**204.77**	**204.77**
Total	**585.95**	**0.03**	**–**	**–**	**585.98**	**585.98**

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying value
March 31, 2022						
Non-interest bearing	436.80	1.23	–	–	438.03	438.03
Variable interest rate instruments*	177.21	1.80	–	–	179.01	178.41
Total	614.01	3.03	–	–	617.04	616.44

* Effective interest rate is 1.88 % (FY 2022 0.71%)

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 2.04 Crore for the year ended 31st March, 2023 (Rs. 1.77 Crore for the year ended 31st March, 2022)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 2.04 Crore for the year ended 31st March, 2023 (Rs. 1.77 Crore for the year ended 31st March,2022)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
March 31, 2023						
Non-interest bearing	**339.37**	**–**	**–**	**–**	**339.37**	**339.37**
Variable interest rate instruments	**–**	**–**	**–**	**0.19**	**0.19**	**0.19**
Fixed interest rate instruments	**78.70**	**–**	**–**	**–**	**78.70**	**78.70**
Total	**418.07**	**–**	**–**	**0.19**	**418.26**	**418.26**
March 31, 2022						
Non-interest bearing	531.13	–	–	–	531.13	531.13
Variable interest rate instruments	–	–	–	0.18	0.18	0.18
Fixed interest rate instruments	96.44	–	–	–	96.44	95.43
Total	627.57	–	–	0.18	627.75	626.74

* Effective interest rate is 3.79% (FY 2022: 4.60%)

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Liquidity analysis for its derivative financial instruments

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above
Derivative financial instruments				
March 31, 2023				
Gross settled:				
– foreign exchange forward contracts - liabilities	**2.16**	**–**	**–**	**–**
– foreign exchange forward contracts - assets	**0.11**	**–**	**–**	**–**
March 31, 2022				
Gross settled:				
– foreign exchange forward contracts - liabilities	0.72	–	–	–
– foreign exchange forward contracts - assets	0.34	–	–	–

(v) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Bank overdraft/ WCDL facility	**89.50**	16.50
Non-Fund Based facility: (LC, BG, LUT, LER)	**530.50**	54.39

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the

Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for contracted purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges, the derivatives covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
		Amounts in Crores	
Trade Payables	USD	**3.97**	3.05
Payable on purchase of fixed assets	EURO	**0.01**	*
Trade Receivable	USD	**0.03**	0.02
Receivable towards commission	USD	**–**	–

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
		Amounts in Crores	
Trade Payables	USD	**0.71**	1.27
Trade Payables	EURO	**0.01**	*
Trade Receivable	USD	**0.03**	0.01
Receivable towards commission	USD	**–**	0.01

* Represents amount less than 1 lakh

(ii) Interest rate risk

Refer comment given above in maturities of financial liabilities under liquidity risk.

(iii) Raw material price risk

The Company dose not have significant risk in raw material price variations. In case of any variation in price same is passed on to customers through appropriate adjustment to selling prices.

Note 37 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
- interest rates and yield curves observable at commonly quoted intervals
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at March 31, 2023			
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	**–**	**315.15**	**–**	**315.15**
– Cash and cash equivalents	**–**	**25.51**	**–**	**25.51**
– Inter Corporate Deposits	**–**	**72.60**	**–**	**72.60**
– Interest receivable	**–**	**1.46**	**–**	**1.46**
– Others	**–**	**0.43**	**–**	**0.43**
Total	**–**	**415.15**	**–**	**415.15**
Financial liabilities				
Financial liabilities held at amortised cost				
– Lease liabilities		**1.78**		**1.78**
– Short term deposits	**–**	**1.59**	**–**	**1.59**
– Trade and other payables	**–**	**580.36**	**–**	**580.36**
Total	**–**	**583.73**	**–**	**583.73**

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at March 31, 2022			
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	–	454.94	–	454.94
– Cash and cash equivalents	–	68.08	–	68.08
– Inter Corporate Deposits	–	23.50	–	23.50
– Interest receivable	–	0.48	–	0.48
– Others	–	14.23	–	14.23
Total	–	561.23	–	561.23
Financial liabilities				
Financial liabilities held at amortised cost				
– Lease liabilities	–	3.31	–	3.31
– Short term deposits	–	1.54	–	1.54
– Trade and other payables	–	608.61	–	608.61
Total	–	613.46	–	613.46

Financial assets/financial liabilities measured at fair value

Financial assets/ financial liabilities	Fair value as at: As at March 31, 2023	As at March 31, 2022	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Investments						
Mutual fund investments	**5.01**	65.51	**Level 1**	Net assets value declared by the respective asset management companies	NA	NA
Other financial assets						
Foreign currency forward contracts	**0.11**	0.34	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial assets	**5.12**	65.85				
Financial liabilities						
Other financial liabilities						
Foreign currency forward contracts	**2.16**	0.72	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Cash-settled share-based payments	**2.25**	2.98	**Level 2**	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	4.41	3.70				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note 38 - Related party transactions:

Related party disclosures as required by Ind AS-24 “Related Party Disclosures” are given below :

(A) List of Related Parties:

Holding Company

M & M	Mahindra & Mahindra Limited

Subsidiary Companies

MESPL	Mahindra Electrical Steel Private Limited
MMESS	Mahindra MiddleEast Electrical Steel Service Centre (FZC)
MSSCL	Mahindra Steel Service Centre Limited
MASPL	Mahindra Auto Steel Private Limited
MMSTC	Mahindra MSTC Recycling Private Limited
PT MASI	PT Mahindra Accelo Steel Indonesia

Key Managerial Personnel

Mr. Bharat Doshi, Chairman

Mr. Sumit Issar, Managing Director

Mr. Sudhir Mankad, Independent Director

Dr. Punita Kumar Sinha, Independent Director

Mr. Ashok Kumar Barat, Independent Director

Mr. Parag Shah, Director

Mr. Ranjan Pant

Mr. Anil Kumar Chopra

Fellow Subsidiaries with whom transcations are done during the year:

MHRIL	Mahindra Holidays & Resorts India Limited
MBPO	Mahindra Integrated Business Solutions Private Limited
NBS	NBS International Limited
MLL	Mahindra Logistics Limited
MEPC	Mahindra Susten Private Limited
MREVA	Mahindra Electric Mobility Limited
MTPL	Mahindra Teqo Pvt Ltd
MEAL	Mahindra Electric Automobile Limited
MSLPL	Mahindra Solarize Private Limited

Company which is associate of holding Company

MCIE	Mahindra CIE Automotive Limited

(B) Disclosure of transactions between the Company and related parties during the year ended March 31, 2023

(a)	(Receipt/income)/Expenditure/payment						Rs. in Crores	
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Company which is associate of holding Company	
Particulars	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Purchase of Raw material/finished goods **	**–**	0.93	**3.19**	4.96	**–**	–	**–**	–
Purchase of Property, plant & equipment	**0.59**	0.43	**–**	–	**0.01**	0.12	**38.82**	–
Sale of Property, plant & equipment	**–**	–	**0.10**	0.04	**–**	–	**–**	–
Processing charges paid	**–**	–	**14.89**	12.61	**–**	–	**–**	–
Sale of finished goods **	**743.60**	456.57	**44.95**	18.49	**0.42**	14.57	**82.72**	92.85
Management Fees **	**–**	–	**4.93**	4.48	**–**	–	**–**	–
Deputation of personnel to related parties	**0.13**	0.24	**2.28**	1.66	**–**	–	**–**	–
Deputation of personnel from related parties	**0.34**	0.28	**0.25**	0.22	**–**	–	**–**	–
Other income	**–**	0.01	**1.09**	0.17	**–**	–	**–**	–
Other expenses	**1.99**	1.96	**0.67**	0.27	**0.65**	0.04	**0.07**	0.06
Reimbursement received from parties	**0.01**	0.01	**0.62**	0.03	**0.03**	0.02	**–**	–
Reimbursement made to parties	**6.53**	2.13	**0.01**	0.01	**0.18**	0.03	**–**	–
Interest received	**–**	–	**4.01**	2.71	**–**	–	**–**	–
Dividend received	**–**	–	**4.52**	0.10	**–**	–	**–**	–
Inter corporate deposits placed	**–**	–	**189.10**	157.75	**–**	–	**–**	–
Inter corporate deposits refunded by parties	**–**	–	**140.00**	158.70	**–**	–	**–**	–
Other Deposits placed	**–**	–	**0.24**	–	**–**	–	**–**	0.02
Other Deposits Refund	**–**	–	**–**	–	**–**	–	**0.02**	
Investment in Equity Shares	**–**	–	**1.40**	9.61	**–**	–	**–**	–
Dividend on equity shares paid during the current year	**43.16**	33.20	**–**	–	**–**	–	**–**	–

* Represents amount less than Rs. 1 lakh

** excluding taxes

(b) Transactions with Key Management Personnel:

	As at March 31, 2023	As at March 31, 2022
		Rs. in Crores
Managerial Remuneration		
Mr. Sumit Issar, Managing Director @	**3.23**	2.64

Sitting fees & commission to :	Commission		Sitting fees	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Mr. Bharat Doshi, Chairman	**0.17**	0.18	**0.04**	0.03
Mr. Sudhir Mankad, Independent Director	**0.02**	0.09	**0.02**	0.04
Dr. Punita Kumar Sinha, Independent Director	**0.09**	0.09	**0.05**	0.04
Mr. Ashok Kumar Barat, Independent Director	**0.09**	0.09	**0.05**	0.04
Mr. Ranjan Pant, Independent Director	**0.07**	–	**0.03**	–
Mr. Anil Kumar Chopra, Independent Director	**0.07**	–	**0.03**	–

(c) Outstanding receivables:

	As at March 31, 2023	As at March 31, 2022
		Rs. in Crores
Holding Company	**17.95**	9.47
Subsidiary Companies	**85.96**	30.24
(including Inter-corporate Deposits & Interest thereon)		
Fellow subsidiaries	**0.08**	0.89
(including Inter-corporate Deposits & Interest thereon)		
Company which is associate of holding Company	**14.69**	22.77

(d) Outstanding payables:

	As at March 31, 2023	As at March 31, 2022
		Rs. in Crores
Fellow Subsidiaries	**0.08**	0.00
Key Managerial Personnel		
Mr. Bharat Doshi, Chairman	**0.15**	0.16
Mr. Sudhir Mankad, Independent Director	**0.02**	0.08
Dr. Punita Kumar Sinha, Independent Director	**0.08**	0.08
Mr. Ashok Kumar Barat, Independent Director	**0.08**	0.08
Mr. Ranjan Pant, Independent Director	**0.06**	–
Mr. Anil Kumar Chopra, Independent Director	**0.06**	–

@ Excludes provision for gratuity, compensated absences and post retirement medical benefits, which is determined on the basis of actuarial valuation done on overall basis for the Company.

(e) Disclosure of transactions & outstanding balances between the Company and related parties during the year ended March 31, 2023 (year ended March 31, 2022)

Rs. in Crores

	Subsidiary Companies							Fellow Subsidiaries									
Particulars	**MMESS**	**MSSCL**	**MESPL**	**MASPL**	**MMSTC**	**PT MASI**	**TOTAL**	**MHRIL**	**MBPO**	**NBS**	**MLL**	**MEPC**	**MREVA**	**MTPL**	**MEAL**	**MSLPL**	**TOTAL**
Purchase of finished goods **	–	**1.24**	–	**1.95**	–	–	**3.19**	–	–	–	–	–	–	–	–	–	–
	(–)	(0.09)	(–)	(4.87)	(–)	(–)	(4.96)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Purchase of Property, plant & equipment...............................	–	–	–	–	–	–	–	–	–	**0.01**	–	–	–	–	–	–	**0.01**
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(0.12)	(–)	(–)	(–)	(–)	(–)	(–)	(0.12)
Sale of Property, plant & equipment...............................	**0.10**	–	–	–	–	–	**0.10**	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(0.04)	(–)	(–)	(0.04)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Processing charges paid............	–	**14.87**	–	**0.01**	–	–	**14.89**	–	–	–	–	–	–	–	–	–	–
	(–)	(12.61)	(–)	(–)	(–)	(–)	(12.61)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Sale of finished goods **............	–	**24.70**	–	**20.24**	–	–	**44.95**	–	–	–	–	**0.33**	–	**0.02**	**0.07**	–	**0.42**
	(–)	(8.54)	(–)	(8.57)	(–)	(1.38)	(18.49)	(–)	(–)	(–)	(–)	(14.57)	(0.00)	(–)	(–)	(–)	(14.57)
Management Fees **	**0.59**	**2.34**	–	**2.00**	–	–	**4.93**	–	–	–	–	–	–	–	–	–	–
	(0.54)	(1.94)	(–)	(2.00)	(–)	(–)	(4.48)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel to related parties....................................	–	**1.06**	–	**0.35**	**0.86**	–	**2.28**	–	–	–	–	–	–	–	–	–	–
	(–)	(0.93)	(–)	(0.31)	(0.41)	(–)	(1.65)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel from related parties..........................	–	**0.25**	–	–	–	–	**0.25**	–	–	–	–	–	–	–	–	–	–
	(–)	(0.22)	(–)	(–)	(–)	(–)	(0.22)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other income...........................	–	**1.09**	–	–	–	–	**1.09**	–	–	–	–	–	–	–	–	–	–
	(–)	(0.08)	(–)	(–)	(–)	(–)	(0.08)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other expenses........................	–	**0.65**	–	–	**0.02**	–	**0.67**	**0.01**	**0.10**	**0.02**	**0.52**	–	–	–	–	–	**0.65**
	(–)	(0.27)	(–)	(–)	(–)	(–)	(0.27)	(0.01)	(0.01)	(0.02)	(–)	(–)	(–)	(–)	(–)	(–)	(0.05)
Reimbursement received from parties	**0.01**	**0.34**	–	**0.21**	**0.06**	–	**0.62**	–	–	–	–	–	–	–	–	**0.03**	**0.03**
	(0.00)	(0.00)	(–)	(0.01)	(0.01)	(–)	(0.03)	(–)	(–)	(–)	(–)	(–)	(0.02)	(–)	(–)	(–)	(0.02)
Reimbursement made to parties	–	–	–	–	**0.01**	–	**0.01**	–	–	**0.18**	–	–	–	–	–	–	**0.18**
	(–)	(–)	(–)	(–)	(0.01)	(–)	(0.01)	(–)	(–)	(0.03)	(–)	(–)	(–)	(–)	(–)	(–)	(0.03)
Interest received.......................	–	**1.22**	**1.01**	**1.65**	–	**0.13**	**4.01**	–	–	–	–	–	–	–	–	–	–
	(–)	(0.35)	(1.18)	(1.19)	(–)	(–)	(2.72)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Dividend Received....................	–	**3.33**	–	**1.19**	–	–	**4.52**	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(0.10)	(–)	(–)	(0.10)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits placed....................................	–	**87.00**	**14.60**	**87.50**	–	–	**189.10**	–	–	–	–	–	–	–	–	–	–
	(–)	(46.00)	(27.25)	(81.50)	(–)	(3.00)	(157.75)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits refunded by parties................................	–	**79.50**	–	**57.50**	–	3.00	**140.00**	–	–	–	–	–	–	–	–	–	–
	(–)	(34.75)	(39.45)	(84.50)	(–)	(–)	(158.70)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other Deposits placed...............	–	0.24	–	–	–	–	0.24	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Investment in Equity Shares	–	–	–	–	1.40	–	1.40	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(6.00)	(3.61)	(9.61)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Outstanding balances as at March 31, 2023 (as at March 31, 2022)																	
Outstanding receivables (including Inter corporate deposit & interest thereon).........................	0.15	36.58	15.51	33.53	0.18	–	85.96	–	–	–	–	0.01	–	–	0.08	–	0.08
	(0.14)	(23.54)	(–)	(2.40)	(0.11)	(4.05)	(30.24)	(–)	(–)	(–)	(–)	(0.89)	(–)	(–)	(–)	(–)	(0.89)
Outstanding payables................	–	–	–	–	–	–	–	–	**0.00**	–	**0.08**	–	–	–	–	–	**0.08**
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.00)	(–)	(–)	(0.02)	(–)	(–)	(–)	(–)	(0.02)

1. * Represents amount less than Rs. 1 lakh
2. ** excluding taxes
3. Previous year's figures are in brackets
4. No amount has been written off/provided for or written back in respect of amounts receivable from or payable to the related parties.
5. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2022: INR Nil) . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 39

Mahindra Vehicle Manufactures Limited (erstwhile holding company) is merged with Mahindra and Mahindra Limited (ultimate holding company) with effect from 1st July 2021. Appointed date of the merger schemen as approved by National Company Law Tribunal, mumbai bench (NCLT) is 1st April, 2019.

Note 40 - Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Note 41

Previous year's figure have been regrouped/reclassified wherever necessary.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248W/W-100022

Nirav Patel
Partner
Membership number: 113327

Place: Mumbai
Date: 24 April, 2023

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 24 April, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA STEEL SERVICE CENTRE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Steel Service Centre Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 31 to the financial statements.
   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

   C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Nishant Sayani
Partner
(Membership No. 132439)
ICAI UDIN: 23132439BGYFXI3809

Place: Mumbai
Date: 20 April 2023

Annexure A to the Independent Auditors' Report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of Section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans. The Company has not made investments, provided guarantees and security during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Duty of Excise and Value Added Tax which have not been deposited on account of any dispute are as follows:

		Rupees in Lakhs			
Name of the Statute	**Nature of the Dues**	**Amount demanded**	**Amount not deposited under dispute**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Excise Act, 1944	Duty of Excise	406.88	391.62	2013-14 to 2017-18	Custom, Excise and Service Tax Appellate Tribunal
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	8.95	6.85	2011-12	Additional Commissioner Commercial Taxes (Appellate Authority)
Madhya Pradesh Value Added Tax Act, 2002 and Central Sales Tax Act, 1956	Value Added Tax	6.51	5.77	2012-13	Additional Commissioner Commercial Taxes (Appellate Authority)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Nishant Sayani
Partner
(Membership No. 132439)
ICAI UDIN: 23132439BGYFXI3809

Place: Mumbai
Date: 20 April 2023

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Steel Service Centre Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Nishant Sayani
Partner
(Membership No. 132439)
ICAI UDIN: 23132439BGYFXI3809

Place: Mumbai
Date: 20 April 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	**4**	**12,322.55**	11,878.97
	(b) Capital work-in-progress	**4(a)**	**14.83**	–
	(c) Financial assets			
	(i) Other financial assets	**5**	**106.00**	357.40
	(d) Other non-current assets	**6**	**408.68**	431.76
Total non - current assets			**12,852.06**	12,668.13
2	**Current assets**			
	(a) Inventories	**7**	**13,152.89**	10,932.02
	(b) Financial assets			
	(i) Investments	**8**	**–**	575.00
	(ii) Trade receivables	**9**	**6,152.49**	5,353.78
	(iii) Cash and cash equivalents	**10**	**45.12**	10.86
	(iv) Other financial assets	**5**	**–**	1,425.26
	(c) Other current assets	**6**	**1,586.29**	1,826.56
Total current assets			**20,936.79**	20,123.48
Total assets (1+2)			**33,788.85**	32,791.61
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	**11**	**1,653.98**	1,653.98
	(b) Other equity	**12**	**10,979.63**	9,833.24
Total equity			**12,633.61**	11,487.22
LIABILITIES				
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	**13**	**280.00**	1,216.77
	(ii) Lease liability	**17**	**3,368.04**	2,512.38
	(iii) Other financial liabilities (other than those specified in (b) below)	**18**	**0.18**	25.91
	(b) Provisions	**15**	**165.49**	135.21
	(c) Deferred tax liabilities (Net)	**21**	**603.54**	346.44
Total non - current liabilities			**4,417.25**	4,236.71
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	**16**	**4,226.91**	6,499.94
	(ii) Lease liability	**17**	**399.60**	109.79
	(iii) Trade payables	**14**		
	A. Total outstanding dues from micro enterprises and small enterprises, and		**101.75**	167.49
	B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**11,306.37**	9,728.87
	(iv) Other financial liabilities (other than those specified in (b) below)	**18**	**536.36**	417.31
	(b) Provisions	**15**	**19.01**	20.72
	(c) Other current liabilities	**19**	**147.99**	123.56
Total current liabilities			**16,737.99**	17,067.68
Total equity and liabilities (1+2+3)			**33,788.85**	32,791.61

See accompanying notes to the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: April 20 2023

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 20 2023

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	22	**38,136.83**	31,512.33
II	Other Income	23	**147.53**	16.70
III	**Total Income (I + II)**		**38,284.36**	31,529.03
IV	**EXPENSES**			
	(a) Cost of materials consumed	24	**29,416.83**	25,019.84
	(b) Changes in inventories of finished goods and work-in-progress	25	**445.18**	(1,623.63)
	(c) Employee benefits expense	26	**1,484.37**	1,392.45
	(d) Finance costs	27	**797.67**	499.49
	(e) Depreciation expense	28	**1,274.08**	1,116.92
	(f) Other expenses	29	**2,481.35**	2,480.17
	Total Expenses (IV)		**35,899.48**	28,885.24
V	**Profit before tax (III-IV)**		**2,384.88**	2,643.79
VI	**Tax expense**			
	(1) Current tax	20	**435.35**	482.86
	(2) Deferred tax	21	**257.17**	317.28
	Total tax expense		**692.52**	800.14
VII	**Profit for the year (V-VI)**		**1,692.36**	1,843.65
VIII	**Other comprehensive loss**		**(0.16)**	(1.54)
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plan		**0.23**	2.18
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(0.07)**	(0.64)
IX	**Total comprehensive income for the year (VII + VIII)**		**1,692.20**	1,842.11
	Earning per equity share (of Rs. 10 each):			
	(a) Basic/Diluted	37	**10.23**	11.15

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: April 20 2023

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 20 2023

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit for the year before tax	**2,384.88**	2,643.79
Adjustment for:		
(1) Depreciation expense	**1,274.08**	1,116.92
(2) Bad debts / advances written off	**7.26**	31.92
(3) Fixed Assets written off	**2.59**	–
(4) Finance costs	**797.67**	499.49
(5) unrealised loss / (gain) on foreign exchange transactions and translations	**(76.68)**	25.61
(6) Fair value loss on financial instruments at fair value	**–**	3.66
(7) Interest income recognised in Statement of Profit and Loss	**(35.67)**	(1.49)
(8) Profit on sale of current investments	**(0.33)**	(3.84)
(9) Profit on sale of property, plant and equipment	**(7.36)**	(5.44)
(10) Liabilities no longer required written back	**(105.92)**	(5.93)
	4,240.52	4,304.69
Movement in working capital:		
(1) (Increase) / Decrease in trade receivable	**(801.75)**	705.44
(2) (Increase) in inventories	**(2,220.87)**	(7,361.60)
(3) Decrease / (Increase) in other assets	**474.68**	(595.65)
(4) Increase in trade payable	**1,690.11**	2,864.40
(5) Increase in provision	**28.34**	8.34
(6) Increase in other liabilities	**113.52**	99.43
	(715.97)	(4,279.63)
Cash generated from operations	**3,524.55**	25.06
Less: income taxes (paid) net of refund	**(368.46)**	(569.71)
Net cash generated / (used in) operating activities	**3,156.09**	(544.65)
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(504.84)**	(408.74)
(2) Proceed from disposal of property, plant and equipment	**56.72**	66.90
(3) Interest received	**35.67**	1.49
(4) Inter corporate deposits refunded	**1,425.00**	–
(5) Inter corporate deposits placed	**–**	(1,425.00)
(6) Purchase of current investments	**–**	(9,055.00)
(7) Sale of current investments	**575.33**	8,483.84
Net cash generated / (used) in investment activities	**1,587.88**	(2,336.51)
Cash flow from financing activities		
(1) Repayment of long term borrowings	**(791.10)**	(1,267.46)
(2) Proceeds from short term borrowings	**9,700.00**	8,233.50
(3) Repayment from short term borrowings	**(12,118.70)**	(3,475.00)
(4) Payments for the principal portion of the lease liability	**(176.57)**	(109.27)
(5) Payments for the interest portion of the lease liability	**(220.36)**	(199.39)
(6) Interest paid	**(557.17)**	(301.71)
(7) Dividend paid (including dividend distribution tax)	**(545.81)**	–
Net cash (used) / generated from financing activities	**(4,709.71)**	2,880.67
Net increase / (decrease) in cash and cash equivalents	**34.26**	(0.49)
Cash and cash equivalents at the beginning of the year	**10.86**	11.35
Cash and cash equivalents at the end of the year	**45.12**	10.86
Reconciliation of cash and cash equivalents with statement of financial position		
Bank balance in current accounts (refer note 10)	**45.06**	10.73
Cash in hand (refer note 10)	**0.06**	0.13
Total	**45.12**	10.86

Notes:

1) The above cash flow statements has been prepared under the "Indirect method" as set out in Indian Accunting Standard (IND AS-7) "Statement of Cash Flow"

2) IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023 (CONTD....)

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance		
– Long Term Borrowings	**1,216.77**	2,455.67
– Short Term Borrowings	**6,499.94**	1,770.00
Total Opening Balance	**7,716.71**	4,225.67
(a) **Cash flow movements**		
Repayment of long term borrowings	**(791.10)**	(1,267.46)
Proceeds from short term borrowings	**9,700.00**	8,233.50
Repayment from short term borrowings	**(12,118.70)**	(3,475.00)
	(3,209.80)	3,491.04
Closing Balance		
– Long Term Borrowings	**280.00**	1,216.77
– Short Term Borrowings	**4,226.91**	6,499.94
Total Closing Balance	**4,506.91**	7,716.71

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: April 20 2023

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 20 2023

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

Particulars	Rs. In Lakhs
Balance at April 1, 2021	1,653.98
Changes in equity during the year	–
Balance at March 31, 2022	1,653.98
Changes in equity during the year	–
Balance at March 31, 2023	**1,653.98**

B. Other Equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2021	A	20.00	4,011.15	164.44	3,795.54	7,991.13
Profit for the year	B	–	–	–	1,843.65	1,843.65
Other comprehensive loss (net of taxes)	C	–	–	–	(1.54)	(1.54)
Total comprehensive Profit for the year	**D = (B+C)**	–	–	–	1,842.11	1,842.11
Dividends	E	–	–	–	–	–
Dividend distribution tax	F	–	–	–	–	–
Balance at March 31, 2022	**G = (A+D+E+F)**	**20.00**	**4,011.15**	**164.44**	**5,637.65**	**9,833.24**
Profit for the year	H	–	–	–	1,692.36	1,692.36
Other comprehensive loss (net of taxes)	I	–	–	–	(0.16)	(0.16)
Total comprehensive Profit for the year	**J=(H+I)**	–	–	–	1,692.20	1,692.20
Dividends	K	–	–	–	(545.81)	(545.81)
Dividend distribution tax	L	–	–	–	–	–
Balance at March 31, 2023	**M=(G+J+K+L)**	**20.00**	**4,011.15**	**164.44**	**6,784.04**	**10,979.63**

Description of the nature and purpose of Other Equity :

Capital Reserve: Capital Reserve represents the amount received from SICOM Limited towards Special Capital incentive under 1988 Scheme of Incentives.

Securities Premium: The Securities premium is created on issue of shares.

General Reserve: The General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: April 20 2023

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 20 2023

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate information:

Mahindra Steel Service Centre Limited is a public limited company domiciled in India and is incorporated on 15 January 1993 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is steel processing from the plants located at Kanhe (Pune), Bhopal, Noida and Chennai. The Company is principally engaged in processing of automotive and electrical steel and manufacturing of electrical component.

The Company is the subsidiary of Mahindra Accelo Limited *(Formerly known as Mahindra Intertrade Limited)*, Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest Lakhs.

The financial statements were approved by the Board of Directors and authorised for issue on April 20, 2023.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 2.3 Property, plant & equipment

Note No. 2.10 Employee benefits

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Vehicles - 5 years

(b) Slitting Line (Plant and Equipment) – 20 Years

(c) Blanking Line (Plant and Equipment) – 20 Years

(d) Washing Machine (Plant and Equipment) – 20 Years

2.4 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.6 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

2.7 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

2.9 Government grants:

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable for the purpose of giving immediate financial support to the Company with no future related costs are recognized in the Statement of Profit and Loss in the year in which they become receivable.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee up to the reporting date.

2.11 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit and Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(c) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Note No. 4 - Property, Plant and Equipment:

Rs. in Lakhs

Description of Assets	**Buildings**	**Right-of-Use Asset-Land and Building**	**Right-of-Use Asset-Plant & Machinery**	**Plant and Equipments**	**Electric Installations**	**Office Equipments**	**Furniture and Fixtures**	**Vehicles**	**Computers**	**Total**
I. Cost										
Balance as at 1 April, 2022	**3,192.60**	**2,996.18**	**–**	**17,159.16**	**561.00**	**141.40**	**93.13**	**97.13**	**138.55**	**24,379.15**
Additions	2.34	897.46	472.14	375.25	–	23.88	0.13	12.34	23.78	1,807.32
Disposals	–	107.45	–	80.76	1.92	8.17	4.24	0.55	11.49	214.58
Adjustments	–	–	–	–	–	–	–	–	–	–
Balance as at March 31, 2023	**3,194.94**	**3,786.19**	**472.14**	**17,453.65**	**559.08**	**157.11**	**89.02**	**108.92**	**150.84**	**25,971.89**
II. Accumulated depreciation										
Balance as at April 1, 2022	**1,314.49**	**403.41**	**–**	**10,105.80**	**367.02**	**77.65**	**67.39**	**51.87**	**112.55**	**12,500.18**
Depreciation expense for the year	102.28	281.71	7.87	807.81	21.32	15.70	3.66	17.99	15.73	1,274.08
Eliminated on disposal of assets	–	76.58	–	22.98	1.82	7.80	4.04	0.52	11.17	124.92
Adjustments	–	–	–	–	–	–	–	–	–	–
Balance as at March 31, 2023	**1,416.77**	**608.54**	**7.87**	**10,890.63**	**386.52**	**85.55**	**67.01**	**69.34**	**117.11**	**13,649.34**
Net carrying amount (I-II)										
Balance as on March 31, 2023	**1,778.17**	**3,177.65**	**464.27**	**6,563.02**	**172.56**	**71.56**	**22.01**	**39.58**	**33.73**	**12,322.55**
Balance as on March 31, 2022	1,878.11	2,592.77	–	7,053.36	193.98	63.75	25.74	45.26	26.00	11,878.97
I. Cost										
Balance as at April 1, 2021	**3,188.62**	**2,996.18**	**–**	**17,042.19**	**561.00**	**89.75**	**91.75**	**81.27**	**126.47**	**24,177.23**
Additions	3.99	–	–	190.06	–	51.66	2.20	15.84	12.21	275.96
Disposals	–	–	–	64.64	–	–	0.82	–	–	65.46
Adjustments	(0.01)	–	–	(8.45)	–	(0.01)	–	0.02	(0.13)	(8.58)
Balance as at March 31, 2022	**3,192.60**	**2,996.18**	**–**	**17,159.16**	**561.00**	**141.40**	**93.13**	**97.13**	**138.55**	**24,379.15**
II. Accumulated depreciation										
Balance as at April 1, 2021	**1,212.38**	**183.08**	**–**	**9,403.82**	**331.75**	**67.46**	**62.47**	**36.34**	**98.68**	**11,395.98**
Depreciation expense for the year	102.12	220.33	–	723.33	35.26	5.68	5.68	15.53	8.99	1,116.92
Eliminated on disposal of assets	–	–	–	3.22	–	–	0.78	–	–	4.00
Adjustments	(0.01)	–	–	(18.13)	0.01	4.51	0.02	–	4.88	(8.72)
Balance as at March 31, 2022	**1,314.49**	**403.41**	**–**	**10,105.80**	**367.02**	**77.65**	**67.39**	**51.87**	**112.55**	**12,500.18**
Net carrying amount (I-II)										
Balance as on March 31, 2022	**1,878.11**	**2,592.77**	**–**	**7,053.36**	**193.98**	**63.75**	**25.74**	**45.26**	**26.00**	**11,878.97**
Balance as on March 31, 2021	1,976.24	2,813.10	–	7,638.37	229.25	22.29	29.28	44.93	27.79	12,781.25

Notes:

i) Refer note 13 for details of securities.

ii) During the year, the Company acquired plant and machinery for Rs. 14.83 Lakhs which has not been installed as at the year-end

Note No. 4(a) - Capital work in progress

CWIP	Amount in CWIP is for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2023	**14.83**	**–**	**–**	**–**	14.83
Projects in progress	**14.83**	**–**	**–**	**–**	14.83
As at 31 March, 2022	–	–	–	–	–
Projects in progress	–	–	–	–	–

Note No. 5 - Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Industrial Investment Promotion Assistance receivable – Unsecured, considered good	**–**	**–**	**–**	–	274.05	274.05
Security deposits – Unsecured, considered good	**–**	**106.00**	**106.00**	–	83.35	83.35
Inter-corporate deposits given :						
Unsecured considered good, to related parties						
Mahindra Electrical Steel Private Limited	**–**	**–**	**–**	1,425.00	–	1,425.00
Refer Note No 34-Related party transactions						
Others						
Export incentive receivable	**–**	**–**	**–**	0.26	–	0.26
	–	**106.00**	**106.00**	1,425.26	357.40	1,782.66

Note No. 6 - Other assets

Rs. in Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
(i) Advances to suppliers	**142.23**	**–**	**142.23**	75.81	–	75.81
(ii) Capital advances	**–**	**40.62**	**40.62**	–	–	–
(iii) Balances with government authorities (other than income taxes)						
(i) Custom/Excise deposits	**–**	**21.47**	**21.47**	–	21.47	21.47
(ii) CENVAT/GST input credit	**1,399.24**	**–**	**1,399.24**	1,705.99	–	1,705.99
(iii) Value added tax credit	**–**	**39.26**	**39.26**	–	39.26	39.26
(iv) Prepayments	**44.69**	**7.61**	**52.30**	44.36	4.42	48.78
(v) Income tax assets (net)	**–**	**299.72**	**299.72**	–	366.61	366.61
(vi) Other advances						
(i) Advance to employees	**0.13**	**–**	**0.13**	0.40	–	0.40
Total	**1,586.29**	**408.68**	**1,994.97**	1,826.56	431.76	2,258.32

Note No. 7 - Inventories

Rs. in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Raw materials	**10,991.54**	8,379.39
(b)	Work-in-progress	**403.99**	636.84
(c)	Finished goods	**1,520.42**	1,732.75
(d)	Stores and spares	**170.78**	82.51
(e)	Others: Scrap	**66.16**	100.53
	Total Inventories at the lower of cost and net realisable value	**13,152.89**	10,932.02
	Included above, goods-in-transit:		
(i)	Raw materials	**4,033.03**	928.86

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 29,862.01 Lakhs (FY 2022: Rs. 23,396.21 Lakhs)

(ii) The cost of inventories recognised as an expenses includes Rs. 261.06 Lakhs (FY 2022: Rs. 52.44 Lakhs) in respect of write-downs of inventory to net realisable value and provision on slow moving inventory.

(iii) The mode of valuation of inventories has been stated in note 2.5

(iv) Refer note no 16 for details of securities.

Note No. 8 - Investments

Investments carried at fair value through profit and loss

Rs. in Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
Investments in mutual fund.				
HDFC Overnight Fund - Regular Plan - Growth	**–**	**–**	18,336	575.00

Note No. 9 - Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Considered good, Unsecured	**6,152.49**	5,353.78
Total	**6,152.49**	5,353.78

Notes:

(i) The average credit period for sales of products ranges between 30 to 120 days and for Job work processing is 30 days.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired.

Rs. in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Undisputed Trade receivables — considered good	**4,734.95**	**1,417.31**	**0.23**	**0.00**	**–**	**–**	**6,152.49**
Disputed Trade Receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**4,734.95**	**1,417.31**	**0.23**	**0.00**	**–**	**–**	**6,152.49**

Rs. in Lakhs

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
		Outstanding for following periods from due date of payment					
As at March 31, 2022							
Undisputed Trade receivables — considered good	4,955.70	398.08	–	–	–	–	5,353.78
Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
Total Trade Receivables	4,955.70	398.08	–	–	–	–	5,353.78

Note No. 10 - Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
(a) Balances with banks	**45.06**	10.73
(b) Cash on hand	**0.06**	0.13
Total	**45.12**	10.86

Note No. 11 - Equity Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**17,000,000**	**1,700.00**	17,000,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**16,539,759**	**1,653.98**	16,539,759	1,653.98
Total	**16,539,759**	**1,653.98**	16,539,759	1,653.98

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended March 31, 2023				
Number of shares	**16,539,759**	**–**	**–**	**16,539,759**
Amount (in Lakhs)	**1,653.98**	**–**	**–**	**1,653.98**
Year ended March 31, 2022				
Number of shares	16,539,759	–	–	16,539,759
Amount (in Lakhs)	1,653.98	–	–	1,653.98

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: one vote for each equity share registered in the name of the member. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

Details of shares held by the holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited), the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	10,089,257

Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding	As at March 31, 2022 Number of shares	As at March 31, 2022 % of holding
Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited), the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	**61%**	10,089,257	61%
Metal One Corporation	**6,450,502**	**39%**	6,450,502	39%

Note No. 12 - Other equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2021	A	20.00	4,011.15	164.44	3,795.54	7,991.13
Profit for the year	B	–	–	–	1,843.65	1,843.65
Other comprehensive loss (net of taxes)	C	–	–	–	(1.54)	(1.54)
Total comprehensive Profit for the year	**D(B+C)**	**–**	**–**	**–**	**1,842.11**	**1,842.11**
Balance at March 31, 2022	G(A+D)	20.00	4,011.15	164.44	5,637.65	9,833.24
Profit for the year	H	–	–	–	1,692.36	1,692.36
Other comprehensive loss (net of taxes)	I	–	–	–	(0.16)	(0.16)
Total comprehensive income for the year	J(H+I)	**–**	**–**	**–**	**1,692.20**	**1,692.20**
Dividend (Rs. 3.30 per share)	K	–	–	–	(545.81)	(545.81)
Balance at March 31, 2023	**M(G+J)**	**20.00**	**4,011.15**	**164.44**	**6,784.04**	**10,979.63**

Rs. in Lakhs

Proposed dividends on equity shares:	**As at March 31, 2023**
Final cash dividend proposed for the year ended on March 31, 2023: Rs. 3.07 per share	**507.77**
Total	**507.77**

Proposed dividend on equity shares is subject to approval of the shareholders at the annual general meeting and is not recognised as a liability as at March 31, 2023.

Note No. 13 - Non current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
A. Secured:		
Term loans:		
From banks [Refer note (i)]	**1,216.77**	2,007.87
Less: Current maturities of long term debts	**(936.77)**	(791.10)
Total secured:	**280.00**	1,216.77

Notes:

(i) (a) As on 31 March 2023, the Company has taken term loan of Rs 376.77 Lakhs (FY 2022: Rs. 687.87 Lakhs) under sanction extended by HDFC Bank [interest payable at the rate of 8.77% p.a. (FY 2022: 7.30% p.a. to 7.37% p.a.) (payable monthly) linked to the base rate, secured by exclusive charge on movable property, plant and equipment situated at Noida and Bhopal plant; and pari-passu charge on property, plant and equipment situated at Chennai plant. The repayment Schedule is as under:

Rs. in Lakhs

Name of the Bank	Rate of Interest	repayable in FY 2023-24	Total
HDFC Bank	8.77%	282.49	282.49
HDFC Bank	8.77%	89.29	89.29
HDFC Bank	8.77%	4.99	4.99
Total		**376.77**	**376.77**

(i) (b) As on 31 March 2023, the Company has taken term loan of Rs 840 Lakhs (FY 2022: Rs. 1,320 Lakhs) under sanction extended by Axis Bank [interest payable at the rate of 8.95% p.a (FY 2022: 7.50% p.a) (payable monthly) linked to the base rate], secured by pari-passu charge on movable property fixed assets situated at Chennai plant. The repayment Schedule is as under:

Rs. in Lakhs

Name of the Bank	Rate of Interest	FY 2024	FY 2025	Total
Axis Bank	8.95%	560.00	280.00	840.00

Note No. 14 Trade payables

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable for goods & services		
A. Total outstanding dues from micro enterprises and small enterprises, and	**101.75**	167.49
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,759.87**	4,451.91
Subtotal	**7,861.62**	4,619.40
Acceptances	**3,546.50**	5,276.96
Total	**11,408.12**	9,896.36

Note: Dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**101.75**	167.49
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs. in Lakhs

Particulars	Unbilled Dues	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
		Outstanding for following periods from due date of payment					
As at March 31, 2023							
Trade payables — MSME	**–**	**101.75**	**–**	**–**	**–**	**–**	**101.75**
Trade payables — Others	**155.69**	**9,137.09**	**1,973.53**	**4.31**	**3.45**	**4.11**	**11,278.18**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**28.19**	**28.19**
Total Trade Payables	**155.69**	**9,238.84**	**1,973.53**	**4.31**	**3.45**	**32.30**	**11,408.12**
As at March 31, 2022							
Trade payables — MSME	–	167.49					167.49
Trade payables — Others	254.60	8,954.58	387.09	8.79	91.51	4.11	9,700.68
Disputed dues — MSME	–	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	28.19	28.19
Total Trade Payables	254.60	9,122.07	387.09	8.79	91.51	32.30	9,896.36

Note No. 15 Provisions

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2023 Total	As at March 31, 2022 Current	As at March 31, 2022 Non-Current	As at March 31, 2022 Total
(a) Provision for employee benefits						
(1) Long-term employee benefits						
(i) Provision for compensated absences	**18.80**	**117.84**	**136.64**	20.47	113.49	133.96
(ii) Provision for post retirement medical benefit	**0.21**	**10.05**	**10.26**	0.25	15.55	15.80
(iii) Provision for gratuity (net)	**–**	**37.60**	**37.60**	–	6.17	6.17
Total	**19.01**	**165.49**	**184.50**	20.72	135.21	155.93

Note:

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 32

Note No. 16 - Current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
A. Secured		
(i) Loans payable on demand From bank (Refer note (i))	**490.14**	2,658.84
(ii) Short term loan from bank (Refer note (ii))	**–**	1,000.00
(iii) Current maturities of long-term debt Refer note 13 for details of securities	**936.77**	791.10
Total	**1,426.91**	4,449.94
B. Unsecured		
Intercorporate Deposit (Refer note (iii))	**2,800.00**	2,050.00
Total	**2,800.00**	2,050.00
Total	**4,226.91**	6,499.94

Notes:

(i) (a) The Cash credit of Rs.253.99 Lakhs (FY:2022 Rs 1,258.42 Lakhs) from HDFC Bank Limited is secured on pari-passu basis by charge on stock and book debts of the Company. Interest is payable at the rate of 8.5% p.a. (FY:2022 7.60% p.a)

(b) The Cash credit of Rs. 236.15 Lakhs (FY:2022 Rs 1,400.42 Lakhs) from Axis Bank Limited is secured on first pari-passu basis by charge on current assets of the Company. Interest is payable at the rate of 8.85% p.a. (FY:2022 7.25%)

(ii) As at March 31, 2023, the Company had a working capital short term loan of Rs. NIL Lakhs (FY:2022 Rs. 1,000 Lakhs) under sanction extended by ICICI bank secured by first pari passu charge on the stock and book debts of the Company. Interest was payable at the rate of (FY:2022 5.9%) p.a linked to REPO.

(iii) The Company has taken unsecured short term intercorporate deposit of Rs. 2,800 Lakhs as at March 31,2023 (FY:2022 Rs. 2,050 Lakhs) from the Parent Company Mahindra Accelo Limited *(Formerly known as Mahindra Intertrade Limited)*. Interest is payable at the rate 8.4% p.a. to 8.8% p.a (FY:2022 7% to 7.10%)

Note No. 17 - Lease Liability

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-current	As at March 31, 2023 Total	As at March 31, 2022 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Total
Lease Liability	**399.60**	**3,368.04**	**3,767.64**	109.79	2,512.38	2,622.17
Total	**399.60**	**3,368.04**	**3,767.64**	109.79	2,512.38	2,622.17

Note No. 18 - Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non–current	As at March 31, 2023 Total	As at March 31, 2022 Current	As at March 31, 2022 Non–current	As at March 31, 2022 Total
Other financial liabilities measured at amortised cost						
(a) Interest accrued but not due on borrowings	**35.18**	**–**	**35.18**	15.04	–	15.04
(b) Other liabilities						
(1) Creditors for capital supplies/services	**35.15**	**–**	**35.15**	46.81	–	46.81
(2) Dealer deposit	**84.79**	**–**	**84.79**	62.17	–	62.17
(3) Employee wages and salary payable	**324.41**	**–**	**324.41**	253.67	–	253.67
Total	**479.53**	**–**	**479.53**	377.69	–	377.69
Other financial liabilities measured at fair value						
(1) Derivatives						
Foreign currency forward contracts	**2.82**	–	**2.82**	3.66	–	3.66
(2) Other						
Liability for Cash-settled share-based payments	**54.01**	**0.18**	**54.19**	35.96	25.91	61.87
Total	**56.83**	**0.18**	**57.01**	39.62	25.91	65.53
Total	**536.36**	**0.18**	**536.54**	417.31	25.91	443.22

Note No. 19 - Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a. Advances received from customers	**70.66**	62.60
b. Others		
(i) Employee recoveries and employer contributions	**18.98**	16.86
(ii) Statutory remittances (withholding taxes, GST etc.)	**58.35**	44.10
Total	**147.99**	123.56

Note No. 20 - Current Tax and deferred tax

(a) Income tax recognised in Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax:		
In respect of current year	**414.69**	463.83
In respect of prior year	**20.66**	19.03
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**257.17**	315.58
Adjustment due to change in tax rate	**–**	1.70
Total	**692.52**	800.14

(b) Income tax recognised in other comprehensive income

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
Remeasurement of defined benefit obligations	**–**	–
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**(0.07)**	(0.64)
Total	**(0.07)**	(0.64)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(0.07)**	(0.64)
Total	**(0.07)**	(0.64)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**2,384.88**	2,643.79
Income tax expense calculated at 29.12% (2022: 29.12%)	**694.48**	769.87
Effect of expenses that are non-deductible in determining taxable profit	**2.20**	3.21

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Others	**(24.82)**	6.33
Effect of expenses due to change in income tax rate	**–**	1.70
Current tax in respect of prior period	**20.66**	19.03
Income tax (income) / expense recognised in Statement of Profit and Loss	**692.52**	800.14

Note:

The tax rate used for the 31 March 2023 and 31 March 2022 reconciliations above is the corporate tax rate of 29.12% and 29.12% [including surcharge of 12% and 7% respectively and Health and Education Cess of 4% payable by corporate entities in India on taxable profits under Indian income tax laws.

Note No. 21 - Deferred tax

Rs. in Lakhs

For the year ended March 31, 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(942.43)	43.15	–	(899.28)
Tax effect of items constituting deferred tax assets				
Employee benefits	59.91	10.90	0.07	70.88
FVTPL financial liabilities including derivatives	7.49	(6.81)	–	0.68
Carried forward loss of current year	41.48	(41.48)	–	0.00
Minimum Alternate Tax Carried forward	463.83	(290.49)	–	173.34
Other	23.28	27.56	–	50.84
Net tax asset/(liabilities)	**(346.44)**	**(257.17)**	**0.07**	**(603.54)**

Rs. in Lakhs

For the year ended March 31, 2022

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(893.05)	(49.38)	–	(942.43)
Tax effect of items constituting deferred tax assets				
Employee benefits	49.96	9.31	0.64	59.91
FVTPL financial liabilities including derivatives	11.05	(3.56)	–	7.49
Carried forward loss of current year	802.34	(760.86)	–	41.48
Minimum Alternate Tax Carried forward	–	463.83	–	463.83
Other	(0.10)	23.38	–	23.28
Net tax asset/(liabilities)	**(29.80)**	**(317.28)**	**0.64**	**(346.44)**

FVTPL (Fair Value through Profit and Loss)

Note No. 22 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. **Revenue from contract with customers:** (Refer Note (i) below)		
(a) Revenue from sale of products (Refer note (ii) below)	**33,210.09**	27,582.01
(b) Revenue from rendering of services (Refer note (iii) below)	**2,211.76**	2,071.68
Subtotal	**35,421.85**	29,653.69
B. **Other operating revenue** (Refer note (iv) below)	**2,714.98**	1,858.64
Total	**38,136.83**	31,512.33

Notes:

(i) The management determines that the segment information reported under Note 22 A above is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(ii) Sale of products comprises:		
Manufactured goods		
Steel products	**33,210.09**	27,582.01
Total	**33,210.09**	27,582.01
(iii) Sale of services comprises:		
Steel processing	**2,211.76**	2,071.68
(iv) Other operating revenues comprise**:**		
Scrap sales	**1,858.06**	1,813.26
Insurance claim	**10.45**	17.86
Industrial Investment Promotion Assistance	**827.89**	0.35
Other operating income	**18.58**	27.17
Total	**2,714.98**	1,858.64

Note No. 23 - Other Income

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income		
Other	**35.67**	1.49
(b) Profit on sale of current investments	**0.33**	3.84
(c) Profit on sale of property, plant and equipment	**4.77**	5.44
(d) Liabilities no longer required written back	**105.92**	5.93
(e) Fair value gain on financial instruments at fair value through profit and loss	**0.84**	–
Total	**147.53**	16.70

Note No. 24 - Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	**8,379.39**	2,673.34
Add: Purchases	**32,028.98**	30,725.89
Less: Closing stock	**(10,991.54)**	(8,379.39)
Cost of materials consumed - Steel Products	**29,416.83**	25,019.84

Note No. 25 - Changes in inventories of finished goods and work-in-progress

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year:		
Finished goods - Steel Products	**1,520.42**	1,732.75
Work-in-progress - Steel Products	**403.99**	636.84
	1,924.41	2,369.59
Inventories at the beginning of the year:		
Finished goods - Steel Products	**1,732.75**	412.41
Work-in-progress - Steel Products	**636.84**	333.55
	2,369.59	745.96
Net decrease / (increase)	**445.18**	(1,623.63)

Note No. 26 - Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries and wages	**1,195.43**	1,133.28
(b) Contribution to provident and other funds	**93.93**	79.41
(c) Share based payment to employees	**67.00**	79.36
(d) Post-retirement medical benefit expense	**2.46**	2.33
(e) Staff welfare expenses	**125.55**	98.07
Total	**1,484.37**	1,392.45

Note No. 27 - Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liability measured at amortised cost		
(a) Borrowings	**466.91**	266.75
(b) Lease Liability	**220.36**	199.39
(c) Other		
- Usance Interest	**100.90**	31.95
- delayed/deferred payment of tax	**9.50**	1.40
Total	**797.67**	499.49

Note No. 28 - Depreciation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on		
Property, plant and equipment (Refer Note 4)	**1,274.08**	1,116.92
Total	**1,274.08**	1,116.92

Note No. 29 - Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Stores and tools consumed	**152.19**	90.84
(b) Power & fuel	**443.04**	506.62
(c) Rent including lease rentals	**45.73**	4.99
(d) Rates and taxes	**45.02**	37.03
(e) Insurance	**48.82**	49.63
(f) Repairs and maintenance - Buildings	**178.47**	53.74
(g) Repairs and maintenance - Machinery	**83.40**	98.86
(h) Repairs and maintenance - Others	**139.48**	138.87
(i) Freight outward	**260.82**	393.92
(j) Subcontracting, hire and service charges	**549.33**	482.16
(k) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Refer note No. 38)	**8.90**	9.59
(l) Net loss on foreign currency transactions and translations	**132.19**	152.36
(m) Fair value loss on financial instruments at fair value through profit and loss	**–**	3.66
(n) Auditors remuneration and out-of-pocket expenses(note below)	**11.41**	14.40
(o) Legal and other professional costs	**141.31**	120.05
(p) Bad debts / advances written off	**7.26**	31.92
(q) Software charges	**86.65**	52.38
(r) Miscellaneous expenses	**147.33**	239.15
Total	**2,481.35**	2,480.17

Note

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to statutory auditors (excluding GST):		
(i) For Audit	**10.70**	10.50
(ii) For other services	**–**	3.90
(iii) For reimbursement of expenses	**0.71**	–
Total	**11.41**	14.40

Note No. 30 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance	Refer foot note
1	**Current ratio (times)** Current assets/Current liabilities ...	1.25	1.18	6%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/ (Total equity)	0.36	0.67	(46%)	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation)/(gross interest for the period + principal repayments within a year)..........................	2.09	3.04	(31%)	2
4	**Return on Equity** (Net profit for the period/Total equity)..................................	13%	16%	(19%)	
5	**Inventory turnover (times)** (Cost of materials consumed/ Average inventories for the period)	2.48	3.23	(23%)	
6	**Trade receivables turnover (times)** (Revenue from sale of goods and services)/(Average trade receivable for the year)...........................	6.16	5.20	18%	
7	**Trade payables turnover (times)** (Purchase of goods and services)/ (Average trade payable for the year)	3.01	3.64	(17%)	
8	**Net working capital turnover (times)** (Revenue from sale of goods and services) / (Working capital i.e. current assets - current liabilities) ..	8.44	9.70	(13%)	
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)......................	4%	6%	(33%)	3
10	**Return on capital employed (%)** (Profit before interest and tax / Total equity and total debt)	15%	16%	(6%)	

Notes:

1) The improvement in ratio is on account of borrowings repaid as per schedule and no additional loans taken during the year.
2) The decrease in ratio is mainly on account of comparative drop in operating profits during the year.
3) Net Profit margin has reduced during the year mainly on account of salex mix.

Note No. 31 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Claims against the Company not acknowledged as debts:		
(a) Excise duty demand for FY 13-14 to June 17..	**406.88**	406.88
(b) Madhya Pradesh VAT/CST demand Financial Year 2011-12..............................	**8.95**	8.95
(c) Madhya Pradesh VAT/CST demand Financial Year 2012-13..............................	**6.51**	6.51
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets..	**118.82**	73.80
(iii) Other money for which the Company is contingently liable		
(a) Bank guarantee given by the Company to M/s SHV Energy Private Limited..................	**12.00**	12.00

Note No. 32 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 62.24 Lakhs (FY 2022: Rs. 56.00 Lakhs as expenses under defined contribution plans).

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident Fund...	**43.56**	39.33
Pension Fund...	**18.68**	16.67
Total	**62.24**	56.00

(b) Defined benefit plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST-RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement up to a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on 31st March, 2023

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2023	2022	**2023**	2022
(iii) Expense recognised in the Statement of Profit and Loss for the year ended March 31:				
1) Current service cost	**24.12**	22.22	**1.38**	1.30
2) Past service credit	**–**	–		–
3) Interest on net defined benefit liability/ (asset)	**0.08**	(1.28)	**1.08**	1.03
	24.20	20.94	**2.46**	2.33
(iv) Included in Other Comprehensive Income				
1) Actual return on plan assets less interest on plan assets	**(0.33)**	0.18	**–**	–
2) Actuarial (gain)/loss on account of :				
– Changes in demographic assumptions	**–**	–	**–**	–
– Financial assumptions	**5.61**	10.77	**(1.04)**	(0.87)
– Experience adjustments	**2.75**	(6.72)	**(6.76)**	(1.18)
	8.03	4.23	**(7.80)**	(2.05)

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2023	2022	**2023**	2022
(v) Net asset/(liability) recognised in the Balance Sheet as at March 31				
1) Present value of defined benefit obligation as at March 31	**265.14**	234.23	**10.26**	15.80
2) Fair value of plan assets as at March 31	**227.54**	228.06	**–**	–
3) Surplus/(Deficit)	**(37.60)**	(6.17)	**(10.26)**	(15.80)
4) Current portion of the above			**(0.21)**	(0.25)
5) Non current portion of the above	**(37.60)**	(6.17)	**(10.05)**	(15.55)
(vi) Change in the obligation during the year ended March 31				
1) Present value of defined benefit obligation at the beginning of the year	**234.23**	208.43	**15.80**	15.92
2) Expenses recognised in Statement of Profit and Loss account				
– Current service cost	**24.12**	22.22	**1.38**	1.30
– Past Service Cost	**–**	–		–
– Interest expense (income)	**15.19**	12.78	**1.08**	1.03
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
– Actuarial gain (loss) arising from:				
(i) Changes in demographic assumptions	**–**	–	**–**	–
(ii) Financial assumptions	**5.61**	10.77	**(1.04)**	(0.87)
(iii) Experience adjustments	**2.75**	(6.72)	**(6.76)**	(1.18)
4) Benefit payments	**(16.46)**	(10.31)	**(0.21)**	(0.24)
5) Liabilities (settled)/assumed	**(0.29)**	(2.94)	**–**	(0.16)
6) Present value of defined benefit obligation at the end of the year	**265.14**	234.23	**10.26**	15.80
(vii) Change in fair value of assets during the year ended March 31				
1) Fair value of plan assets at the beginning of the year	**228.06**	222.89	**–**	–
2) Expenses recognised in Statement of Profit and Loss account				
– interest on plan assets	**15.11**	14.06	**–**	–
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
– Actual return on plan assets in excess of the expected return	**0.33**	(0.18)	**–**	–
– Others (specify)				

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2023	2022	**2023**	2022
4) Contributions by employer (including benefit payments recoverable)	**0.50**	1.60	**–**	–
5) Benefit payments	**(16.46)**	(10.31)	**–**	–
6) Assets settled	**–**	–		
7) Fair value of plan assets at the end of the year	**227.54**	228.06	**–**	–
(viii) The major categories of plan assets				
List the plan assets by category here				
– Insurer managed funds	**227.54**	228.06	**–**	–
(ix) Actuarial assumptions				
1) Discount rate	**7.60%**	6.90%	**7.60%**	6.90%
2) Medical premium inflation	**–**	–	**6.00%**	6.00%
3) Rate of increase in compensation levels	**9.00%**	8.00%	**–**	–
4) Mortality table	**IALM(2012-14) ult**			

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1%**	**246.43**	**286.38**
	2022	1%	217.92	252.79
Salary growth rate	**2023**	**1%**	**285.52**	**246.54**
	2022	1%	252.35	217.93

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2023**	**1%**	**9.00**	**11.79**
	2022	1%	13.65	18.46
Medical inflation rate	**2023**	**1%**	**11.80**	**8.97**
	2022	1%	18.46	13.61

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 10 lakhs to the gratuity trusts during the next financial year 2024.

(xii) Maturity profile:

Gratuity — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2023	2022
Within 1 year	**23.50**	28.24
1 - 2 year	**26.08**	20.14
2 - 3 year	**38.94**	22.21
3 - 4 year	**25.88**	33.30
4 - 5 year	**28.87**	21.59
5 - 10 years	**114.57**	91.54
More than 10 years	**280.53**	222.22

Post-retirement medical benefits — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2023	2022
Within 1 year	**0.21**	0.25
1 - 2 year	**0.23**	0.26
2 - 3 year	**0.24**	0.28
3 - 4 year	**0.35**	0.29
4 - 5 year	**0.38**	0.27
5 - 10 years	**2.70**	3.12
More than 10 years	**32.86**	50.96

Note No. 33 - Segment reporting

Segment information:

The company has identified 'Steel Processing' as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information:

Almost all of the company's customer are located within India.

The Company operates and has its manufacturing / processing facilities based out of Pune, Bhopal, Chennai and Noida in India.

There is 1 customer having revenue Rs. 9,710.05 Lakhs contributing to more than 10% of the Company's revenue. [FY 2022: There were 2 customers (having revenue more than Rs. 4,537.69 Lakhs from each customer) who were individually contributing to more than 10% of the Company's revenue.]

Note No. 34 - Related party transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Relation	**Name**
Ultimate holding company	Mahindra & Mahindra Ltd.
Holding company	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)
Key management personnel (KMP)	Mr. Rajeev Dubey (Non-Executive Chairman)
	Mr. Sumit Issar (Managing Director)
	Mr. Ajay Mehta (Independent Director)
	Ms. Chandra Iyer (Independent Director)
	Mr. P. R. Barpande (Independent Director) (till 30 March 2022)
Other parties with whom transactions have taken place during the year.	
(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Pvt. Limited (MIBS)
	Mahindra Electrical Steel Private Limited (MESPL)
	Mahindra Auto Steel Private Limited (MASPL)
	Mahindra MiddleEast Electrical Steel Service Centre (FZC) (MME)
	Mahindra First Choice Services Limited (MFCSL)
	Mahindra Susten Private Limited (MSL) (till 22nd Dec 2022)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Logistics Limited (MLL)
	Mahindra Electric Mobility Ltd. (MEML) (merged into M&M w.e.f 1st Feb 2023)
(ii) A Company having significant influence	Metal One Corporation, Japan (MOJ)
	Metal One Corporation India Private Limited (MOI)

Managerial Remuneration

The Company is not required to pay any managerial remuneration to the Managing Director as per the terms of appointment.

(a) Disclosure of transactions (net of duties and taxes) between the company and related parties during the year ended March 31, 2023:

Rs. in Lakhs

Nature of transactions	Ultimate holding company		Holding company		Fellow subsidiary: MESPL		MASPL		MIBS		MSL		MMRPL		MLL		MME		MEML		A Company having Significant influence: MOI		MOJ	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Dividend paid	–	–	**332.94**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**212.87**	–
Processing Income	–	–	**1,552.71**	1,288.34	–	–	**12.08**	21.72	–	–	–	–	–	–	–	–	–	–	–	–	**16.97**	189.23	–	–
Processing Expense	–	–	–	–	–	–	**0.02**	11.91	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sales	**85.10**	–	**123.92**	9.16	–	–	–	–	–	–	–	–	–	–	–	–	**0.60**	–	**420.61**	191.65	**9,705.18**	4,348.46	–	–
Scrap sales	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchases	–	–	**2,470.49**	853.54	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,865.68**	2,986.72	**7,590.06**	10,136.80
Purchase of miscellaneous material	**7.54**	5.07	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of solar power	–	–	–	–	–	–	–	–	–	–	**25.98**	39.79	–	–	–	–	–	–	–	–	–	–	–	–
Marketing and support service charges	–	–	**233.55**	194.28	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sublease expenses	–	–	**109.31**	7.53	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional expenses	**12.55**	9.79	–	–	–	–	–	–	**28.60**	**6.71**	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Freight Charges paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	15.78	–	–	–	–	–	–	–	–
Interest on loan paid	–	–	**121.99**	34.88	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Recovery for tool development	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement received from parties	–	–	–	–	–	–	–	8.07	–	–	–	–	–	1.15	–	–	–	–	–	–	–	–	–	–
Reimbursement made to parties	**89.58**	50.06	**33.75**	0.28	–	–	–	–	–	–	–	–	**8.58**	7.73	–	–	–	–	–	–	–	–	–	–
Deputation of personnel to related parties	–	–	**24.89**	16.15	–	–	**2.21**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deputation of personnel from related parties	–	–	**106.26**	99.58	–	–	**9.22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on ICD	–	–	–	–	**30.06**	0.68	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of property, plant and equipment	**7.14**	9.72	–	–	–	–	–	–	–	–	–	–	**2.50**	–	–	–	–	–	–	–	–	–	–	–
Sale of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	20.67	–	–	–	–
Intercorporate Deposit Received	–	–	**8,700.00**	4,600.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit Repaid	–	–	**7,950.00**	3,475.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Security deposit given	–	–	**24.49**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit given	–	–	–	–	–	1,425.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit refunded	–	–	–	–	**1,425.00**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(b) Details of related party transactions with Key Management Personnel (KMP) for the year ended 31 March 2023:

Nature of Transactions	Designation	Director/KMP	March 31, 2023	March 31, 2022	Outstanding payable to KPMs March 31, 2023	Outstanding payable to KPMs March 31, 2022
Commission and Sitting Fees	Chairman	Mr. Rajeev Dubey	6.20	6.00	2.70	**2.70**
Commission and Sitting Fees	Independent Director	Mr. P. R. Barpande	–	6.00	–	2.70
Commission and Sitting Fees	Independent Director	Mr. Ajay Mehta	6.20	5.90	2.70	2.70
Commission and Sitting Fees	Independent Director	Ms. Chandra Iyer	6.10	–	2.70	–

(c) Outstanding receivable from and payable to related parties

Rs. in Lakhs

Nature of transactions	Ultimate holding company		Holding company		Fellow subsidiary: MESPL		MASPL		MIBS		MSL		MMRPL		MLL		MME		MEML		A Company having Significant influence: MOI		MOJ	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding receivable	**51.83**	–	–	–	–	–	**2.73**	3.09	–	–	–	–	–	–	–	–	–	–	–	50.64	**707.12**	1,264.44	–	–
Outstanding payable	**25.79**	19.21	**857.75**	2,354.29	–	–	–	–	**0.17**	1.58	–	–	**0.81**	0.68	–	–	–	–	–	–	–	–	**3,077.13**	5,013.82
Deposit given	–	–	**24.49**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit outstanding receivable	–	–	–	–	–	1,425.68	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit outstanding payable	–	–	**2,800.00**	2,000.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Notes:

1) In respect of the outstanding balances recoverable, no provision for doubtful debts was made in respect of these parties.

2) The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. During the year, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No. 35 - Financial instruments

[I] Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of net debt (borrowings as detailed in note 13 and 16 and offset by cash and cash equivalents) and total equity of the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	**4,506.91**	7,716.71
Less: Cash and cash equivalents (Refer note 10)	**45.12**	10.86
Net debt	**4,461.79**	7,705.85
Equity	**12,633.61**	11,487.22
Gearing ratio	**35%**	67%

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A. CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

The Company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specific case basis for major customers.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
As at March 31, 2023						
Non-interest bearing	**4,446.07**	**0.18**	**–**	**–**	**4,446.25**	**4,446.25**
Variable interest rate instruments	**12,693.47**	**1,528.36**	**672.17**	**3,114.77**	**18,008.77**	**15,770.14**
Total	**17,139.54**	**1,528.54**	**672.17**	**3,114.77**	**22,455.02**	**20,216.39**
As at March 31, 2022						
Non-interest bearing	4,393.37	25.91	–	–	4,419.28	4,419.28
Variable interest rate instruments	12,909.74	1,873.05	550.57	2,845.29	18,178.65	16,255.52
Total	17,303.11	1,898.96	550.57	2,845.29	22,597.93	20,674.80

Sensitivity interest rate increase by 1%:

Profit will decrease on variable interest rate instrument by Rs. 157.70 lakhs for the year ended 31 March, 2023 (Rs. 162.56 lakhs for the year ended March 31, 2022)

Sensitivity interest rate decrease by 1%:

Profit will increase on variable interest rate instrument by Rs. 157.70 lakhs for the year ended 31 March, 2023 (Rs. 162.56 lakhs for the year ended March 31, 2022)

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above
Derivative financial instruments				
As at 31 March, 2023				
Gross settled:				
– foreign exchange forward contract payable	**2.82**	**–**	**–**	**–**
As at 31 March, 2022				
Gross settled:				
– foreign exchange forward contracts Payable	3.66	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
As at 31 March, 2023						
Non-interest bearing	**6,197.61**	**–**	**–**	**2.65**	**6,200.26**	**6,200.26**
Variable interest rate instruments	**–**	**–**	**–**	**103.35**	**103.35**	**103.35**
Total	**6,197.61**	**–**	**–**	**106.00**	**6,303.61**	**6,303.61**
As at 31 March 2022						
Non-interest bearing	5,364.90	274.05	–	9.98	5,648.93	5,648.93
Variable interest rate instruments	1,425.00	–	–	73.37	1,498.37	1,498.37
Total	6,789.90	274.05	–	83.35	7,147.30	7,147.30

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured bank overdraft/ WCDL facility	**4,509.86**	1,341.16
– Expiring within one year	**4,509.86**	1,341.16
Unsecured working capital short term loan facility	**–**	–
– Expiring within one year	**–**	–
Secured working capital non-fund based facility: (LC, BG, LUT, LER)	**4,069.63**	1,614.27
– Expiring within one year	**4,069.63**	1,614.27
Unsecured working capital non-fund based facility: (LC, BG, LUT, LER)	**1,541.22**	1,425.14
– Expiring within one year	**1,541.22**	1,425.14
Secured Capex Rupee Term Loan	**–**	–
– Expiring beyond one year	**–**	–
Total	**10,120.71**	4,380.56

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Figures in Lakhs

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade payables/acceptance	USD	**66.00**	77.68

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Figures in Lakhs

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade payables/acceptance	USD	**58.32**	23.23

(ii) Interest rate risk

Refer note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 36 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in Lakhs

	Fair value hierarchy as at March 31, 2023			
Financial assets/ financial liabilities	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets				
Financial assets carried at amortised cost				
– Investments-Mutual funds	–	–	–	–
– Cash and cash equivalents	–	45.12	–	45.12
– Trade and other receivables	–	6,152.49	–	6,152.49
– Other financial assets	–	106.00	–	106.00
Total	–	6,303.61	–	6,303.61
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	4,542.09	–	4,542.09
– Short term deposits	–	84.79	–	84.79
– Trade and other payables	–	15,535.32	–	15,535.32
Total	–	20,162.20	–	20,162.20

Rs. in Lakhs

	Fair value hierarchy as at March 31, 2022			
Financial assets/ financial liabilities	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets				
Financial assets carried at amortised cost				
– Investments-Mutual funds	575.00	–	–	575.00
– Cash and cash equivalents	–	10.86	–	10.86
– trade and other receivables	–	5,353.78	–	5,353.78
– Other financial assets	–	1,782.66	–	1,782.66
Total	575.00	7,147.30	–	7,722.30
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	7,731.75	–	7,731.75
– Short term deposits	–	62.17	–	62.17
– Trade and other payables	–	12,819.01	–	12,819.01
Total	–	20,612.93	–	20,612.93

Financial assets/ financial liabilities measured at Fair value

Financial assets/financial liabilities	**As at March 31, 2023**	As at March 31, 2022	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
Other Financial Liabilities						
Foreign currency forward contracts	**2.82**	3.66	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Liability for Cash-settled share-based payments	**54.19**	61.87	Level 2	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	**57.01**	65.53				
Other Financial Assets						
Investments in Mutual funds	**–**	575.00	Level 1	Net assets value declared by the respective asset management companies.	NA	NA
Other Financial Assets	**–**	575.00				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note No. 37 - Earnings per share

Particulars	As at March 31, 2023	As at March 31, 2022
(loss)/Profit after tax (Rs. in Lakhs) (A)....	**1,692.36**	1,843.65
Weighted average number of shares Basic (B)..	**16,539,759**	16,539,759
Earnings per share basic/diluted (Rupees) (A/B)	**10.23**	11.15
Nominal value of equity share (Rupees)	**10.00**	10.00

Note No. 38 - Corporate social responsibility (CSR)

The CSR obligation for the year as computed by the Company and relied upon by the auditors is Rs. 3.40 Lakhs (F.Y 2022 Rs. Nil Lakhs). CSR amount spent during the year is Rs. 8.90 Lakhs (F.Y 2022 Rs. 9.59 Lakhs).

Note No. 39 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/ directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended March 31, 2020 and March 31, 2023.

Details of stock appreciation rights outstanding as on March 31, 2023

Particulars	Number of Grants	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Cash settled					
F'20 grant	13,831	Apr 23, 2019	Feb 28, 2024	10.00	500.50
F'23 grant	181	Dec 14, 2022	Feb 28, 2024	10.00	438.70
F'23 grant	181	Dec 14, 2022	Feb 28, 2025	10.00	438.70
F'23 grant	179	Dec 14, 2022	Feb 28, 2026	10.00	438.70
F'23 grant	179	Dec 14, 2022	Feb 28, 2027	10.00	438.70

Movement in Stock appreciation rights

Particulars	Number of Shares
(1) The number of share options outstanding at the beginning of the year;	28,214
(2) Granted during the year..	901
(3) Exercised during the year.......................................	14,564
(4) Expired/forfeited during the year.............................	–
(5) Outstanding at the end of the year..........................	14,551

Stock Appreciation Right's paid during the year

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

Particulars	Cash settled share appreciation rights
(1) Share price	529.4
(2) Exercise price..	10.00
(3) Expected volatility (weighted-average)	50.90%
(4) Option Life	3.41
(5) Expected dividends yield	5.00%
(6) Risk-free interest rate (based on government bonds)................................	7.10%

Note No. 40

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Nishant Sayani
Partner
Membership no: 132439

Place: Mumbai
Date: April 20 2023

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 20 2023

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Electrical Steel Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Electrical Steel Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a

statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXJ7908

Place: Mumbai
Date: 21st April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is not carrying out any manufacturing activity. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs 196.87 lakhs in the current financial year and Rs 196.95 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXJ7908

Place: Mumbai
Date: 21st April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Electrical Steel Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Nishant Sayani
Partner
Membership No. 132439
ICAI UDIN:23132439BGYFXJ7908

Place: Mumbai
Date: 21st April 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs in lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment		**–**	–
Total non-current assets		**–**	–
2 Current assets			
a) Financial assets			
(i) Cash and cash equivalents	4	**3.48**	17.05
(ii) Others	5	**9.48**	9.48
b) Asset held for sale	3	**678.24**	678.24
Total current assets		**691.20**	704.77
Total assets (1+2)		**691.20**	704.77
B EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	6	**50.00**	50.00
b) Other equity	7	**(1,170.40)**	(973.53)
Total equity		**(1,120.40)**	(923.53)
LIABILITIES			
2 Current liabilities			
a) Financial liabilities			
(i) Borrowings	8	**1,460.00**	1,425.00
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	9	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	9	**3.95**	4.27
(iii) Other financial liabilities	10	**90.75**	0.61
b) Other current liabilities	11	**1.24**	1.14
c) Liabilities directly associated with the asset held for sale	12	**255.66**	197.28
Total current liabilities		**1,811.60**	1,628.30
Total equity and liabilities (1+2)		**691.20**	704.77

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Nishant Sayani
Partner
Membership number: 132439

Place : Mumbai
Date: 21st April 2023

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

Place : Mumbai
Date: 21st April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs in lakhs

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Other income		–	–
I Total Income		–	–
II EXPENSES			
a) Finance costs	16	**130.89**	118.45
b) Depreciation expense	3	–	6.99
c) Other expenses	17	**65.98**	78.50
Total expenses		**196.87**	203.94
III Loss before tax (I - II)		**(196.87)**	(203.94)
IV Tax expense			
a) Current tax	13	–	–
b) Deferred tax	14	–	–
Total tax expense		–	–
V Loss after tax (III - IV)		**(196.87)**	(203.94)
VI Other comprehensive income		–	–
a) Items that will not be reclassified to profit or loss		–	–
b) Income tax relating to items that will not be reclassified to profit or loss		–	–
VII Total comprehensive loss for the year (V + VI)		**(196.87)**	(203.94)
VIII Earnings per equity share (of Rs. 10 each)			
Basic/Diluted (Rs.)	20	**(39.37)**	(40.79)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Nishant Sayani
Partner
Membership number: 132439

Place : Mumbai
Date: 21st April 2023

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

Place : Mumbai
Date: 21st April 2023

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

Rs in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**50.00**	50.00
Changes in equity share capital during the year	**–**	–
Balance at the close of the year	**50.00**	50.00

B. Other equity

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at March 31, 2021	**511.97**	**(1,281.56)**	**(769.59)**
Loss for the year	–	(203.94)	(203.94)
Other comprehensive income [Net of tax]	–	–	–
Total comprehensive loss for the year	–	(203.94)	(203.94)
Balance as at March 31, 2022	**511.97**	**(1,485.50)**	**(973.53)**
Loss for the year	–	(196.87)	(196.87)
Other comprehensive income [Net of tax]	–	–	–
Total comprehensive loss for the year	–	(196.87)	(196.87)
Balance as at March 31, 2023	**511.97**	**(1,682.37)**	**(1,170.40)**

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Nishant Sayani
Partner
Membership number: 132439

Place : Mumbai
Date: 21st April 2023

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

Place : Mumbai
Date: 21st April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2023

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Loss for the year	**(196.87)**	(203.94)
Adjustments for:		
Depreciation	**–**	6.99
Finance costs	**130.89**	118.45
	130.89	125.44
Operating loss before working capital changes	**(65.98)**	(78.50)
Changes in working capital:		
Increase in trade payables	**58.07**	73.11
Increase/(Decrease) in other current liabilities	**0.10**	0.27
	58.16	73.38
Cash used in operations	**(7.82)**	(5.12)
Net income tax refund	**–**	–
Net cash flow (Used in)/from operating activities (A)	**(7.82)**	(5.12)
B. Cash flow from investing activities		
Advance proceeds from proposed transfer of leasehold land- Dahej	**–**	0.99
Net cash flow (Used in)/from operating activities (B)	**–**	0.99
C. Cash flow from financing activitiess		
Inter-corporate deposit taken	**1,460.00**	1,425.00
Inter-corporate deposit repaid	**(1,425.00)**	(1,220.00)
Interest paid	**(40.75)**	(197.76)
Net cash flow (used in)/from financing activities (C)	**(5.75)**	7.24
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(13.57)**	3.11
Cash and cash equivalents at beginning of the year	**17.05**	13.94
Cash and cash equivalents at end of the year	**3.48**	17.05
	(13.57)	3.11

See accompanying notes forming part of the financial statements

Notes:

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2023 (CONTD.....)

IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting nclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

Rs in lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Opening Balance:		
Short term loan	**1,425.00**	1,220.00
Total Opening Balance	**1,425.00**	1,220.00
(a) Cash flow movements:		
Proceeds from borrowings	**1,460.00**	1,425.00
Repayment of borrowrings	**(1,425.00)**	(1,220.00)
	35.00	205.00
(b) Non cash adjustements	**–**	–
Closing Balance:		
Short term loan	**1,460.00**	1,425.00
Total Closing Balance	**1,460.00**	1,425.00

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Nishant Sayani
Partner
Membership number: 132439

Place : Mumbai
Date: 21st April 2023

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

Place : Mumbai
Date: 21st April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 Corporate information:

Mahindra Electrical Steel Limited ('the Company') was incorporated in India on 10 June, 2009 as a Public Company with authorised share capital of Rs.1,500.00 lakhs. The Ministry of Corporate Affairs approved the change of name from Mahindra Electrical Steel Limited to Mahindra Electrical Steel Private Limited with effect from 13 January, 2012. The Company is a public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013 ("the 2013 Act") as it is a subsidiary of Mahindra Accelo Limited (formally known as Mahindra Intertrade Limited) a public limited Company. The Company's main object is to trade in or process non-ferrous/ferrous materials including various grades of steel.

2 Significant Accounting Policies followed by the Company

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 and other relevant provision of the Act.

Going concern:

As at 31 March 2023, the Company's paid up capital stands at Rs 50.00 lakhs and correspondingly, the Company's accumulated loss aggregated Rs 1170.40 lakhs. The Company's current liabilities exceed the current assets by Rs 1120.40 lakhs. However, the financial statements have been prepared on a going-concern basis based on a letter of support from Mahindra Intertrade Limited, the holding company, stating that it will continue to provide such financial support to the Company as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its debts and liabilities, both present as well as in the future (until 31 March 2023), as and when they fall due for payment in the normal course of business.

Further, the company has entered in to an agreement to sale leasehold land ar Dahej (Gujarat) for total consideration of Rs 1,981.40 lakhs.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 20 April 2023.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013

Right-of-use assets are amortised over the period of lease.

2.4 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or loss.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.8 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.9 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.10 Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.11 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal group),

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.12 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements."

Note 3 - Property, plant and equipment

Rs in lakhs

Description of Assets	ROU
I. Cost	
Balance as at April 1, 2022	**–**
Additions	**–**
Disposals	**–**
Transfer to asset held for sale	**–**
Balance as at March 31, 2023	**–**
II. Accumulated depreciation	
Balance as at April 1, 2022	**–**
Depreciation for the year	–
Transfer to asset held for sale	–
Balance as at March 31, 2023	**–**
Net carrying amount (I-II)	
Balance as at March 31, 2023	**–**
Balance as at March 31, 2022	–

Description of Assets	ROU
I. Cost	
Balance as at April 1, 2021	**756.77**
Additions	**–**
Disposals	–
Transfer to asset held for sale	–
Balance as at March 31, 2022	**756.77**
II. Accumulated depreciation	
Balance as at April 1, 2021	71.54
Depreciation for the year	**6.99**
Transfer to asset held for sale	(78.53)
Balance as at March 31, 2022	**–**
Net carrying amount (I-II)	
Balance as at March 31, 2022	**–**
Balance as at March 31, 2021	685.23

Note 4 - Cash and cash equivalents

Rs in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Unrestricted balances with banks		
In current account	**3.48**	17.05
Total	**3.48**	17.05

Note 5 - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Refund due from GIDC - leasehold land at Dahej	**9.48**	9.48
Total	**9.48**	9.48

Note 6 - Share capital

Rs in lakhs

Particulars	As at March 31, 2023 Number of shares	As at March 31, 2023 Rupees	As at March 31, 2022 Number of shares	As at March 31, 2022 Rupees
(a) Authorised				
Equity shares of Rs. 10 each	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
	1,50,00,000	**1,500.00**	1,50,00,000	1,500.00
(b) Issued, subscribed and fully paid up.				
Equity shares of Rs. 10 each	**5,00,000**	**50.00**	5,00,000	50.00
	5,00,000	**50.00**	5,00,000	50.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening balance	Fresh issue	Buy back	Closing balance
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each				
For the year ended March 31, 2023				
Number of shares................	**5,00,000**	**–**	**–**	**5,00,000**
Amount (in Rs lakhs)............	**50.00**	**–**	**–**	**50.00**
For the year ended March 31, 2022				
Number of shares................	5,00,000	–	–	5,00,000
Amount (in Rs lakhs)............	50.00	–	–	50.00

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company

Particulars	**As at March 31, 2023**	As at March 31, 2022
	Number of shares	Number of shares
Mahindra Accelo Limited (Including 6 equity shares held jointly with its nominees)..	**5,00,000**	5,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	Number of shares	**% of holding**	Number of shares	% of holding
Mahindra Accelo Limited (Including 6 equity shares held jointly with its nominees)............................	**5,00,000**	**100%**	5,00,000	100%

Note 7 - Other equity

Rs in lakhs

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at March 31, 2021...	**511.97**	**(1,281.56)**	**(769.59)**
Loss for the year	–	(203.94)	(203.94)
Total comprehensive loss for the year..	–	(203.94)	(203.94)
Balance as at March 31, 2022.....	**511.97**	**(1,485.50)**	**(973.53)**
Loss for the year	–	(196.87)	(196.87)
Total comprehensive loss for the year..	–	(196.87)	(196.87)
Balance as at March 31, 2023.....	**511.97**	**(1,682.37)**	**(1,170.40)**

Note 8 - Borrowings

Rs in lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Measured at amortised cost		
Unsecured borrowings - at amortised Cost		
Loans		
Inter-corporate deposits taken:		
Unsecured		
From related parties..................................		
Mahindra Accelo Limited*	**1,460.00**	**–**
Mahindra Steel Service Center Limited* ...		**1,425.00**
Total current borrowings.................................	**1,460.00**	1,425.00

* Public Limited companies in which directors of the Company are directors.

Note 9 - Trade payables

Rs in lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Creditors for supplies/services.............................		
(a) total outstanding dues of micro enterprises and small enterprises; and	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises...........	**3.95**	4.27
Total	**3.95**	4.27

Note - There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This has been determined to the extent such parties have been identified based on the information available with the Company which has been relied upon by the auditors.

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) total outstanding dues of micro enterprises and small enterprises; and	–	–	–	–	–	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	3.95	–	–	–	–	3.95

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) total outstanding dues of micro enterprises and small enterprises; and	–	–	–	–	–	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	4.27	–	–	–	–	4.27

Note 10 – Other financial liabilities

Rs in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at amortised cost		
(a) Interest accrued on inter corporate deposits	**90.75**	0.61
Total	**90.75**	0.61

Note 11 - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Others		
- Statutory Dues (TDS)	**1.24**	1.14
Total	**1.24**	1.14

Note 12 - Liabilities directly associated with the asset held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance against sale of asset held for sale	**0.99**	0.99
(b) Nonutilisation fees payable	**254.67**	196.29
Total	**255.66**	197.28

Note 13 - Current tax

(a) Income Tax recognised in profit and loss

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax:		
In respect of current year	**–**	–
Excess provision for income tax for prior year	**–**	**–**
Total	**–**	**–**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	–
Due to change in income tax rate	**–**	**–**
Total	**–**	**–**

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	**(196.87)**	(203.94)
Income tax expense calculated at 31.20%	**(61.00)**	(64.00)
Effect of current year losses for which no deferred tax asset is recognised	**61.00**	**64.00**
Income tax expense recognised in the Statement of profit and loss	**–**	**–**

Note 14 - Deferred tax

Particulars	As at March 31, 2023 Opening Balance	Recognised in profit and loss	Recognised in equity	Recognised in equity
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	**153.43**	**–**	**–**	**153.43**
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	**153.43**	**–**	**–**	**153.43**
Total	**–**	**–**	**–**	**–**

Particulars	As at March 31, 2022 Opening Balance	Recognised in profit and loss	Recognised in equity	Recognised in equity
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	153.43	–	–	153.43
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	153.43	–	–	153.43
Total	–	–	–	–

Note 16 - Finance costs

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
(a) Interest on inter corporate deposit	**130.89**	118.45
Total	**130.89**	118.45

Analysis of interest expenses by category

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) On financial liability at amortised cost	**130.89**	118.45
Total	**130.89**	118.45

Note 17 - Other expenses

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Provision for non utilisation fees on leasehold land	**58.39**	71.23
(b) Rates and taxes	**1.77**	1.94
(c) Legal & professional expenses	**4.11**	3.62
(d) Auditors' remuneration (refer Note below)	**1.71**	1.71
(e) Other general expenses	**–**	–
Total	**65.98**	78.50

Note

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to statutory auditors:		
For audit (Including GST)	**1.71**	1.71
Total	**1.71**	1.71

Note No. 18 - Ratios

Rs in lakhs

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance
1	**Current ratio (times)** Current assets/Current liabilities	0.38	0.43	-12%
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/(Total equity)	(1.30)	(1.54)	-16%
3	**Debt service coverage ratio (times)** (Profit before interest and depreciation)/(gross interest for the period + principal repayments within a year)	NA	NA	NA
4	**Return on Equity** (Net profit for the period/Total equity)	18%	22%	-20%
5	**Inventory turnover (times)** (Cost of materials consumed/Average inventories for the period)	NA	NA	NA
6	**Trade receivables turnover (times)** Revenue from sale of goods and services)/(Average trade receivable for the year)	NA	NA	NA
7	**Trade payables turnover (times)** (Purchase of goods and services)/(Average trade payable for the year)	NA	NA	NA
8	**Net working capital turnover (times)** Revenue from sale of goods and services)/(working Capital i.e. current assets - current liabilities)	NA	NA	NA
9	**Net Profit margin (%)** (Net Profit for the period/Revenue from operations)	NA	NA	NA
10	**Return on capital employed (%)** (Profit before interest and tax/total equity, total debt)	-19.43%	-17.05%	14%
11	**Return on Investment (%)** (Total income from investment/Average investment for the period)	NA	NA	NA

Note 19 - Related Party Disclosures

Related party disclosures as required by Ind AS-24 " Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Accelo Limited (Formally known as Mahindra Intertrade Limited)
Fellow Subsidiary	Mahindra Steel Service Centre Limited

(B) Transactions with Related Parties:

(a) Disclosure of transactions between the Company and related parties during the year ended March 31, 2023:

Rs in lakhs

		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Ultimate Holding Company**		
	Professional fees	**3.59**	3.27
(ii)	**Holding Company**		
	Interest on Inter Corporate Deposits...	**100.83**	117.77
(iii)	**Fellow Subsidiary Company**		
	Interest on Inter Corporate Deposits...	**30.06**	0.68

(b) Outstanding balances:

Rs in lakhs

	As at March 31, 2023	As at March 31, 2022
Outstanding payables		
Ultimate Holding Company	**3.95**	2.32
Holding Company: Borrowings	**1,550.75**	
Fellow Subsidiary Company: Borrowings	**–**	1,425.00

During the year, there is no amount written off or written back in respect of such parties.

Note 20 - Earnings per share

Rs in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss after tax (in Rs lakhs) (A)..............	**(196.87)**	(203.94)
Weighted average number of shares (B) ...	**5,00,000**	5,00,000
Earnings per share [Basic/Diluted] (Rs.) (A/B)	**(39.37)**	(40.79)
Nominal value of equity share (Rs.)	**10.00**	10.00

Note 21 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flow, and by matching the monitoring profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flow.

Rs in lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities							
March 31, 2023							
Non-interest bearing		**94.71**		**–**	**–**	**94.71**	**94.71**
Variable interest rate instruments	**8.75%**	**1,460.00**		**–**	**–**	**1,460.00**	**1,460.00**
Total		**1,554.71**	**–**	**–**	**–**	**1,554.71**	**1,554.71**
March 31, 2022							
Non-interest bearing................		4.88		–	–	4.88	4.88
Variable interest rate instruments	9.40%	1,425.00		–	–	1,425.00	1,425.00
Total		1,429.88	–	–	–	1,429.88	1,429.88

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 146.00 lakhs for the year ended March 31, 2023 (Rs. 142.50 lakhs March 31, 2022)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 146.00 lakhs for the year ended March 31, 2023 (Rs. 142.50 lakhs March 31, 2022)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs in lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets							
March 31, 2023							
Interest bearing		**–**	**–**	**–**	**–**	**–**	**–**
Non-interest bearing		**12.96**	**–**	**–**	**–**	**12.96**	**12.96**
Total		**12.96**	**–**	**–**	**–**	**12.96**	**12.96**
March 31, 2022							
Interest bearing		–	–	–	–	–	–
Non-interest bearing................		26.53	–	–	–	26.53	26.53
Total		**26.53**	**–**	**–**	**–**	**26.53**	**26.53**

Note 22 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
- interest rates and yield curves observable at commonly quoted intervals
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs in lakhs

Particulars	Fair value hierarchy as at March 31, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents	–	3.48	–	3.48
– Others		9.48		9.48
Total	–	12.96	–	12.96
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit	–	1,460.00	–	1,460.00
– trade and other payables	–	94.70	–	94.70
Total	–	1,554.70	–	1,554.70

Particulars	Fair value hierarchy as at March 31, 2022 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents	–	17.05	–	17.05
– Others		9.48		9.48
Total	–	26.53	–	26.53
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit	–	1,425.00	–	1,425.00
– trade and other payables	–	4.88	–	4.88
Total	–	1,429.88	–	1,429.88

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note: 23

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Nishant Sayani
Partner
Membership number: 132439

Place : Mumbai
Date: 21st April 2023

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

Place : Mumbai
Date: 21st April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA AUTO STEEL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Auto Steel Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 36 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 36 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXH4492

Place: Mumbai
Date: 17 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of the Company based on the taxes paid to the authorities (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the

assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXH4492

Place: Mumbai
Date: 17 April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Auto Steel Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXH4492

Place: Mumbai
Date: 17 April 2023

BALANCE SHEET AS AT 31 MARCH, 2023

(Rs in lakhs)

	Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	4	**8,978.93**	9,613.50
	(b) Capital work in progress	4(a)	**70.76**	–
	(c) Financial assets			
	(i) Others	9	**773.44**	713.86
	(d) Other non-current assets	5	**200.80**	26.10
	Total non - current assets		**10,023.93**	10,353.46
	2 Current assets			
	(a) Inventories	6	**13,094.37**	5,721.74
	(b) Financial assets			
	(i) Trade receivables	7	**9,593.52**	7,291.72
	(ii) Cash and cash equivalents	8	**21.18**	169.10
	(iii) Others	9	**199.97**	418.52
	(c) Other current assets	5	**65.17**	134.88
	Total current assets		**22,974.21**	13,735.96
	(e) Non-Current Assets classified as held for sale			
	Total assets (1+2)		**32,998.14**	24,089.42
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	10	**6,850.00**	6,850.00
	(b) Other equity	11	**6,940.04**	4,347.21
			13,790.04	11,197.21
	Total equity		**13,790.04**	11,197.21
	LIABILITIES			
	2 Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	**640.80**	1,281.60
	(ii) Other financial liabilities (other than those specified in (c) below)	16	**0.04**	6.22
	(b) Deferred tax liabilities (net)	20	**665.30**	586.65
	(c) Provisions	13	**25.41**	43.18
	Total non - current liabilities		**1,331.55**	1,917.65
	3 Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	**11,421.00**	3,352.00
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises; and	15	**57.91**	60.03
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	**5,744.50**	7,172.27
	(iii) Other financial liabilities (other than those specified in (b) below)	16	**204.06**	102.64
	(b) Provisions	13	**3.32**	4.07
	(c) Current tax liabilities (Net)	17	**209.29**	70.15
	(d) Other current liabilities	18	**236.47**	213.40
	Total current liabilities		**17,876.55**	10,974.56
	Total equity and liabilities (1+2+3)		**32,998.14**	24,089.42

See accompanying notes forming part of the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: 17 April, 2023

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary
ACS: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 17 April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

(Rs in lakhs)

	Particulars	Note No.	**For the year ended 31 March, 2023**	For the year ended 31 March, 2022
I	Revenue from operations	21	**47,927.28**	24,873.68
II	Other Income	22	**6.18**	5.51
III	**Total income (I + II)**		**47,933.46**	24,879.19
IV	**EXPENSES**			
	(a) Cost of materials consumed	23(a)	**37,451.48**	18,126.61
	(b) Purchases of stock-in-trade		**4,257.58**	2,391.54
	(c) Changes in inventories of finished goods and stock-in-trade	23(b)	**(942.30)**	(67.79)
	(d) Employee benefits expense	24	**284.51**	307.24
	(e) Finance costs	25	**832.42**	311.92
	(f) Depreciation expenses	4	**762.97**	631.59
	(g) Other expenses	26	**1,342.25**	925.11
	Total expenses (IV)		**43,988.91**	22,626.22
V	**Profit before tax (III - IV)**		**3,944.55**	2,252.97
VI	**Tax expense**			
	(a) Current tax	19	**1,044.31**	401.86
	(b) Deferred tax	20	**78.65**	297.87
	Total tax expense		**1,122.96**	699.73
VII	**Profit for the year (V - VI)**		**2,821.59**	1,553.24
VIII	**Other comprehensive income/(loss)**		**4.14**	(2.77)
	(i) Items that will not be reclassfied to profit or loss			
	(a) Remeasurements of the defined benefit plans		**(5.84)**	3.91
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.70**	(1.14)
IX	**Total comprehensive income for the year (VII + VIII)**		**2,825.73**	1,550.47
	Earnings per equity share (of Rs. 10/- each)			
	Basic/Diluted	34	**4.12**	2.27

See accompanying notes forming part of the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: 17 April, 2023

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary
ACS: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 17 April, 2023

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(Rs in lakhs)

Particulars	
Balance at 1 April, 2021	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2022	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2023	**6,850.00**

B. Other Equity

For the year ended 31 March, 2023

(Rs in lakhs)

Particulars	Retained earnings
Balance at 1 April, 2021 (A)	2,816.74
Profit for the year (B)	1,553.24
Other comprehensive loss (C)	(2.77)
Total comprehensive income for the year (D)=(B)+(C)	**1,550.47**
Dividend paid on equity shares (E)	(20.00)
Balance at 31 March, 2022 (G)=(A)+(D)+(E)	**4,347.21**
Profit for the year (H)	2,821.59
Other comprehensive income (I)	4.14
Total comprehensive income for the year (J)=(H)+(I)	2,825.73
Dividend paid on equity shares (K)	(232.90)
Balance at 31 March, 2023 (G)+(J)+(K)	**6,940.04**

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: 17 April, 2023

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary
ACS: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 17 April, 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2023

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Cash flow from operating activities		
Profit before tax for the year	**3,944.55**	2,252.97
Adjustment for:		
(1) Depreciation and amortisation	**762.97**	631.59
(2) Finance costs	**832.42**	311.92
(3) Unrealised loss on derivative contracts	**7.68**	3.27
(4) Liabilities no longer required written back	**(0.06)**	
(5) Interest income recognised in Statement of Profit and Loss	**(0.91)**	(1.04)
(6) Profit on sale of current investments	**(0.27)**	–
(7) (Profit) / Loss on sale of property, plant and equipment	**(2.26)**	0.57
	5,544.12	3,199.28
Movement in working capital:		
(1) Increase in trade receivable	**(2,301.80)**	(4,987.17)
(2) Increase in inventories	**(7,372.63)**	(4,510.30)
(3) Decrease/(increase) in other assets	**225.92**	(123.01)
(4) Decrease/(increase) in trade payable	**(1,429.83)**	5,046.20
(5) Decrease/(increase) in provision	**(12.68)**	9.53
(6) Increase in other liabilities	**18.10**	171.44
	(10,872.92)	(4,393.30)
Cash used in operations	**(5,328.80)**	(1,194.02)
Less: income taxes paid(net)	**(918.32)**	(334.63)
Net cash used in operating activities	**(6,247.12)**	(1,528.65)
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(308.43)**	(285.26)
(2) Proceed from disposal of property, plant and equipment	**3.10**	0.10
(3) Interest received	**0.91**	1.04
(4) Purchase of current investments	**(2,085.00)**	–
(5) Sale of current investments	**2,085.27**	–
Net cash used in investment activities	**(304.15)**	(284.12)
Cash flow from financing activities		
(1) Repayment of long term borrowings	**(427.20)**	(427.47)
(2) Proceeds from short term borrowings	**20,905.00**	2,924.80
(3) Repayment of short term borrowings	**(16,049.60)**	–
(4) Inter corporate Deposit taken	**8,750.00**	8,150.00
(5) Inter corporate Deposit repaid	**(5,750.00)**	(8,450.00)
(6) Interest paid	**(791.95)**	(311.79)
(7) Dividend paid (including dividend distribution tax)	**(232.90)**	(20.00)
Net cash generated from financing activities	**6,403.35**	1,865.54
Net (decrease) / increase in cash and cash equivalents	**(147.92)**	52.77
Cash and cash equivalents at the beginning of the year	**169.10**	116.33
Cash and cash equivalents at the end of the year	**21.18**	169.10

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD...)

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Schedule of cash and cash equivalent (refer note: 8)		
Cash in hand	**0.01**	*
Balances with bank	**21.17**	169.10
	21.18	169.10

* Represents Rs 392

Notes:

1 The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

2 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Balance:		
Long term loan	**1,281.60**	1,708.80
Short term loan	**3,352.00**	727.47
Total Opening Balance	**4,633.60**	2,436.27
(a) Cash flow movements:		
Proceeds from borrowings	**29,655.00**	11,074.80
Repayment of borrowrings	**(22,226.80)**	(8,877.47)
	7,428.20	2,197.33
(b) Non cash adjustments	**–**	**–**
Closing Balance:		
Long term loan	**640.80**	1,281.60
Short term loan	**11,421.00**	3,352.00
Total Closing Balance	**12,061.80**	4,633.60

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Place: Mumbai
Date: 17 April, 2023

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary
ACS: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 17 April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

1 Corporate information

Mahindra Auto Steel Private Limited ("the Company") is incorporated on December 12, 2013 under the Companies Act, 2013. The Company is a public company by virtue of proviso to Section 2(71) of Companies Act,2013 (''the 2013 Act'') as it is a subsidiary of a public limited company. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is processing and trading of various grades of steel. The Company's steel processing plant is located at Chakan.

The Company is the subsidiary of Mahindra Accelo Limited (formally known as Mahindra Intertrade limited), Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under the section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions thereof.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the values are rounded of to nearest lakhs.

The financial statements were approved by the Board of Directors and authorised for issue on 17 April, 2023.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.3	Property, plant & equipment
Note No.2.10	Employee benefits

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following class based on the technical advise which has considered estimated usage and operating condition of the assets:

(a) Blanking line (plant and equipment)-20 years

(b) Progressive line (plant and equipment)-20 years

(c) Vehicles - 5 years

2.4 Impairment of assets :

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories :

Inventories, except for stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, goods and service tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

2.6 Foreign currencies :

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.7 Financial assets and financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted by them.

Sale of services:

Service income is recognised over time based on as and when service is performed.

2.9 Government grants:

The Company is entitled to incentives from government authority in respect of manufacturing unit located in developing region. The Company accounts for its entitlement as income on an accrual basis.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

2.11 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit or Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Recent pronouncements

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 4 - Property, plant and equipment

(Rs in lakhs)

Description of assets	Right of use asset - Land	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost or deemed cost									
Balance as at 1 April, 2022	**2,466.36**	**2,514.95**	**7,437.44**	**253.50**	**20.89**	**23.29**	**18.93**	**68.85**	**12,804.21**
Additions	–	–	103.91	–	3.31	–	4.12	17.90	129.24
Disposals	–	–	–	–	–	–	–	(16.88)	(16.88)
Balance as at 31 March, 2023	**2,466.36**	**2,514.95**	**7,541.35**	**253.50**	**24.20**	**23.29**	**23.05**	**69.87**	**12,916.57**
II. Accumulated depreciation									
Balance as at 1 April, 2022	**209.05**	**521.28**	**2,257.78**	**135.67**	**17.01**	**12.28**	**13.56**	**24.08**	**3,190.71**
Depreciation and amortisation for the year	26.14	88.85	607.59	24.25	1.11	2.22	2.06	10.75	762.97
Eliminated on disposal of assets	–	–	–	–	–	–	–	(16.04)	(16.04)
Balance as at 31 March 2023	**235.19**	**610.13**	**2,865.37**	**159.92**	**18.12**	**14.50**	**15.62**	**18.79**	**3,937.64**
Net carrying amount (I-II)									
Balance as on 31 March, 2023	**2,231.17**	**1,904.82**	**4,675.98**	**93.58**	**6.08**	**8.79**	**7.43**	**51.08**	**8,978.93**
Balance as on 31 March, 2022	2,257.31	1,993.67	5,179.66	117.83	3.88	11.01	5.37	44.77	9,613.50

I. Cost or deemed cost									
Balance as at 1 April, 2021	**2,466.36**	**2,101.89**	**4,698.17**	**250.40**	**18.82**	**23.36**	**14.69**	**54.34**	**9,628.03**
Additions	–	413.06	2,739.27	3.10	2.07	–	4.24	27.34	3,189.08
Disposals	–	–	–	–	–	(0.07)	–	(12.83)	(12.90)
Balance as at 31 March, 2022	**2,466.36**	**2,514.95**	**7,437.44**	**253.50**	**20.89**	**23.29**	**18.93**	**68.85**	**12,804.21**
II. Accumulated depreciation									
Balance as at 1 April, 2021	**182.91**	**436.25**	**1,770.83**	**111.86**	**16.17**	**10.09**	**12.26**	**30.98**	**2,571.35**
Depreciation and amortisation for the year	26.14	85.03	486.95	23.81	0.84	2.23	1.30	5.29	631.59
Eliminated on disposal of assets	–	–	–	–	–	(0.04)	–	(12.19)	(12.23)
Balance as at 31 March, 2022	**209.05**	**521.28**	**2,257.78**	**135.67**	**17.01**	**12.28**	**13.56**	**24.08**	**3,190.71**
Net carrying amount (I-II)									
Balance as on 31 March, 2022	**2,257.31**	**1,993.67**	**5,179.66**	**117.83**	**3.88**	**11.01**	**5.37**	**44.77**	**9,613.50**
Balance as on 31 March, 2021	2,283.45	1,665.64	2,927.34	138.54	2.65	13.27	2.43	23.36	7,056.68

Note No. 4(a) - Capital work in progress

(Rs in lakhs)

	Amount in CWIP is for the period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March, 2023	**70.76**	**–**	**–**	**–**	**70.76**
Projects in progress	70.76	–	–	–	70.76
Projects temporarily suspended	–	–	–	–	–
As at 31 March, 2022					
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 5 - Other assets

(Rs in lakhs)

Particulars	As at 31 March, 2023 Current	Non-Current	Total	As at 31 March, 2022 Current	Non-Current	Total
(i) Capital advances	**–**	**160.49**	**160.49**	–	–	–
(ii) Prepayments	**38.25**	**1.78**	**40.03**	22.74	6.22	28.96
(iii) Income tax assets (net)		**31.33**	**31.33**	–	19.88	19.88
(iv) Balances with government authorities (other than income taxes)	**–**	**–**	**–**	84.01	–	84.01
(v) Others advances						
(a) Defined contribution plan assets receivable in respect of employees transferred to the company	**–**	**7.20**	**7.20**	10.58	–	10.58
(b) Advances to suppliers	**26.92**	**–**	**26.92**	17.55	–	17.55
Total	**65.17**	**200.80**	**265.97**	134.88	26.10	160.98

Note No. 6 - Inventories

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Raw materials	**11,599.53**	5,250.10
(b) Finished goods	**1,000.41**	327.23
(c) Stock-in-trade	**335.87**	66.75
(d) Stores and spares	**158.56**	77.66
Total inventories at the lower of cost or net realisable value	**13,094.37**	5,721.74
Raw material good in transit included above	**13.45**	985.25

(i) The mode of valuation of inventories has been stated in note 2.5

(ii) Value of inventories above is stated after provisions Rs.280.09 lakhs (March 31, 2022: Rs.44.12 lakhs) for writedowns to net realisable value and provision for slow-moving and obsolete items.

Note No. 7 - Trade receivables

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Unsecured, considered good	**9,593.52**	7,291.72
Total	**9,593.52**	7,291.72

Notes:

(i) The average credit period ranges between 10 to 90 days for sales of products and between 10 to 60 days for job work processing.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired.

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
Undisputed trade receivables — considered good	**9,456.14**	**137.31**	**0.07**	**–**	**–**	**9,593.52**
Total Trade Receivables	**9,456.14**	**137.31**	**0.07**	**–**	**–**	**9,593.52**
As at March 31, 2022						
Undisputed trade receivables — considered good	6,856.76	434.96	–	–	–	7,291.72
Total Trade Receivables	6,856.76	434.96	–	–	–	7,291.72

Note No. 8 - Cash and cash equivalents

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Cash in hand	**0.01**	–
(b) Balances with banks		
In current account	**21.17**	169.10
Total	**21.18**	169.10

Cash in hand as at 31st March 2022 was Rs 392

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 9 - Other financial assets

(Rs in lakhs)

Particulars	As at 31 March, 2023 Current	Non-Current	Total	As at 31 March, 2022 Current	Non-Current	Total
(a) Financial assets at amortised cost						
Industrial promotion subsidy receivable	**199.97**	**749.49**	**949.46**	418.52	689.91	1,108.43
	199.97	**749.49**	**949.46**	418.52	689.91	1,108.43
(b) Financial assets at fair value						
Derivative financial instruments						
Forward contracts	–	–	–	–	–	–
	–	**–**	**–**	–	–	–
(c) Security deposits with others	**–**	**23.95**	**23.95**	–	23.95	23.95
Total	**199.97**	**773.44**	**973.41**	418.52	713.86	1,132.38

Note No. 10 - Share capital

(Rs in lakhs)

Particulars	As at 31 March, 2023 Number of shares	Rs in Lakhs	As at 31 March, 2022 Number of shares	Rs in Lakhs
(a) **Authorised**				
Equity Shares of Rs. 10 each	**76,000,000**	**7,600**	76,000,000	7,600
	76,000,000	**7,600**	76,000,000	7,600
(b) **Issued, subscribed and fully paid up**				
Equity Shares of Rs. 10 each	**68,500,000**	**6,850**	68,500,000	6,850
	68,500,000	**6,850**	68,500,000	6,850

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended 31 March, 2023				
Number of shares	**68,500,000**	**–**	**–**	**68,500,000**
Amount (Rs.)	**6,850**	**–**	**–**	**6,850**
Year ended 31 March, 2022				
Number of shares	68,500,000	–	–	68,500,000
Amount (Rs.)	6,850	–	–	6,850

(ii) The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since its incorporation (i.e. 12 December, 2013).

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company:

Particulars	**As at 31 March, 2023** **Number of shares**	As at 31 March, 2022 Number of shares
Mahindra Accelo Limited (Formally known as Mahindra Intertrade limited) (Including 2 equity shares held jointly with its nominees)	**51,717,500**	34,935,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Accelo Limited (Formally known as Mahindra Intertrade limited) (Including 2 equity shares held jointly with its nominees)	**51,717,500**	**75.50%**	34,935,000	51.00%
CSGT International Corporation	–	–	16,782,500	24.50%
Mitsui & Co.Ltd	**16,782,500**	**24.50%**	16,782,500	24.50%

Note No. 11 - Other equity

(Rs in lakhs)

Particulars	Retained earnings As at 31 March, 2023	As at 31 March, 2022
Balance at beginning of year (A)	**4,347.21**	2,816.75
Profit for the year (B)	**2,821.59**	1,553.24
Other comprehensive income (net of taxes) (C)	**4.14**	(2.77)
Total comprehensive income for the year (D)=(B)+(C)	**2,825.73**	1,550.47
Dividend (Rs. 0.34 per share) (2022: Rs.0.029 per share) (E)	**(232.90)**	(20.00)
Balance at end of year (A)+(D)+(E)	**6,940.04**	4,347.21

Note No. 12 - Non current borrowings

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Measured at amortised cost		
Secured		
Term loans from banks		
Rupee term loan (Refer Note 1, and 2)	**1,281.60**	1,708.80
Less: Current maturities of long term loan	**640.80**	427.20
Total	**640.80**	1,281.60

Note 1: The Company has taken term loan at MCLR plus 0.40% of Rs 1281.60 lakhs The repayment schedule for the balance outstandong amount is as under:

Name of the Bank	Rate of Interest	repayable in FY 2023-24	repayable in FY 2024-25
HDFC Bank	9.20%	640.80	640.80

Note 2 : Secured by first pari passu charge on the moveable fixed assets of the Company, present and future. Further, the Company has created negative lien on other fixed assets in favour of HDFC Bank limited.

Note No. 13 - Provisions

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023 Current	Non-Current	Total	For the year ended 31 March, 2022 Current	Non-Current	Total
Provision for employee benefits						
Long-term employee benefits						
(i) Provision for gratuity	–	–	–	–	9.47	9.47
(ii) Provision for compensated absences	**3.32**	**20.17**	**23.49**	4.07	25.39	29.46
(iii) Provision for post retirement medical benefit	–	**5.24**	**5.24**	–	8.32	8.32
Total	**3.32**	**25.41**	**28.73**	4.07	43.18	47.25

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 14 - Current borrowings

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Loan repayable on demand from Banks	**6,500.00**	2,900.00
Inter-corporate deposit payable	**3,000.00**	–
Current maturities of long term debts	**640.80**	427.20
Overdraft facilities from banks	**1,280.20**	24.80
Total	**11,421.00**	3,352.00

Note No. 15 - Trade payables

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Micro and small enterprises	**57.91**	60.03
Trade payable for goods & services		
(b) Other than micro and small enterprises*	**4,481.96**	5,126.44
Sub total	**4,539.87**	5,186.47
Acceptances	**1,262.54**	2,045.83
Total	**5,802.41**	7,232.30

Note:
There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This has been determined to the extent such parties have been identified based on the information available with the Company which has been relied upon by the auditors.

Note: Dues to Micro, Small and Medium Enterprises

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**57.91**	60.03
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

(Rs in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
Trade payables — MSME	**55.22**	**2.69**	**–**	**–**	**–**	**57.91**
Trade payables — Others	**4,300.64**	**1,443.86**	**–**	**–**	**–**	**5,744.50**
Total	**4,355.85**	**1,446.56**	**–**	**–**	**–**	**5,802.41**
As at March 31, 2022						
Trade payables — MSME	60.03	–	–	–	–	60.03
Trade payables — Others	5,720.55	1,451.73	–	–	–	7,172.27
Total	5,780.58	1,451.73	–	–	–	7,232.30

Note No. 16 - Other financial liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2023 Current	Non-Current	Total	As at 31 March, 2022 Current	Non-Current	Total
Other Financial Liabilities Measured at Amortised Cost						
(a) Interest accrued but not due on borrowings	**54.26**	**–**	**54.26**	13.79	–	13.79
(c) Other liabilities						
(1) Dealer deposit	**28.05**	**–**	**28.05**	22.96	–	22.96
(2) Creditors for capital supplies/services	**56.74**	**–**	**56.74**	4.68	–	4.68
(3) Others	**38.76**	**–**	**38.76**	47.26	–	47.26
	177.81	**–**	**177.81**	88.69	–	88.69
Other Financial Liabilities Measured at Fair value						
(a) Liability for Cash-settled share-based payments	**12.85**	**0.04**	**12.89**	8.23	6.22	14.45
(b) Derivative financial instruments Forward contracts	**13.40**	**–**	**13.40**	5.72	–	5.72
	26.25	**0.04**	**26.29**	13.95	6.22	20.17
Total	**204.06**	**0.04**	**204.10**	102.64	6.22	108.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 17 - Current tax liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for tax (Net of advance income tax)	**209.29**	70.15
Total	**209.29**	70.15

Note No. 18 - Other current liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Advances received from customers	**14.06**	2.76
(b) Others		
(1) Employee Recoveries and Employer Contributions	**2.34**	2.06
(2) Statutory Dues (TDS,TCS etc)	**28.16**	22.48
(3) GST payable	**191.91**	186.10
Total	**236.47**	213.40

Note No. 19 - Current tax and deferred Tax

(a) Income tax recognised in Statement of profit or loss

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Tax:		
In respect of current year	**1,044.31**	401.86
In respect of earlier years	**–**	–
	1,044.31	401.86
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(114.01)**	231.96
Minimum Alternate Tax Credit	**192.66**	65.91
	78.65	297.87
Total	**1,122.96**	699.73

(b) Income tax recognised in other comprehensive income

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Tax		
Remeasurement of defined benefit obligations	**(1.70)**	(1.14)
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
Total	**(1.70)**	(1.14)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(1.70)**	(1.14)
– Items that will be reclassified to profit and loss	**–**	–
Total	**(1.70)**	(1.14)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit before tax	**3,944.55**	2,252.97
Income tax expense calculated at 29.12% (2022: 29.12%)	**1,148.65**	656.06
Effect of expenses that is non-deductible in determining taxable profit	**17.40**	11.13
Others	**(43.09)**	6.95
Decrease in tax rate	**–**	25.59
	1,122.96	699.73
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
Income tax expense recognised In profit or loss	**1,122.96**	699.73

Note:

The tax rate used for the 31 March 2023 and 31 March 2022 reconciliations above is the corporate tax rate of 29.12% and 29.12% respectively (including surcharge 12% and health and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 20 - Deferred Tax

(Rs in lakhs)

For the Year ended 31 March, 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	**(770.48)**	**16.32**	**–**	**(754.16)**
FVTPL financial asset including derivatives	**(37.54)**	**39.63**	**–**	**2.09**
Tax effect of items constituting deferred tax assets				
Minimum alternate tax credit	**192.66**	**(192.66)**	**–**	**–**
Employee benefits	**8.58**	**(1.74)**	**–**	**6.84**
Cash-eettled share based payments	**4.21**	**(0.45)**	**–**	**3.76**
Others	**15.92**	**60.25**	**–**	**76.17**
Net tax asset/(liabilities)	**(586.65)**	**(78.65)**	**–**	**(665.30)**

(Rs in lakhs)

For the year ended 31 March, 2022

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(539.35)	(231.13)	–	(770.48)
FVTPL financial asset including derivatives	(20.34)	(17.20)	–	(37.54)
Tax effect of items constituting deferred tax assets				
Minimum alternate tax credit	258.57	(65.91)	–	192.66
Employee benefits	6.20	2.38	–	8.58
Cash-settled share based payments	2.92	1.29	–	4.21
Others	3.22	12.70	–	15.92
Net tax asset/(liabilities)	(288.78)	(297.87)	–	(586.65)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 21 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	Revenue from sale of goods (Refer Note (i) below)	**45,945.04**	23,328.00
(b)	Revenue from rendering of services (Refer Note (ii) below)	**644.28**	541.87
(c)	Other operating revenue (Refer Note (iii) below)	**1,337.96**	1,003.81
Total		**47,927.28**	24,873.68

Notes: (i)

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i)	Revenue from sale of goods comprises:		
	Manufactured goods		
	– Steel products	**41,276.04**	20,769.68
	Traded goods		
	– Steel products	**4,669.00**	2,558.32
(ii)	Revenue from rendering of services comprises:		
	– Job work processing	**644.28**	541.87
(iii)	Other operating revenue comprises:		
	– Scrap sales	**1,225.40**	627.99
	– Industrial promotion subsidy	**112.56**	375.82

Notes: (ii)

The management determines that the segment information reported under Note 31 Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

Note No. 22 - Other income

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	Interest Income:		
	On others	**0.91**	1.04
(b)	Gain on sale of current investments	**0.27**	–
(c)	Liabilities no longer required written back	**0.06**	–
(d)	Profit on sale of property, plant and equipment	**2.26**	–
(e)	Others	**2.68**	4.47
Total		**6.18**	5.51

Note No. 23(a) - Cost of materials consumed

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock	**5,250.10**	825.87
Add: Purchases	**43,800.91**	22,550.84
	49,051.01	23,376.71
Less: Closing stock	**11,599.53**	5,250.10
Cost of materials consumed-Steel	**37,451.48**	18,126.61

Note No. 23(b) - Change in inventories of finished goods

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year:		
Finished goods	**1,000.41**	327.23
Stock-in-trade	**335.87**	66.75
	1,336.28	393.98
Inventories at the beginning of the year:		
Finished goods	**327.23**	326.19
Stock-in-trade	**66.75**	–
	393.98	326.19
Net (increase)/decrease	**(942.30)**	(67.79)

Note No. 24 - Employee benefits expense

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	Salaries and wages	**224.84**	238.97
(b)	Contribution to provident and other funds	**16.03**	14.94
(c)	Share based payment to employees	**15.71**	16.40
(d)	Post retirement medical benefit expense	**1.17**	1.61
(e)	Staff welfare expenses	**26.76**	35.32
Total		**284.51**	307.24

Note No. 25 - Finance cost

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	On financial liability at amortised cost		
	(i) Borrowings	**805.44**	304.33
	(ii) Other		
	- delayed/deferred payment of tax	**17.00**	–
(b)	Other finance cost	**9.98**	7.59
Total		**832.42**	311.92

Analysis of interest expense by category

(Rs in lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Expense			
(a)	On financial liability at amortised cost	**815.42**	311.92
(b)	On non-financial liabilities	**17.00**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 26 - Other Expenses

(Rs in lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	Stores and spares consumed	**79.41**	42.85
(b)	Power & fuel	**154.95**	97.38
(c)	Rates and taxes	**7.64**	16.99
(d)	Insurance charges	**31.90**	20.09
(e)	Repairs and maintenance - Building	**23.71**	28.85
(f)	Repairs and maintenance - machinery	**11.68**	19.48
(g)	Repairs and maintenance - others	**12.42**	24.20
(h)	Freight and handling charges	**332.70**	157.61
(i)	Management fees	**200.00**	200.00
(j)	Auditors' remuneration (refer note below)	**6.50**	10.15
(k)	Directors' fees	**5.90**	6.70
(l)	Commission to non whole time directors	**10.00**	10.00
(m)	Fair value loss on financial instruments at fair value through profit and loss	**7.68**	3.27
(n)	Net loss on foreign currency transactions and translations	**204.41**	79.58
(o)	Printing and stationery	**8.50**	4.22
(p)	Legal and professional	**93.00**	77.22
(q)	Loss on sale of Property, Plant and Equipment	**–**	0.57
(r)	Travelling expenses	**10.70**	3.62
(s)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013	**22.16**	15.33
(t)	Other general expenses	**118.99**	107.00
Total		**1,342.25**	925.11

Note

(Rs in lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Payment to Auditor		
(a)	For audit	**6.05**	6.05
(b)	For certification	**–**	0.35
(c)	For other services	**–**	3.75
(d)	For reimbursement of expenses	**0.45**	–
		6.50	10.15

Note No. 27 - Contingent liabilities and commitments (to the extent not provided for)

(Rs in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Claims against the company not acknowledged as debts:		
Demand in lieu of cenvat credit disallowances	**–**	6.15
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**729.67**	20.86

Note No. 28 - Ratios

(Rs in lakhs)

Sr. No.	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022	Variance	Refer foot note
1	**Current ratio (times)** Current assets / Current liabilities	**1.29**	1.25	3%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings) / (Total equity)	**0.87**	0.41	111%	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation) / (gross interest for the period + principal repayments within a year)	**3.76**	4.32	-13%	
4	**Return on Equity** (Net profit for the period / Total equity)	**20.46%**	13.87%	48%	2
5	**Inventory turnover (times)** (Cost of materials consumed / Average inventories for the period)	**4.33**	5.90	-27%	
6	**Trade receivables turnover (times)** Revenue from sale of goods and services) / (Average trade receivable for the year)	**5.52**	4.97	11%	2
7	**Trade payables turnover (times)** (Purchase of goods and services) / (Average trade payable for the year)	**7.37**	5.30	39%	3
8	**Net working capital turnover (times)** Revenue from sale of goods and services / (working Capital i.e. current assets - current liabilities)	**9.14**	8.64	6%	
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)	**5.89%**	6.24%	-6%	
10	**Return on capital employed (%)** (Profit before interest and tax / total equity, total debt)	**18.48%**	16.20%	14%	2
11	**Return on Investment (%)** (Total income from investment / Average investment for the period)	**NA**	NA	NA	

Notes:

1) Debt equity ratio increased on accout of increase short term borrowing to meet in working capital requirements.
2) Increased mainly due to increase business volumes, revenue and higher contribution.
3) Trade payable turnover increased due to increase in import.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in statement of profit and loss for the year, an amount of Rs 10.88 lakhs (2022: Rs. 9.79 lakhs) pertaining to defined contribution plans.

(Rs in lakhs)

Benefit (Contribution to)	As at 31 March, 2023	As at 31 March, 2022
Provident Fund	**6.68**	6.22
Pension Fund	**4.20**	3.57
Total	**10.88**	9.79

(b) Defined Benefit Plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENTS MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Defined benefit plans – as per actuarial valuation on 31st March, 2023

(Rs in lakhs)

Particulars			**Funded Plan Gratuity 31 March 2023**	**Unfunded Plan Post retirement medical benefit 31 March 2023**	Funded Plan Gratuity 31 March 2022	Unfunded Plan Post retirement medical benefit 31 March 2022
(iii)	**Expense recognised in the Statement of Profit and Loss for the year ended 31st March:**					
	1.	Current service cost	**4.45**	**0.60**	3.52	0.48
	2.	Past service cost	**–**	**–**	–	0.57
	3.	Interest on net defined benefit liability/(asset)	**0.01**	**0.57**	0.19	0.40
			4.46	**1.17**	3.71	1.45
(iv).	**Included in other Comprehensive Income**					
	1.	Actual return on plan assets less interest on plan assets	**–**	**–**	0.18	–
	2.	Actuarial (Gain)/Loss on account of:				
		– Financial Assumptions	**(2.06)**	**(0.49)**	2.09	(0.43)
		– Demographic Assumptions	**–**	**–**	–	–
		– Experience Adjustments	**0.47**	**(3.76)**	1.03	1.03
			(1.59)	**(4.25)**	3.30	0.60
(v).	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**					
	1.	Present value of defined benefit obligation as at 31st March	**42.73**	**5.24**	47.88	8.32
	2.	Fair value of plan assets as at 31st March	**49.93**	**–**	38.42	–
	3.	Surplus/(Deficit)	**7.20**	**(5.24)**	(9.46)	(8.32)
	4.	Current portion of the above	**–**	**–**	–	–
	5.	Non current portion of the above	**7.20**	**(5.24)**	(9.46)	(8.32)
(vi).	**Change in the obligation during the year ended 31st March**					
	1.	Present value of defined benefit obligation at the beginning of the year	**47.89**	**8.32**	36.02	6.11
	2.	Expenses Recognised in Statement of Profit and Loss Account				
		– Current Service Cost	**4.45**	**0.60**	3.52	0.48
		– Past Service Cost	**–**	**–**	–	0.57
		– Interest Expense (Income)	**2.71**	**0.57**	2.26	0.40
	3.	Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
		– Actuarial Gain (Loss) arising from:				
		i. Financial Assumptions	**(2.06)**	**(0.49)**	2.09	(0.43)
		ii. Demographic Assumptions	**–**	**–**	–	–
		iii. Experience Adjustments	**0.47**	**(3.76)**	1.03	1.03
	4.	Benefit payments	**(1.04)**	**–**		–
	5.	Impact of liability assumed or (settled)	**(9.68)**	**–**	2.94	0.16
	6.	Present value of defined benefit obligation at the end of the year	**42.73**	**5.24**	47.88	8.32
(vii).	**Change in fair value of assets during the year ended 31st March**					
	1.	Fair value of plan assets at the beginning of the year	**38.42**	**–**	30.62	–
	2.	Expenses Recognised in Statement of Profit and Loss Account				
		– interest on plan assets	**2.69**	**–**	2.07	–
	3.	Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
		– Actual Return on plan assets in excess of the expected return	**0.00**	**–**	(0.18)	–
		– Others (specify)	**–**	**–**	–	–
	4.	Contributions by employer (including benefit payments recoverable)	**9.85**	**–**	5.91	–
	5.	Benefit payments	**(1.04)**	**–**	–	–
	6.	Assets acquired/(settled)	**–**	**–**	–	–
	7.	Fair value of plan assets at the end of the year	**49.93**	**–**	38.42	–
(viii).	**The Major categories of plan assets**					
	–	List the plan assets by category here				
		– Insurer managed funds	**49.93**	**–**	38.42	–
(ix).	**Actuarial assumptions**					
	1.	Discount rate	**7%**	**7.6%**	6.55%	6.9%
	2.	Attrition rate	**8%**	**8%**	8%	8%
	3.	Medical premium inflation	**–**	**6%**	–	6%
	4.	Rate of increase in compensation levels	**8%**	**8%**	7.6%	7%
	5.	Mortality table	**IALM(2012-14) ult**	**IALM(2012-14) ult**	IALM(2012-14) ult	IALM(2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the Gratuity Benefits to changes in the weighted principal assumptions is:

(Rs in lakhs)

			Impact on defined benefit obligation	
Principal assumption	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2023**	**1%**	**40.08**	**45.74**
	2022	1%	44.71	51.47
Salary growth rate	**2022**	**1%**	**45.69**	**40.06**
	2021	1%	38.69	33.62

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

(Rs in lakhs)

			Impact on defined benefit obligation	
Principal assumption	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2023**	**1%**	**4.64**	**5.96**
	2022	1%	9.23	9.63
Medical inflation rate	**2023**	**1%**	**5.96**	**4.62**
	2022	1%	9.63	7.21

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 9.5 lakhs to the gratuity trusts during the next financial year.

(xii) Maturity profile:

Gratuity

(Rs in lakhs)

Maturity profile of defined benefit obligation:	**2023**	2022
Within 1 year	**3.66**	3.81
1 - 2 year	**14.24**	3.91
2 - 3 year	**2.64**	12.69
3 - 4 year	**2.69**	3.09
4 - 5 year	**2.67**	3.10
5 - 10 years	**16.36**	20.59
More than 10 years	**38.57**	38.96

Post retirement medical benefits

Maturity profile of defined benefit obligation:

	2023	2022
Within 1 year	**–**	–
1 - 2 year	**–**	–
2 - 3 year	**0.23**	–
3 - 4 year	**0.25**	0.28
4 - 5 year	**0.26**	0.29
5 - 10 years	**1.21**	1.36
More than 10 years	**14.40**	24.08

Note No. 30 - Segment reporting

The Company has identified 'steel Processing', as its only primary reportable segment. The Manager (as appointed under Companies Act, 2013) have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All the customers of the company are located within india.

The Company operates and has its processing facility based out of Chakan in India.

There are 5 customers (2022 : 4 customers) those are individually contributing to more than 10% of the Company's revenue, Total amount of revenue from such customers for the year ended on 31 March 2023 are Rs. 31,191.88 lakhs (2022 : 17,655.22 lakhs).

Note No. 31 - Related Party Disclosures

Related party disclosures as required by IND AS 24 " Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Accelo Limited (MAL)

Other parties with whom transactions have taken place during the year

(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS)
	Mahindra Steel Service Centre Limited (MSSCL)
	Mahindra Logistics Limited (MLL)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Electric Mobility Limited(MEML)
(ii) Company which is Associate of Ultimate Holding Company	Mahindra CIE Limited (MCIE)
(iii) Companies having significant influence	CSGT International Corporation (CSGT) upto 31st March 2023
	Mitsui & Co. Ltd (Mitsui)
(iv) Key Management Personnel (KMP)	Mr. Sanjay Somkumar, Manager
	Ms. Smita Mankad, Independent Director
	Mr. P.R. Barpande, Independent Director (ceased w.e.f. 28th April, 2022)
	Mr. Ajay Mehta, Independent Director (w.e.f. 29th April, 2022)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the period ended 31 March, 2023:

(Rs in lakhs)

	Ultimate Holding Company		Holding Company		A Company having significant influence (upto 31st March 2023)		A Company having significant influence	
	M&M		MAL		CSGT		Mitsui	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Dividend paid	**–**	–	**118.78**	10.20	**57.06**	4.90	**57.06**	4.90
Inter corporate deposit taken	**–**	–	**5,750.00**	8,150.00	**–**	–	**–**	–
Inter corporate deposit repaid	**–**	–	**8,750.00**	8,450.00	**–**	–	**–**	–
Purchase of vehicles	**9.91**	14.49	**–**	–	**–**	–	**–**	–
Purchase of plant & machinery	**–**	–	**–**	3.97	**–**	–	**–**	–
Purchase of raw materials	**–**	–	**2,024.36**	857.23	**–**	–	**–**	–
Sale of Traded goods	**–**	–	**194.72**	486.75	**–**	–	**–**	–
Sale of finished goods	**3,577.55**	1,809.96	**–**	–	**–**	–	**–**	–
Job work processing	**–**	–	**0.14**	–	**–**	–	**–**	–
Other expenses	**2.33**	1.04	**–**	–	**–**	–	**–**	–
Legal and professional	**1.59**	3.13	**–**	–	**–**	–	**–**	–
Management fees	**–**	**–**	**200.00**	200.00	**–**	–	**–**	–
Processing charges			**1.32**		**–**	–	**–**	–
Interest on Inter corporate deposit	**–**	**–**	**164.78**	118.71	**–**	–	**–**	–
Reimbursement received from parties	**–**	**–**	**–**	–	**–**	3.75	**–**	–
Reimbursement made to parties	**36.87**	**27.11**	**56.30**	37.18	**–**	–	**–**	–

(C) Outstanding receivable from and payable to related parties

	Ultimate Holding Company		Holding Company	
	M&M		MAL	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022
Outstanding receivable	**24.91**	182.88	**0.73**	56.44
Outstanding payable	**2.94**	11.01	**353.92**	296.73

(Rs in lakhs)

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL		MLL		MEML	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Sale of Property, Plant and Equipment		–	**–**	–	**–**	–	**–**	–	**–**	**–**
Purchase of Property, Plant and Equipment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	**–**
Sale of finished goods	**–**	11.91	**–**	–	**–**	–	**–**	–	**–**	**0.17**
Job work processing	**0.02**	–	**–**	–	**–**	–	**–**	–	**–**	**–**
Legal and professional	**–**	**–**	**21.03**	7.71	**–**	–	**–**	–	**–**	**–**
Reimbursement received from parties	**2.21**	2.91	**–**	–	**–**	13.05	**–**	–	**–**	**–**
Reimbursement made to parties	**9.22**	8.08	**–**	–	**2.54**	0.04	**–**	–	**–**	**–**
Processing charges	**12.08**	21.72	**–**	–	**–**	–	**–**	–	**–**	**–**
Freight charges	**–**	–	**–**	–	**–**	–	**2.62**	18.96	**–**	**–**

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Outstanding receivable	**2.23**	–	**–**	–		2.26
Outstanding payable	**4.96**	3.09	**0.16**	0.47	**–**	–

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Rs in lakhs)

	Company which is Associate of Ultimate Holding Company		Name of KMP*		Name of KMP		Name of KMP		Name of KMP	
	MCIE		Mr. Sanjay Somkumar		M. Ajay Mehta		Ms. Smita Mankad		Mr. P.R.Barpande	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Sale of finished goods	**5,247.47**	3,306.54	**–**	–	**–**	–	**–**	–	**–**	–
Sitting fees paid	**–**	–	**–**	–	**2.20**	–	**3.00**	3.40	**0.70**	3.30
Commission	**–**	–	**–**	–	**4.62**	–	**5.00**	5.00	**0.38**	5.00
Managerial Remuneration	**–**	–	**61.15**	62.16	**–**	–	**–**	–	**–**	–

	Company which is Associate of Ultimate Holding Company		KMP		Name of KMP		KMP	
	MCIE		Ms.Smita Makad		M. Ajay Mehta		Mr. P.R.Barpande	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Outstanding receivable	**1,382.00**	842.10	**–**	–	**–**	–	**–**	–
Outstanding payable	**–**	–	**4.50**	4.50	**4.15**	–	**0.35**	4.50

* excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No. 32 - Financial instruments

[I] Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 and offset by cash and cash equivalents and current investments) and total equity of the Company.

The Company monitors capital using a gearing ratio, which is Net Debt divided by total capital. The Company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs in lakhs)

	31 March, 2023	31 March, 2022
Debt	**12,061.80**	4,633.60
Less:– Cash and Cash Equivalent including current investments	**21.18**	169.10
Net Debt	**12,040.62**	4,464.50
Equity	**13,790.04**	11,197.21
Gearing ratio	**87%**	40%

[II] Financial Risk Management Framework

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the companies's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit .

The company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specfic case basis for major customers.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the company in accordance with the company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March 2023						
Non-interest bearing	**4,648.22**	**0.04**	**–**	**–**	**4,648.26**	**4,648.26**
Variable interest rate instruments	**13,195.18**	**691.19**	**–**	**–**	**13,886.37**	**13,378.60**
Total	**17,843.40**	**691.23**	**–**	**–**	**18,534.63**	**18,026.86**
31 March 2022						
Non-interest bearing	5,246.64	6.22	–	–	5,252.86	5,252.86
Variable interest rate instruments	3,499.78	1,401.34	–	–	4,901.12	4,647.39
Total	8,746.41	1,407.56	–	–	10,153.98	9,900.25

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 133.79 Lakhs for the year ended 31 March, 2023 (Rs. 46.47 Lakhs for the year ended 31 March, 2022)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 133.79 Lakhs for the year ended 31 March, 2023 (Rs. 46.47 Lakhs for the year ended 31 March, 2022)

The following table details the company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total
Derivative financial instruments					
31 March 2023					
Gross settled:					
– foreign exchange forward contracts	**13.40**	**–**	**–**	**–**	**13.40**
31 March 2022					
Gross settled:					
– foreign exchange forward contracts	5.72	–	–	–	5.72

(iii) Maturities of financial assets

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying value
Non–derivative financial assets						
31 March 2023						
Non–interest bearing	**9,814.67**	**749.49**	**–**	**–**	**10,564.16**	**10,564.16**
Variable interest rate instruments	**–**	**–**	**–**	**23.95**	**23.95**	**23.95**
Total	**9,814.67**	**749.49**	**–**	**23.95**	**10,588.11**	**10,588.11**
31 March 2022						
Non–interest bearing	7,879.34	689.91	–	–	8,569.25	8,569.25
Variable interest rate instruments	–	–	–	23.95	23.95	23.95
Total	7,879.34	689.91	–	23.95	8,593.20	8,593.20

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Financing arrangements

The company had access to following undrawn borrowing facilities at the end of the reporting period:

(Rs in lakhs)

	31 March 2023	31 March 2022
Bank Overdraft/ WCDL facility	**651.04**	575.00
– Expiring within one year (Unsecured)	**651.04**	575.00
Working Capital Non-Fund Based facility: (LC, BG, LUT, LER)	**12,171.61**	545.00
– Expiring within one year (Unsecured)	**12,171.61**	545.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency.

The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Currency	**31 March 2023**	31 March 2023
Trade payables/acceptance	USD	**15.29**	35.39

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

	Currency	**31 March 2023**	31 March 2023
Trade payables/acceptance	USD	**–**	8.53

(ii) Interest Rate Risk

Refer Note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The company does not have significant risk in raw material price variations. In case of any variation in price, same is passed on to the customer through appropriate adjustments to selling prices

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 33 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets

– quoted prices for identical or similar assets or liabilities in markets that are not active

– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval

– implied volatilities

– credit spreads

– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(Rs in lakhs)

Financial assets/financial liabilities	**Fair value hierarchy as at 31 March, 2023**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalent	**–**	**21.18**	**–**	**21.18**
– trade receivables	**–**	**9,593.52**	**–**	**9,593.52**
– deposits	**–**	**23.95**	**–**	**23.95**
– Industrial promotion subsidy receivable	**–**	**949.46**	**–**	**949.46**
Total	**–**	**10,588.11**	**–**	**10,588.11**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Rs in lakhs)

Financial assets/financial liabilities	**Fair value hierarchy as at 31 March, 2023**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	**–**	**12,061.80**	**–**	**12,061.80**
– Short term deposits	**–**	**28.05**	**–**	**28.05**
– trade and other payables	**–**	**5,897.91**	**–**	**5,897.91**
– Interest payable	**–**	**54.26**	**–**	**54.26**
Total	**–**	**18,042.02**	**–**	**18,042.02**

(Rs in lakhs)

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalent	–	169.10	–	169.10
– trade receivables	–	7,291.72	–	7,291.72
– deposits	–	23.95	–	23.95
– Industrial promotion subsidy receivable	–	1,108.43	–	1,108.43
Total	–	8,593.20	–	8,593.20
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	4,633.60	–	4,633.60
– Short term deposits	–	22.96	–	22.96
– trade and other payables	–	7,284.24	–	7,284.24
– Interest payable	–	13.79	–	13.79
Total	–	11,954.59	–	11,954.59

Financial assets/financial liabilities measured at Fair value

(Rs in lakhs)

	Fair value as at					
Financial assets/financial liabilities	**31 March 2023**	31 March 2022	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
Financial assets	–	–				
Total financial assets	**–**	–				
Financial liabilities						
Other Financial Liabilities						
Liability for Cash-settled share-based payments	**12.89**	14.45	Level 2	Black Scholes option model	NA	NA
Forward contracts	**13.40**	5.72	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial liabilities	**26.29**	20.17				

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Fair value of financial assets and financial liabilities that are not measured at fair value

The company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 34 - Earnings per share

(Rs in lakhs)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Profit after tax (Rs.) (A)	**2,821.59**	1,553.24
Weighted average number of shares (B)	**68,500,000**	68,500,000
Earnings per share [Basic / Diluted] (Rs.) (A/B)	**4.12**	2.27
Nominal value of equity share (Rs.)	**10.00**	10.00

Note No. 35 - Corporate Social Responsibility (CSR)

The CSR obligation for the year as computed by the company and relied upon by the auditors is Rs.22.00 Lakhs (2022: Rs. 15,31 Lakhs). CSR amount spent during the year is Rs. 22.16 Lakhs (2022: Rs. 15,33 Lakhs).

Note No. 36 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/ directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the Face Value of the Equity Share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available Fair Value of the Company's Equity Share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2015 (SARS-2015) during the year ended 31st March, 2020 and 31st March, 2023.

Details of stock appreciation rights outstanding as on 31st March 2023

	Number of Shares	Grant Date	Expiry Date	Exercise Price (Rs.)	Fair value at Grant Date (Rs.)
Cash settled					
F'20 grant	3,291	24 Apr 2019	28 Feb 2027	10	178.89
F'23 grant	40	14 Dec 2022	28 Feb 2027	10	438.70
F'23 grant	40	14 Dec 2022	28 Feb 2028	10	438.70
F'23 grant	40	14 Dec 2022	28 Feb 2028	10	438.70
F'23 grant	38	14 Dec 2022	28 Feb 2028	10	438.70

Movement in Stock appreciation rights

		Number of Shares
1.	The number of share options outstanding at the beginning of the year;	6,577
2.	Granted during the period	198
3.	Exercised during the period	3,326
4.	Lapsed during the period	–
5.	Outstanding at the end of the period	3,449

Details of stock appreciation rights exercised during the year ended on 31st March 2023

	Number of SAR's	Vesting date	Share price at Exercise date
Cash settled			
F'20 grant	3,326	28/02/2023	529.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

		Cash settled Share Appreciation Rights
1.	Share price	529.40
2.	Exercise price	10
3.	Expected volatility (weighted-average)	50.90%
4.	Expected life/Option Life (weighted-average)	3.41
5.	Expected dividends yield	5.00%
6.	Risk-free interest rate (based on government bonds)	7.10%

Note No. - 37

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Nishant Sayani
Partner
Membership No: 132439

Bhavna Awatramani
Company Secretary
ACS: 33100

Parag Shah
Chairman
DIN:00374944

Sumit Issar
Director
DIN: 06951249

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 17 April, 2023

Place: Mumbai
Date: 17 April, 2023

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), which comprise the statement of financial position as at 31 March 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to Note 2(c) of the financial statements, which describes the fact that the United Arab Emirate Dirhams and Indian Rupee amounts in the accompanying financial statements are presented as supplementary information solely for the convenience of users which does not form part of the financial statements. We draw attention to the fact that the supplementary information does form part of the audited financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in accordance with the applicable implementing rules and regulations of Sharjah Airport International Free Zone, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further report that the financial statements comply, in all material respects, with applicable implementing rules and regulations of Sharjah Airport International Free Zone.

KPMG Lower Gulf Limited – SHJ BR

Emilio Pera

Registration No.: 1146

Place: Sharjah, United Arab Emirates
Date: 17th April 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

				Unaudited supplementary information (refer note 2 (c))			
	Note	31 March 2023	31 March 2022	31 March 2023		31 March 2022	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
ASSETS							
Property, plant and equipment	4	**3,130,672**	3,399,857	**11,489,563**	**257,169,048**	12,477,475	279,281,250
Capital advances		**12,017**	–	**44,101**	**987,136**	–	–
Non-current assets		**3,142,689**	3,399,857	**11,533,664**	**258,156,184**	12,477,475	279,281,250
Inventories	5	**5,650,465**	2,421,362	**20,737,210**	**464,157,449**	8,886,398	198,902,781
Trade and other receivables	6	**2,164,222**	1,711,103	**7,942,705**	**177,780,181**	6,279,766	140,558,554
Prepayments	7	**18,403**	17,672	**67,541**	**1,511,714**	64,855	1,451,666
Cash and bank balances	8	**293,928**	208,329	**1,078,717**	**24,144,716**	764,566	17,113,186
Current assets		**8,127,018**	4,358,466	**29,826,173**	**667,594,060**	15,995,585	358,026,187
Total assets		**11,269,707**	7,758,323	**41,359,837**	**925,750,244**	28,473,060	637,307,437
EQUITY							
Share capital	9	**550,000**	550,000	**2,018,500**	**45,179,750**	2,018,500	45,179,750
Retained earnings		**3,853,427**	2,878,025	**14,142,094**	**316,539,927**	10,562,364	236,415,364
Statutory reserves	17	**275,063**	275,063	**1,009,481**	**22,595,050**	1,009,481	22,595,050
Total equity		**4,678,490**	3,703,088	**17,170,075**	**384,314,727**	13,590,345	304,190,164
LIABILITIES							
Employee end of service benefits		**53,871**	42,783	**197,707**	**4,425,233**	157,012	3,514,410
Lease liabilities	19	**510,224**	556,764	**1,872,521**	**41,912,350**	2,043,325	45,735,379
Non-current liabilities		**564,095**	599,547	**2,070,228**	**46,337,583**	2,200,337	49,249,789
Short-term borrowings	10	**2,610,365**	1,979,982	**9,580,040**	**214,428,433**	7,266,535	162,645,621
Trade and other payables	11	**3,416,757**	1,475,706	**12,539,494**	**280,669,501**	5,415,843	121,221,863
Current liabilities		**6,027,122**	3,455,688	**22,119,534**	**495,097,934**	12,682,378	283,867,484
Total liabilities		**6,591,217**	4,055,235	**24,189,762**	**541,435,517**	14,882,715	333,117,273
Total equity and liabilities		**11,269,707**	7,758,323	**41,359,837**	**925,750,244**	28,473,060	637,307,437

The attached notes 1 to 21 are an integral part of these financial statements.

The independent auditors' report is set out on pages herein.

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 March 2023.

The Board of Directors has authorised the issue of these financial statements on 13th April 2023 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr. Parag Shah
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

				Unaudited supplementary information (refer note 2 (c))			
	Note	**31 March 2023**	31 March 2022	**31 March 2023**		31 March 2022	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Revenue	12	**11,912,557**	8,236,774	**43,719,087**	**978,556,995**	30,228,959	676,609,800
Cost of sales	13.1	**(10,234,389)**	(7,011,552)	**(37,560,212)**	**(840,703,720)**	(25,732,396)	(575,963,940)
Gross profit		**1,678,168**	1,225,222	**6,158,875**	**137,853,275**	4,496,563	100,645,860
Other income	14	**53,240**	–	**195,391**	**4,373,400**	–	–
Selling and distribution expenses		**(264,694)**	(193,019)	**(971,426)**	**(21,743,289)**	(708,379)	(15,855,546)
Administrative and general expenses	13.2	**(367,153)**	(255,927)	**(1,347,444)**	**(30,159,783)**	(939,251)	(21,023,123)
Operating profit		**1,099,561**	776,276	**4,035,396**	**90,323,603**	2,848,933	63,767,191
Finance cost	15	**(124,159)**	(74,393)	**(455,666)**	**(10,199,041)**	(273,023)	(6,111,013)
Profit for the year		**975,402**	701,883	**3,579,730**	**80,124,562**	2,575,910	57,656,178
Other comprehensive income		**–**	–	**–**	**–**	–	–
Total comprehensive income for the year		**975,402**	701,883	**3,579,730**	**80,124,562**	2,575,910	57,656,178
Earning per equity share *(Basic and diluted)* 1000 Shares of USD 550 (Dhs. 2,019) (Rs. 45,180) *(Refer note 21)*		**975**	702	**3,580**	**80,125**	2,576	57,656

The attached notes 1 to 21 are an integral part of these financial statements.

The independent auditors' report is set out on pages herein.

The Board of Directors has authorised the issue of these financial statements on 13th April 2023 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Director
Mr. Parag Shah

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cash flows from operating activities:						
Profit for the year	**975,402**	701,883	**3,579,730**	**80,124,562**	2,575,910	57,656,178
Adjustments for:						
Depreciation	**378,943**	350,863	**1,390,727**	**31,128,273**	1,287,669	28,821,641
Profit on disposal of property, plant and equipment	**(545)**	–	**(2,000)**	**(44,766)**	–	–
Interest expenses	**90,693**	37,911	**332,845**	**7,449,976**	139,135	3,114,199
Interest on lease liabilities (refer note 15)	**26,447**	29,441	**97,061**	**2,172,489**	108,048	2,418,431
Movement in end of service benefits	**11,088**	9,747	**40,695**	**910,823**	35,771	800,667
	1,482,028	1,129,845	**5,439,058**	**121,741,357**	4,146,533	92,811,116
Changes in working capital:						
Inventories	**(3,229,103)**	(423,193)	**(11,850,812)**	**(265,254,668)**	(1,553,115)	(34,763,189)
Trade and other receivables	**(453,119)**	(694,026)	**(1,662,939)**	**(37,221,627)**	(2,547,098)	(57,010,766)
Prepayments	**(731)**	(4,366)	**(2,686)**	**(60,048)**	(16,023)	(358,645)
Trade and other payables	**1,963,718**	(114,104)	**7,206,839**	**161,309,615**	(418,740)	(9,373,073)
Net cash used in operating activities	**(237,207)**	(105,844)	**(870,540)**	**(19,485,371)**	(388,443)	(8,694,557)
Investing activities:						
Acquisition of property, plant and equipment	**(109,758)**	(572,924)	**(402,815)**	**(9,016,071)**	(2,102,636)	(47,062,842)
Paid for capital advances	**(12,017)**	404,230	**(44,102)**	**(987,136)**	1,483,524	33,205,473
Proceeds from sale of an asset	**545**	–	**2,000**	**44,766**	–	–
Net cash used in investing activities	**(121,230)**	(168,694)	**(444,917)**	**(9,958,441)**	(619,112)	(13,857,369)
Financing activity						
Interest paid	**(88,765)**	(36,916)	**(325,768)**	**(7,291,601)**	(135,482)	(3,032,465)
Short term borrowings taken	**8,286,000**	19,408,000	**30,409,620**	**680,653,470**	71,227,360	1,594,270,160
Short term borrowings repayment	**(7,443,000)**	(19,268,000)	**(27,315,808)**	**(611,405,230)**	(70,713,560)	(1,582,769,857)
Repayment of lease liabilities	**(97,582)**	(96,004)	**(358,131)**	**(8,015,874)**	(352,335)	(7,886,249)
Net cash generated from financing activities	**656,653**	7,080	**2,409,913**	**53,940,765**	25,983	581,589
Net increase / (decrease) in cash and cash equivalents	**298,216**	(267,458)	**1,094,456**	**24,496,953**	(981,572)	(21,970,337)
Cash and cash equivalents:						
Cash and cash equivalents at the beginning of the year	**(35,653)**	231,805	**(130,849)**	**(2,928,715)**	850,723	19,041,622
Cash and cash equivalents at the end of the year	**262,563**	(35,653)	**963,607**	**21,568,238**	(130,849)	(2,928,715)
These comprise of:						
Cash on hand (Refer note 8)	**330**	1,296	**1,211**	**27,108**	4,755	106,460
Bank balance in current accounts (Refer note 8)	**293,598**	207,033	**1,077,506**	**24,117,608**	759,811	17,006,726
Bank overdraft repayable on demand (Refer note 10)	**(31,365)**	(243,982)	**(115,110)**	**(2,576,478)**	(895,415)	(20,041,901)
Total	**262,563**	(35,653)	**963,607**	**21,568,238**	(130,849)	(2,928,715)

The attached notes 1 to 21 are an integral part of these financial statements.
The independent auditors' report is set out on pages herein.
The Board of Directors has authorised the issue of these financial statements on 13th April 2023 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr. Parag Shah
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

					Unaudited supplementary information (refer note 2 (c))							
	Share capital USD	Retained earnings USD	Statutory reserve USD	Total equity USD	Share capital Dhs.	Share capital Rs.	Retained earnings Dhs.	Retained earnings Rs.	Statutory reserve Dhs.	Statutory reserve Rs.	Total equity Dhs.	Total equity Rs.
Balance as at 1 April 2021	550,000	2,176,142	275,063	3,001,205	2,018,500	45,179,750	7,986,454	178,759,185	1,009,481	22,595,050	11,014,435	246,533,985
Total comprehensive income for the year												
Profit for the year	–	701,883	–	701,883	–	–	2,575,910	57,656,180	–	–	2,575,910	57,656,180
Balance as at 31 March 2022........	550,000	2,878,025	275,063	3,703,088	2,018,500	45,179,750	10,562,364	236,415,365	1,009,481	22,595,050	13,590,345	304,190,165
Balance as at 1 April 2022	550,000	2,878,025	275,063	3,703,088	2,018,500	45,179,750	10,562,364	236,415,365	1,009,481	22,595,050	13,590,345	304,190,165
Total comprehensive income for the year												
Profit for the year	–	975,402	–	975,402	–	–	3,579,730	80,124,562	–	–	3,579,730	80,124,562
Balance as at 31 March 2023.......	**550,000**	**3,853,427**	**275,063**	**4,678,490**	**2,018,500**	**45,179,750**	**14,142,094**	**316,539,927**	**1,009,481**	**22,595,050**	**17,170,075**	**384,314,727**

The attached notes 1 to 21 are an integral part of these financial statements.

The Board of Directors has authorised the issue of these financial statements on 13th April 2023 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr. Parag Shah
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Reporting entity

Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), was incorporated and licensed on 8 August 2004 at Sharjah Airport International Free Zone, Sharjah (FZ) with limited liability in the United Arab Emirates (UAE). Subsequently, the Company has entered into an agreement for subscription of capital by Nippon Steel Corporation (NSC) formerly known as Nippon Steel & Sumitomo Metal Corporation (NSSMC), Japan to reorganise the Company and manage it as a Free Zone Company (FZC). Consequent upon the induction of NSSMC as a shareholder, the status changed from Free Zone Establishment (FZE) to Free Zone Company (FZC) with limited liability with effect from 28 November 2005. The Company is engaged in processing of steel coils and supply of slit coils and laminations. The shareholding pattern as of 31 March 2023 is as follows:

Shareholders	Percentage
Mahindra Accelo Limited (formarly known as Mahindra Intertrade Ltd)	90%
Nippon Steel Corporation (formarly known as Nippon Steel & Sumitomo Metal Corporation)	10%

The ultimate holding company is Mahindra & Mahindra Limited.

2 Basis of preparation

The financial statements have been prepared under the historical cost convention.

(a) Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board and the rules and regulations of the Sharjah Airport International Free Zone Authority (SAIF Zone).

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 of on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE.The CT regime will become effective for accounting periods beginning on or or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023 specifies the threshold of income over which the 9% tax rate would apply and accordingly,the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 [and a rate of 0% on qualifying income income of free zone entities].

Considering the update in the Law and based on the overall assessment, it is considered that there is no significant impact of deferred tax on the Company.

(b) Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency.

(c) Convenience translation

In addition to presenting the financial statements in USD, unaudited supplementary information in United Arab Emirates Dirham ("Dhs") and Indian Rupee ("Rs") has been prepared for the convenience of users of the financials statements.

All amounts (including previous year information) are translated from USD to Dhs. and Rs. at the closing exchange rate at 31 March 2023 based on average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India of Dhs. 3.67 to USD 1 and Rs. 82.15 to USD 1 respectively.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in every future period affected.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Provision for obsolete and expired inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the aging and past movement of the inventory.

ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

3 Significant accounting policies

The accounting policies set out below, which comply with IFRS, have been consistently applied to all periods presented in these financial statements.

(a) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Factory Building	18 years
Plant and Machinery	20 years
Vehicles	5 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	5 years

Residual value of the property plant and equipments has been estimated at 5% of its capitalised value for the purpose of calculating depreciation.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The components of an asset are identified and depreciated separately, if they have differing patterns of benefits and are significant to the total cost of the item. The overall value of an asset is split fairly between significant components and accounted for separately. The components' useful lives and the method of depreciation are determined on a reasonable and consistent basis.

(b) Inventories

Inventories are measured at the lower of cost and net realizable value, after making due allowance for any obsolete or slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined as follows:

Raw materials

The cost of raw materials includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation of the raw materials is determined on a weighted average cost basis.

Work-in-progress

The cost of work in progress includes cost of raw material and an appropriate share of production overheads based on normal operating capacity.

Finished goods

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity.

(c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods.

(d) Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings and preshipment credit. Interest costs is recognised as it accrues in profit or loss, using the effective interest method.

(e) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency (“USD”) at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(f) Employee benefit

The provision for staff terminal benefits is calculated in accordance with the provisions of the UAE Labour Law and is based on the liability that would arise if the employment of all staff were to be terminated at the reporting date.

(g) Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gain / losses on measurement are recognized in profit and loss. Once classified as held for sale, intangible assets and property plant and equipment are no longer amortized or depreciated.

(h) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets

i) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

ii) Financial liabilities and equity instruments

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments (currency forward contracts) to hedge its foreign currency risk exposure.

Derivatives are recognised initially at fair value attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes there in are recognised in the profit or loss.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

i) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances and other debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

– the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or being more than 180 days past due;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For its customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(j) Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding,without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Standards issued but yet not effective

A number of new standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework (Amendments to IFRS 3)

Other new or amended standards

The following new or amended standards that are required to be adopted in annual periods beginning on 1 April 2023 and earlier adoption is permitted; however, the Company has not early adopted the new or amended standards and are not expected to have a significant impact on the Company's financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contract
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Factory building	Plant and machinery	Vehicles	Furniture and fixtures	Office equipment	Computers	Right of use assets - Land	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost:								
At 1 April 2021	641,164	4,543,828	36,962	27,993	5,077	5,154	866,166	6,126,344
Additions	–	561,566	–	9,049	1,274	1,035	–	572,924
Disposals	–	–	–	–	–	–	–	–
At 31 March 2022	641,164	5,105,394	36,962	37,042	6,351	6,189	866,166	6,699,268
At 1 April 2022	641,164	5,105,394	36,962	37,042	6,351	6,189	866,166	6,699,268
Additions	–	73,742	23,437	779	5,162	6,638	–	109,758
Disposals	–	–	(15,191)	(304)	–	–	–	(15,495)
At 31 March 2023	**641,164**	**5,179,136**	**45,208**	**37,517**	**11,513**	**12,827**	**866,166**	**6,793,531**
Depreciation:								
At 1 April 2021	321,405	2,399,459	35,873	25,525	3,309	4,290	158,687	2,948,548
Charge for the year	35,620	233,941	–	901	702	356	79,343	350,863
On disposals	–	–	–	–	–	–		–
At 31 March 2022	357,025	2,633,400	35,873	26,426	4,011	4,646	238,030	3,299,411
At 1 April 2022	357,025	2,633,400	35,873	26,426	4,011	4,646	238,030	3,299,411
Charge for the year	35,620	259,228	918	1,524	1,222	1,088	79,343	378,943
On disposals	–	–	(15,191)	(304)	–	–		(15,495)
At 31 March 2023	**392,645**	**2,892,628**	**21,600**	**27,646**	**5,233**	**5,734**	**317,373**	**3,662,859**
Net Book Value:								
At 31 March 2023	**248,519**	**2,286,508**	**23,608**	**9,871**	**6,280**	**7,093**	**548,793**	**3,130,672**
At 31 March 2022	284,139	2,471,994	1,089	10,616	2,340	1,543	628,136	3,399,857

Unaudited supplementary information (refer note 2 (c))

Particulars	Factory building		Plant and machinery		Vehicles		Furniture and fixtures		Office equipment		Computers		Right of use assets - Land		Under construction		Total	
	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.
Cost:																		
At 1 April 2021	2,353,074	52,668,417	16,675,849	373,252,751	135,651	3,036,243	102,734	2,299,485	18,634	417,050	18,912	423,375	3,178,828	71,151,206	–	–	22,483,682	503,248,527
Additions	–	–	2,060,949	46,129,839	–	–	33,210	743,330	4,677	104,653	3,800	85,020	–	–	–	–	2,102,636	47,062,842
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2022	2,353,074	52,668,417	18,736,798	419,382,590	135,651	3,036,243	135,944	3,042,815	23,311	521,703	22,712	508,395	3,178,828	71,151,206	–	–	24,586,318	550,311,369
At 1 April 2022	2,353,074	52,668,417	18,736,798	419,382,590	135,651	3,036,243	135,944	3,042,815	23,311	521,703	22,712	508,395	3,178,828	71,151,206	–	–	24,586,318	550,311,369
Additions	–	–	270,635	6,057,537	86,013	1,925,232	2,859	63,991	18,946	424,032	24,362	545,279	–	–	–	–	402,815	9,016,071
Disposals	–	–	–	–	(55,750)	(1,247,865)	(1,116)	(24,972)	–	–	–	–	–	–	–	–	(56,866)	(1,272,837)
At 31 March 2023	**2,353,074**	**52,668,417**	**19,007,433**	**425,440,127**	**165,914**	**3,713,610**	**137,687**	**3,081,834**	**42,257**	**945,735**	**47,074**	**1,053,674**	**3,178,828**	**71,151,206**	**–**	**–**	**24,932,267**	**558,054,603**
Depreciation:																		
At 1 April 2021	1,179,561	26,401,814	8,806,002	197,103,560	131,656	2,946,788	93,681	2,096,751	12,145	271,818	15,748	352,402	582,381	13,035,344	–	–	10,821,174	242,208,477
Charge for the year	130,726	2,926,005	858,562	19,217,083	–	–	3,307	74,013	2,576	57,666	1,308	29,244	291,190	6,517,631	–	–	1,287,669	28,821,642
On disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2022	1,310,287	29,327,819	9,664,564	216,320,643	131,656	2,946,788	96,988	2,170,764	14,721	329,484	17,056	381,646	873,571	19,552,975	–	–	12,108,843	271,030,119
At 1 April 2022	1,310,287	29,327,819	9,664,564	216,320,643	131,656	2,946,788	96,988	2,170,764	14,721	329,484	17,056	381,646	873,571	19,552,975	–	–	12,108,843	271,030,119
Charge for the year	130,726	2,926,005	951,368	21,294,284	3,370	75,409	5,593	125,189	4,485	100,381	3,995	89,374	291,190	6,517,631	–	–	1,390,727	31,128,273
On disposals	–	–	–	–	(55,750)	(1,247,865)	(1,116)	(24,972)	–	–	–	–	–	–	–	–	(56,866)	(1,272,837)
At 31 March 2023	**1,441,013**	**32,253,824**	**10,615,932**	**237,614,927**	**79,276**	**1,774,332**	**101,465**	**2,270,981**	**19,206**	**429,865**	**21,051**	**471,020**	**1,164,761**	**26,070,606**	**–**	**–**	**13,442,704**	**300,885,555**
Net Book Value:																		
At 31 March 2023	**912,061**	**20,414,593**	**8,391,501**	**187,825,200**	**86,638**	**1,939,278**	**36,222**	**810,853**	**23,051**	**515,870**	**26,023**	**582,654**	**2,014,067**	**45,080,600**	**–**	**–**	**11,489,563**	**257,169,048**
At 31 March 2022	1,042,787	23,340,598	9,072,234	203,061,947	3,995	89,455	38,956	872,051	8,590	192,219	5,656	126,749	2,305,257	51,598,231	–	–	12,477,475	279,281,250

4(i) Depreciation expenses has been allocated as follows:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cost of sales (refer note 13.1)	**376,197**	349,260	**1,380,649**	**30,902,703**	1,281,786	28,689,963
Administrative and general expenses (refer note 13.2)	**2,746**	1,603	**10,078**	**225,570**	5,883	131,679
	378,943	350,863	**1,390,727**	**31,128,273**	1,287,669	28,821,642

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
5. INVENTORIES						
Raw materials and consumables	**4,324,658**	1,588,541	**15,871,501**	**355,249,033**	5,829,944	130,490,700
Work-in-progress	**912,490**	543,575	**3,348,837**	**74,956,491**	1,994,920	44,651,968
Finished goods	**413,317**	289,246	**1,516,872**	**33,951,925**	1,061,534	23,760,113
	5,650,465	2,421,362	**20,737,210**	**464,157,449**	8,886,398	198,902,781

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
6. TRADE AND OTHER RECEIVABLES						
Trade receivables	**2,046,358**	1,622,105	**7,510,136**	**168,098,242**	5,953,124	133,247,814
Due from a related party (refer note 18)	**11,710**	–	**42,976**	**961,918**	–	–
Deposits	**29,640**	36,072	**108,777**	**2,434,778**	132,384	2,963,134
Other receivables	**1,178**	–	**4,324**	**96,767**	–	–
Advance to suppliers	**642**	9,690	**2,357**	**52,737**	35,561	795,985
Vat receivable	**74,694**	43,236	**274,135**	**6,135,739**	158,697	3,551,621
	2,164,222	1,711,103	**7,942,705**	**177,780,181**	6,279,766	140,558,554

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
7. PREPAYMENTS						
Prepayments of expenses	**18,403**	17,672	**67,541**	**1,511,714**	64,855	**1,451,666**
	18,403	17,672	**67,541**	**1,511,714**	64,855	1,451,666

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
8. CASH AND BANK BALANCES						
Cash on hand	**330**	1,296	**1,211**	**27,108**	4,755	106,460
Bank balance in current accounts	**293,598**	207,033	**1,077,506**	**24,117,608**	759,811	17,006,726
	293,928	208,329	**1,078,717**	**24,144,716**	764,566	17,113,186

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
9. SHARE CAPITAL						
Authorized, issued and paid						
1,000 shares of USD 550	**550,000**	550,000	**2,018,500**	**45,179,750**	2,018,500	45,179,750
(Dhs. 2,019) (Rs. 45,180) each	**550,000**	550,000	**2,018,500**	**45,179,750**	2,018,500	45,179,750

[900 Shares of USD 550 (Dhs. 2,019) (Rs. 45,180) each held by Mahindra Accelo Limited(formerly known as Mahindra Intertrade Limited,India), which is a subsidiary of Mahindra & Mahindra Limited] [100 Shares of USD 550 (Dhs. 2,019) (Rs. 45,180) each held by Nippon Steel Corporation, Japan (formerly known as Nippon Steel & Sumitomo Metal Corporation, Japan).]

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of USD 550 per share. Each shareholder is entitled to one vote per share at general meetings of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
10. SHORT-TERM BORROWINGS						
Working capital demand loans	**2,579,000**	1,736,000	**9,464,930**	**211,851,955**	6,371,120	142,603,720
Bank overdraft	**31,365**	243,982	**115,110**	**2,576,478**	895,415	20,041,901
	2,610,365	1,979,982	**9,580,040**	**214,428,433**	7,266,535	162,645,621

During the year, the Company obtained several working capital demand loans, which are secured, repayable within 30-180 days and carry interest rate of USD SOFR plus spread of 2.4%. The Company has also availed a bank overdraft facility during the year at USD Libor plus 1.5%.

These credit facilities requires company to comply with the covenants as follow:

a. On one facility with bank, the Company is required of financial covenant of minimum total equity of USD 2.9 million.

b. On the other facility with bank, the Holding Company shall hold atleast 51% stake of the Company during the facility, failing of which, the Bank shall have the right to recall the outstanding facility with all dues, taxes and duties payable on the day of notice to the Company.

As at 31 March 2023, Company has complied with the covenants requirement.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
11. TRADE AND OTHER PAYABLES:						
Due to related parties (refer note 18)	**22,117**	22,213	**81,171**	**1,816,801**	81,521	1,824,687
Trade payables	**3,250,880**	1,296,453	**11,930,723**	**267,043,538**	4,757,982	106,497,133
Accrued expenses	**58,460**	51,951	**214,550**	**4,802,197**	190,662	4,267,515
Trade payables	**3,331,457**	1,370,617	**12,226,444**	**273,662,536**	5,030,165	112,589,335
Interest payable	**4,978**	3,050	**18,271**	**408,918**	11,193	250,542
Advance from customers	**2,183**	–	**8,010**	**179,323**	–	–
Others	**2,608**	1,913	**9,572**	**214,234**	7,022	157,143
Lease liabilities	**75,531**	100,126	**277,197**	**6,204,494**	367,463	8,224,850
Other payables	**85,300**	105,089	**313,050**	**7,006,969**	385,678	8,632,535
Trade and other payables	**3,416,757**	**1,475,706**	**12,539,494**	**280,669,505**	5,415,843	121,221,870

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
12. REVENUE						
Sale of goods - *point-in-time*	**11,816,756**	8,232,634	**43,367,496**	**970,687,422**	30,213,765	676,269,720
Sale of services - *point-in-time*	**95,801**	4,140	**351,591**	**7,869,573**	15,194	340,080
	11,912,557	8,236,774	**43,719,087**	**978,556,995**	30,228,959	676,609,800

GEOGRAPHICAL INFORMATION

The amount of the company's revenue from external customers broken down by location of the customers is shown in the table below:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Domestic	**5,277,162**	1,003,962	**19,367,184**	**433,492,472**	3,684,538	82,470,458
Other GCC countries	**2,882,162**	2,028,959	**10,577,535**	**236,755,197**	7,446,280	166,668,837
Exports	**3,753,233**	5,203,853	**13,774,369**	**308,309,324**	19,098,141	427,470,504
	11,912,557	8,236,774	**43,719,087**	**978,556,993**	30,228,959	676,609,799

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13. EXPENSES BY NATURE						
Changes in inventories of finished goods and work-in-progress	**(492,985)**	292,921	**(1,809,255)**	**(40,496,253)**	1,075,021	24,061,996
Raw materials and consumables used	**9,858,265**	5,991,950	**36,179,832**	**809,807,178**	21,990,456	492,208,733
Employee benefit expenses	**438,695**	328,082	**1,610,010**	**36,036,601**	1,204,060	26,950,296
Depreciation	**378,943**	350,863	**1,390,727**	**31,128,109**	1,287,669	28,821,642
Other expenses	**54,217**	49,339	**198,976**	**4,453,655**	181,073	4,052,952
Freight	**264,694**	193,019	**971,426**	**21,743,289**	708,379	15,855,546
Travelling and conveyance	**23,738**	11,356	**87,120**	**1,949,958**	41,678	932,839
Communication expenses	**10,652**	11,393	**39,093**	**875,009**	41,811	935,878
Audit fees (includes out of pocket expenses)	**17,481**	16,006	**64,154**	**1,435,977**	58,741	1,314,813
Repairs and maintenance	**98,454**	43,413	**361,328**	**8,087,504**	159,325	3,566,161
Insurance	**10,691**	9,357	**39,236**	**878,212**	34,339	768,631
Service charges	**73,057**	72,726	**268,118**	**6,001,267**	266,905	5,974,077
Bank charges	**86,256**	51,299	**316,558**	**7,085,499**	188,269	4,213,956
General expenses	**44,078**	38,774	**161,759**	**3,620,787**	142,300	3,185,089
	10,866,236	7,460,498	**39,879,082**	**892,606,792**	27,380,026	612,842,609

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.1. COST OF SALES						
Changes in inventories of finished goods and work-in-progress	**(492,985)**	292,921	**(1,809,255)**	**(40,496,253)**	1,075,021	24,061,996
Raw materials and consumables used	**9,858,265**	5,991,950	**36,179,832**	**809,807,178**	21,990,456	492,208,733
Employee benefit expenses	**438,695**	328,082	**1,610,010**	**36,036,601**	1,204,060	26,950,296
Depreciation on plant and machinery and building	**376,197**	349,260	**1,380,649**	**30,902,539**	1,281,786	28,689,963
Other expenses	**54,217**	49,339	**198,976**	**4,453,655**	181,073	4,052,952
	10,234,389	7,011,552	**37,560,212**	**840,703,720**	25,732,396	575,963,940

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.2. ADMINISTRATIVE AND GENERAL EXPENSES						
Travelling and conveyance	**23,738**	11,356	**87,120**	**1,949,958**	41,678	932,839
Communication expenses	**10,652**	11,393	**39,093**	**875,009**	41,811	935,878
Audit fees (includes out of pocket expenses)	**17,481**	16,006	**64,154**	**1,435,977**	58,741	1,314,813
Repairs and maintenance	**98,454**	43,413	**361,328**	**8,087,504**	159,325	3,566,161
Depreciation on others	**2,746**	1,603	**10,078**	**225,570**	5,883	131,679
Insurance	**10,691**	9,357	**39,236**	**878,212**	34,339	768,631
Service charges	**73,057**	72,726	**268,118**	**6,001,267**	266,905	5,974,077
Bank charges	**86,256**	51,299	**316,558**	**7,085,499**	188,269	4,213,956
General expenses	**44,078**	38,774	**161,759**	**3,620,787**	142,300	3,185,089
	367,153	255,927	**1,347,444**	**30,159,783**	939,251	21,023,123

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

	31 March 2023	31 March 2022	Unaudited supplementary information (refer note 2 (c))			
			31 March 2023		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
14. OTHER INCOME						
Other miscellaneous income	**53,240**	–	**195,391**	**4,373,400**	–	–
	53,240	–	**195,391**	**4,373,400**	–	–

	31 March 2023	31 March 2022	Unaudited supplementary information (refer note 2 (c))			
			31 March 2023		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
15. FINANCE COST						
Interest expenses	**90,693**	37,911	**332,845**	**7,449,976**	139,135	3,114,199
Interest on lease liabilities	**26,447**	29,441	**97,061**	**2,172,489**	108,048	2,418,431
Exchange loss (net)	**7,019**	7,041	**25,760**	**576,576**	25,840	578,383
	124,159	74,393	**455,666**	**10,199,041**	273,023	6,111,013

	31 March 2023	31 March 2022	Unaudited supplementary information (refer note 2 (c))			
			31 March 2023		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
16. CONTINGENCIES AND COMMITMENTS						
Letters of credit	**845,025**	1,654,835	**3,101,242**	**69,414,579**	6,073,243	135,936,421
	845,025	1,654,835	**3,101,242**	**69,414,579**	6,073,243	135,936,421

17. STATUTORY RESERVE

According to the articles of association of the Company, 5% of the net profit for each year is required to be transferred to a statutory reserve. The management may resolve to discontinue such annual transfers when the reserve reaches 50% of the paid up share capital. The reserve is not available for distribution. No appropriations to the statutory reserve have been made in current year *(2022: Nil)* as the statutory reserve has accumulated to 50% of the paid up share capital.

18. RELATED PARTIES

Management's policy is to conduct transactions with related parties on prices at mutually agreed terms.

List of related parties:

Ultimate Holding Company

Mahindra & Mahindra Limited

Holding Company

Mahindra Accelo Limited - Shareholder (formarly known as Mahindra Intertrade Ltd)

Fellow Subsidiaries

Mahindra Integrated Business Solution Private Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

PT. Mahindra Accelo Steel Indonesia
Mahindra Steel Service Centre Limited

Transactions with related parties

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Mahindra Accelo Limited						
Reimbursement of expenses by the company	**744**	600	**2,735**	**61,154**	2,202	49,287
Service charges*	**72,994**	72,663	**267,888**	**5,996,090**	266,673	5,968,902
Purchase	**12,532**	–	**45,994**	**1,029,478**	–	–
Mahindra Steel Service Centre Limited						
Purchase of spare parts	**743**	–	**2,726**	**60,000**	–	–
PT. Mahindra Accelo Steel Indonesia						
Lease Rent Income	**52,695**	–	**193,391**	**4,328,631**	–	–
Mahindra & Mahindra Limited:						
Reimbursement of expenses by Company	**5,362**	4,739	**19,678**	**440,443**	17,392	389,285
Professional fees	**980**	–	**3,595**	**80,466**	–	–
Mahindra Integrated Business Solution Private Limited:						
Service Charges (Salary processing cost)	**1,122**	1,219	**4,119**	**90,200**	4,473	100,135

* The managerial services are rendered by Mahindra Accelo Limited, shareholder and the same is paid as service charges.

Outstanding balances

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Outstanding receivable						
PT. Mahindra Accelo Steel Indonesia	**11,710**	–	**42,976**	**961,918**	–	–
	11,710	–	**42,976**	**961,918**	–	–

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Outstanding payable						
Mahindra Accelo Limited	**18,857**	18,605	**69,204**	**1,549,008**	68,282	1,528,308
Mahindra & Mahindra Limited	**3,169**	3,309	**11,632**	**260,318**	12,143	271,818
Mahindra Integrated Business Solutions Pvt Ltd	**91**	299	**335**	**7,475**	1,096	24,561
	22,117	22,213	**81,171**	**1,816,801**	81,521	1,824,687

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

19. LEASES

The Company has entered into lease arrangements with Government of Sharjah, represented by Sharjah Airport International Free Zone (SAIF Zone) The tenure of the lease agreement is generally for a period of 25 years, renewable thereafter for another equal term.

While measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 April 2019. The average rate applied is 4.23%

Lease liabilities included in the statement of financial position

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
At 1 April	**656,890**	723,453	**2,410,788**	**53,960,229**	2,655,075	59,428,047
Interest on lease liabilities (refer note 15)	**26,447**	29,441	**97,061**	**2,172,489**	108,048	2,418,431
Payments made against lease liabilities	**(97,582)**	(96,004)	**(358,131)**	**(8,015,874)**	(352,335)	(7,886,249)
At 31 March	**585,755**	656,890	**2,149,718**	**48,116,844**	2,410,788	53,960,229
Less: current portion of lease liabilities	**(75,531)**	(100,126)	**(277,197)**	**(6,204,494)**	(367,463)	(8,224,850)
Non-current portion of lease liabilities	**510,224**	556,764	**1,872,521**	**41,912,350**	2,043,325	45,735,379

Amount recognised in profit and loss statement

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Depreciation on right-of-use assets	**79,343**	79,343	**291,190**	**6,517,631**	291,190	19,552,975
Interest on lease liabilities	**26,447**	29,441	**97,061**	**2,172,489**	108,048	2,418,431
	105,790	108,784	**388,251**	**8,690,120**	399,238	21,971,406

Maturity analysis

The following table sets out a maturity analysis of lease payables showing the undiscounted lease payments to be payable after the reporting date:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Less than one year	**98,855**	100,126	**362,797**	**8,120,444**	367,463	8,224,850
Between one and five years	**395,419**	395,419	**1,451,188**	**32,481,694**	1,451,188	32,481,694
More than five years	**181,234**	288,326	**665,128**	**14,887,467**	1,058,158	23,684,539
	675,508	783,871	**2,479,113**	**55,489,605**	2,876,809	64,391,083

20. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from its use of financial instruments:

– Credit risk

– Liquidity risk

– Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to cash at bank and trade and other receivables.

Trade receivables

The exposure to credit risk on trade receivables is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represent the maximum open amount.

The Company follows expected credit loss method for determination of impairment for trade receivable, additionally an impairment analysis is performed on each reporting date on specific case basis for major customer.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Trade receivables	**2,046,358**	1,622,105	**7,510,136**	**168,098,242**	5,953,124	133,247,814
Trade receivable with related parties (ref. note 18)	**11,710**	–	**42,976**	**961,918**	–	–
Other receivables (excluding advances and Vat receivable)	**30,818**	36,072	**113,101**	**2,531,545**	132,384	2,963,134
Bank balance in current accounts	**293,598**	207,033	**1,077,506**	**24,117,608**	759,811	17,006,726
	2,382,484	1,865,210	**8,743,719**	**195,709,313**	6,845,319	153,217,674

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Domestic	**854,663**	99,017	**3,136,614**	**70,206,292**	363,391	8,133,751
Other GCC countries	**864,149**	496,556	**3,171,427**	**70,985,520**	1,822,360	40,789,593
Exports	**327,546**	1,026,532	**1,202,095**	**26,906,266**	3,767,373	84,324,470
	2,046,358	1,622,105	**7,510,136**	**168,098,078**	5,953,124	133,247,814

Impairment losses

Expected credit loss assessment

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The age of trade receivables at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Not past due	**1,702,090**	1,621,831	**6,246,670**	**139,818,183**	5,952,118	133,225,307
Past due 0 - 180 days	**355,979**	157	**1,306,442**	**29,241,895**	575	12,897
Past due more than 180 days	**-**	117	**-**	**-**	431	9,611
	2,058,069	1,622,105	**7,553,112**	**169,060,078**	5,953,124	133,247,815

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to amounts due to related parties, short term borrowings and trade and other payables. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of letter of credit facilities.

The following are the contractual maturities of financial liabilities (including estimated interest payments).

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Carrying amount						
Lease liabilities	**585,755**	656,890	**2,149,718**	**48,116,844**	2,410,788	53,960,229
Short-term borrowings	**2,610,365**	1,979,982	**9,580,040**	**214,428,433**	7,266,535	162,645,621
Trade and other payables (excluding advances)	**3,387,479**	1,450,443	**12,432,042**	**278,264,463**	5,323,129	119,146,641
Due to related parties	**22,117**	22,213	**81,171**	**1,816,801**	81,521	1,824,687
Interest payable	**4,978**	3,050	**18,271**	**408,918**	11,193	250,542
	6,610,694	4,112,578	**24,261,242**	**543,035,459**	15,093,166	337,827,720

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Contractual cash flows						
Lease liabilities	**675,508**	**783,871**	**2,479,113**	**55,489,605**	2,876,809	64,391,083
Short-term borrowings	**2,610,365**	**1,979,982**	**9,580,040**	**214,428,433**	7,266,535	162,645,621
Trade and other payables	**3,387,479**	**1,450,443**	**12,432,042**	**278,264,463**	5,323,129	119,146,641
Due to related parties	**22,117**	**22,213**	**81,171**	**1,816,801**	81,521	1,824,687
Interest payable	**4,978**	**3,050**	**18,271**	**408,918**	11,193	250,542
	6,700,447	**4,239,559**	**24,590,637**	**550,408,220**	15,559,187	348,258,574
1 year or less						
Lease liabilities	**98,855**	100,126	**362,797**	**8,120,444**	367,463	8,224,850
Short-term borrowings	**2,610,365**	1,979,982	**9,580,040**	**214,428,433**	7,266,535	162,645,621
Trade and other payables	**3,387,479**	1,450,443	**12,432,042**	**278,264,463**	5,323,129	119,146,640
Due to related parties	**22,117**	22,213	**81,171**	**1,816,801**	81,521	1,824,687
Interest payable	**4,978**	3,050	**18,271**	**408,918**	11,193	250,542
	6,123,794	3,555,814	**22,474,321**	**503,039,059**	13,049,841	292,092,340
More than 1 year						
Lease liabilities	**576,653**	683,745	**2,116,316**	**47,369,161**	2,509,346	56,166,233
Short-term borrowings	**–**	–	**–**	**–**	–	–
Trade and other payables	**–**	–	**–**	**–**	–	–
Due to related parties	**–**	–	**–**	**–**	–	–
Interest payable	**–**	–	**–**	**–**	–	–
	576,653	683,745	**2,116,316**	**47,369,161**	2,509,346	56,166,233

C) Market risk

(i) Currency risk

Foreign exchange risk is limited since all significant transactions are either in USD or Dhs. (which is currently fixed to USD).

(ii) Interest rate risk

The Company has placed fixed deposits / margin money in form of fixed deposits with banks at normal commercial rates. Short term borrowings (Trust Receipts and working capital demand loans) carry interest at fixed rate linked to USD Libor.

Interest rate sensitivity analysis
A resonably possible change of 100 basis point in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Interest rate increase by 1%	**(26,104)**	(19,800)	**(95,800)**	**(2,144,284)**	(72,665)	(1,626,456)
Interest rate decrease by 1%	**26,104**	19,800	**95,800**	**2,144,284**	72,665	1,626,456

(iii) Price risk
The Company dose not have a significant risk in raw material price variation. In case of any variation in price same is passed on to customer through appropriate adjustment to selling price.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023 – (CONTINUED)

21. EARNINGS PER SHARE

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2023	31 March 2022	**31 March 2023**		31 March 2022	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Basic and diluted						
Profit for the year (A)	**975,402**	701,883	**3,579,730**	**80,124,562**	2,575,910	57,656,178
Weighted average number of shares (B)	**1,000**	1,000	**1,000**	**1,000**	1,000	1,000
Earnings per share basic / diluted (A/B)	**975**	702	**3,580**	**80,125**	2,576	57,656
Nominal value of equity share	**550**	550	**2,019**	**35,703**	2,019	35,703

Mr. Sumit Issar
Mr. Parag Shah
Directors

DIRECTOR'S STATEMENT LETTER RELATING TO THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2023

We the undersigned :

Name	: Mr. Dharmesh Vipinchandra Modi
Position	: Director
Office Address	: Jl.Albasia Selatan block K6-09, Delta Silicon 8, Desa Sukasari, Kecamatan Serang Baru, Kabupaten Bekasi, Jawa Barat 17530
Phone Number	: 062 - 8118201918
Domicile as stated	: Taman Bougenville VII No.8, RT 004 /006, Lippo Cikarang, Desa Cibatu, Kec. Cikarang Selatan, Kab. Bekasi, 17530, Jawa Barat, Indonesia.
in ID Card	: 2C21AM3157-V

Declare that:

1. We are responsible for the preparation and presentation of the Financial Statements PT. MAHINDRA ACCELO STEEL.
2. The Financial Statements have been prepared and presented in accordance with Indonesian Accounting Standard.
3. All information contained in the Financial Statements are complete and correct, and the Financial Statements do not contain misleading material information or facts, and do not omit material information and facts.
4. We are responsible for the Company's Internal Control System.

Thus this statements is made truthfully.

Jakarta, April 11, 2023

For and on behalf of the board of Directors

Mr. Dharmesh Vipinchandra Modi
Director

INDEPENDENT AUDITORS' REPORT

The Shareholders, Board of Commissioners and Directors

PT MAHINDRA ACCELO STEEL INDONESIA

Opinion

We have audited the financial statements of PT Mahindra Accelo Steel Indonesia (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company as at March 31, 2023 and for the year then ended were audited by another independent auditor who expressed an fairly in all material respects opinion on those financial statements on April 11, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report No:

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REGISTERED PUBLIC ACCOUNTANT
DRS DANNY SUGHANDA

Drs Danny Sughanda
AP.0993
Apr 11, 2023

STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2023
(Expressed in Rupiah, unless otherwise stated)

	Note	March 31, 2023	March 31, 2022
ASSETS			
Current Assets			
Cash on hand and in banks	3d,3e,5,24	**491,287,208**	3,643,570,714
Trade receivable			
Third party	3d,3e,6,24	**6,775,850,252**	–
Inventories	3f,7	**21,383,225,004**	8,917,526,558
Prepaid taxes	3j,22a	**16,225,161,688**	11,289,529,981
Other Current Assets		**63,919,804**	71,005,043
Total current assets		**44.939.443.956**	23,921,632,296
Non-Current Assets			
Estimated claims for tax refund	3j,22b	**2,434,072,739**	1,080,346,000
Property and equipment - net	3h,8	**97,853,318,912**	96,816,544,545
Intangible asset	9	**11,551,648**	–
Other assets	10	**1,416,617,024**	1,395,617,024
Total non current assets		**101,715,560,323**	99,292,507,569
TOTAL ASSETS		**146,655,004,279**	123,214,139,865
LIABILITIES			
Current Liabilities			
Bank loan	14.24	**9,950,000,000**	–
Trade payables	3d,11,24		
Related parties	3c,15	**–**	1,885,830,729
Third parties	11	**49,520,398,290**	6,510,947,449
Accrued expenses	12	**967,951,226**	1,118,139,679
Tax payables	3j,22c	**72,140,070**	21,655,191
Other current liabilities		**8,575,970**	886,720,877
Shareholder loan	3c,13	**–**	5,677,139,056
Total current liabilities		**60,519,065,556**	16,100,432,981
Non-Current Liabilities			
Bank Loans	14.24	**53,200,000,000**	56,000,000,000
Total non-current liabilities		**53,200,000,000**	56,000,000,000
TOTAL LIABILITIES		**113,719,065,556**	72,100,432,981
EQUITY			
Share Capital - Par Value of Rp10,000,000 per share			
Authorized - 11,300 shares			
Issued and fully paid – 5.550 shares	16	**55,500,000,000**	55,500,000,000
Defisit		**(22,564,061,277)**	(4,386,293,116)
Total equity		**32,935,938,723**	51,113,706,884
TOTAL LIABILITIES AND EQUITY		**146,655,004,279**	123,214,139,865

The accompanying notes form to an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2023

(Expressed in Rupiah, unless otherwise stated)

	Note	March 31, 2023	March 31, 2022
Sales	3i,17	**61,470,304,592**	447,650,160
Cost of Goods Sales	3i,18	**(60,820,483,155)**	(387,020,736)
GROSS PROFIT		**649,821,437**	60,629,424
General and Administrative Expenses	3i,19	**(11,474,744,994)**	(2,466,376,142)
Operating loss		**(10,824,923,557)**	(2,405,746,718)
Other Income (Expenses) - Net	3i,20	**(7,352,288,226)**	(25,266,482)
Loss Before Income Tax		**(18,177,211,783)**	(2,431,013,200)
Income Tax Expense		**(556,378)**	(9,895,835)
Loss for The Year		**(18,177,768,161)**	(2,440,909,035)

The accompanying notes form to an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
(Expressed in Rupiah, unless otherwise stated)

	Share Capital	Defisit	Total Equity
Balance as of March 31, 2021	48,500,000,000	(1,945,384,081)	46,554,615,919
Additional Paid up capital	7,000,000,000	–	7,000,000,000
Loss for The Year	–	(2,440,909,035)	(2,440,909,035)
Balance as of March 31, 2022	55,500,000,000	(4,386,293,116)	51,113,706,884
Loss for The Year	–	(18,177,768,161)	(18,177,768,161)
Balance per March 31, 2023	**55,500,000,000**	**(22,564,061,277)**	**32,935,938,723**

The accompanying notes form to an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
(Expressed in Rupiah, unless otherwise stated)

	Note	March 31, 2023	March 31, 2022
Cash Flow from Operating Income			
Loss before income tax		**(18,177,211,783)**	(2,431,013,200)
Adjustment for:			
Income tax		**(556,378)**	(9,895,835)
Depreciation property and equipment	9	**4,497,125,434**	3,479,568
Changes in assets and operating liabilities:			
Trade receivables		**(6,775,850,252)**	–
Inventory		**(12,465,698,446)**	(8,917,526,558)
Prepaid taxes		**(6,289,358,446)**	(6,684,711,374)
Other current assets		**7,085,239**	4,415,957
Other assets		**(21,000,000)**	(1,193,486,000)
Trade payables		**41,123,620,112**	8,392,460,978
Accrued expenses		**(150,188,453)**	727,098,333
Other payables		**–**	(42,406,847)
Tax payables		**50,484,879**	(129,925,018)
Other current liabilities		**(878,144,907)**	886,720,877
Net cash from (used in) operating activities		**920,306,999**	(9,394,789,119)
Cash Flows From Investing activities			
Acquisition of intangible asset		**(11,551,648)**	–
Acquisition of property and equipment	9	**(5,533,899,801)**	(36,707,138,570)
Net cash used in investing activities		**(5,545,451,449)**	(36,707,138,570)
Cash Flow from Financing Activities			
Additional paid in capital		**–**	7,000,000,000
Loan		**(5,677,139,056)**	36,695,937,456
Bank loan		**7,150,000,000**	–
Net cash from financing activities		**1,472,860,944**	43,695,937,456
NET DECREASE IN CASH AND BANKS		**(3,152,283,506)**	(2,405,990,233)
CASH ON HAND AND IN BANKS BEGINNING OF THE YEAR	5	**3,643,570,714**	6,049,560,947
CASH ON HAND AND IN BANKS END OF THE YEAR	5	**491,287,208**	3,643,570,714

The accompanying notes form to an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. The Company's Establishment

PT. Mahinda Accelo Steel Indonesia ("the Company") was established based on deed No. 65 of Notary Mala Mukti, SH, LL.M, dated December 18, 2018. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0060888.AH.01.01.Tahun 2018 dated December 19, 2018.

The Company's articles of association have been amended several times, the latest amendment based on Deed No. 16 from Notary Bambang Ariawan, S.H. dated Feburary 10, 2022 regarding changes to the board of directors and commissioners. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0034449.AH.01.11TAHUN 2022 dated 18 February 2022.

The company is domiciled in Jalan Albasia Selatan Blok K6-09 Delta Silicon 8, Sukasari, Serang Baru, Cikarang, Jawa Barat , Indonesia. The company is registered as a taxpayer at the Cikarang Selatan Tax Office (KPP) with a NPWP of 90.338.648.0-018.000.

b. Board of Commissioners and Directors and Employees

The composition of the Company's commissioners and directors as of March 31, 2022 and 2021 is as follows:

Board of Commissioners	**2023**	**2022**
President Commissioner	Mr. Parag Shah	Mr. Parag Shah
Commissioner	Mr. Sumit Issar	Mr. Sumit Issar
Board of Directors		
President Director	Mr. Vijay Arora	Mr. Vijay Arora
Director	Mr. Dharmesh Vipinchandra Modi	Mr. Dharmesh Vipinchandra Modi
Director	Mr. Rudy E. Tiendas	Mr. Rudy E. Tiendas
Director	Ms. Ami Goda	Ms. Ami Goda

As of March 31, 2023 and 2022, the Company has a total of 15 and 8 permanent employees, respectively (unaudited).

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION TO FINANCIAL ACCOUNTING STANDARDS ("ISAK")

a. Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued and Effective in the Current Year (on or after January 1, 2022)

In the current year, the Company has adopted all of the new and revised Financial Accounting Standards (SAK) and Interpretation to Financial Accounting Standards (ISAK) including amendments and annual improvements issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants that are relevant to its operations and affected to the financial statements effective for accounting period beginning on or after January 1, 2022.

The new and revised SAKs and ISAKs including amendments and annual improvements effective in the current year are as follows:

– Amendment to PSAK 22 Business Combinations concerning Reference to the Conceptual Framework to clarify the interaction between PSAK 22, PSAK 57, ISAK 30 and the Conceptual Framework for Financial Reporting. In general, this PSAK 22 Amendment adds a description related to "liabilities and contingent liabilities within the scope of PSAK 57 or ISAK 30" which is stated in paragraphs 21A-21C., changes paragraph 23 by clarifying contingent liabilities recognized at the acquisition date, adds paragraph 23A regarding the definition contingent assets and their accounting treatment. These amendments are effective on or after January 1, 2022 with early adoption permitted.

– Amendment to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets on Onerous Contracts - Cost of Fulfilling Contracts.

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a onerous contract. Amendment to PSAK 57 provide that the costs to fulfill the contract consist of costs that are directly related to the contract. Costs directly related to the contract consist of:

- incremental costs to fulfill the contract, and
- allocation of other costs directly related to fulfilling the contract.

This amendment is effective on or after January 1, 2022 with early adoption permitted.

– PSAK 71 (Improvement 2020) clarifies the fee (consideration) recognized by the borrower in relation to derecognition of a financial liability (Section 3.3) in Paragraph PP3.3.6. In determining the fee (consideration) paid after deducting the fee (consideration) received, the borrower only includes the fee (consideration) paid or received between the borrower and the lender, including fees (consideration) paid or received by either the borrower or lender on behalf of the other party. This Improvement is effective on or after January 1, 2022 with early adoption permitted.

– PSAK 73 (Improvement 2020) clarifies the measurement by lessee and recording of changes in the lease term related to "leasehold improvement" in illustrative example 13 (Section 1). This Improvement is effective on or after January 1, 2022 with early adoption is permitted.

b Standards Issued but not Effective in the Current Year

– Amendment to PSAK 1 and 25: Amendment to PSAK 1 changes the term "significant" to "material" and provides an explanation of material accounting policies. Meanwhile, the Amendment to PSAK 25 provides a new definition of "accounting estimates" and explanations. The amendments are effective on or after January 1, 2023 with early adoption permitted.

– Amendment to PSAK 1: Presentation of Financial Statements on Classification of Liabilities as Short-Term or Long-Term. The amendment clarifies one of the criteria in classifying a liability as long-term, namely requiring an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment is effective on or after January 1, 2023 with early adoption permitted.

– Amendment to PSAK 16: Property, Plant and Equipment on Proceeds Before Intended Use. This amendment is effective for the annual reporting period beginning on or after January 1, 2023 with early application permitted.

– PSAK 74: Insurance Contracts will make the financial statements of insurance companies "comparable" with other industries such as banking and other financial service companies because PSAK 62: Insurance Contracts currently in force still allow reporting that varies in each jurisdiction/country. In addition, PSAK 74 also requires a clear separation between income generated from the insurance business and income from investment activities so that all stakeholders from financial statements, including policy holders and investors, obtain transparent information on the financial statements of companies that have contracts. insurance for insurance protection products with investment features. This PSAK 74 will replace PSAK 62 "Insurance Contract" and will come into effect on January 1, 2025 with early application permitted.

– Amendment to PSAK 74 – Insurance Contracts - Initial Application of PSAK 74 and PSAK 71 - Comparative Information, effective when the entity first applies PSAK 74.

Several SAKs and ISAKs including amendments and annual improvements that became effective in the current year and are relevant to the Company's operation have been adopted as disclosed in the "Summary of Significant Accounting Polices".

Other SAKs and ISAKs that are not relevant to the Company's operation or might affect the accounting policies in the future are being evaluated by the management the potential impact that might arise from the adoption of these standards to the financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently in the preparation of financial statements except for the adoption of several new and revised SAKs and ISAKs that effective on or after January 1, 2022, as follows:

a. Compliance Statements

The financial statements have been prepared in accordance with SAK, which comprises the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants, including applicable new and revised standards, effective on January 1, 2022.

b. Basis for the Preparation of Financial Statements

The financial statements are prepared in accordance with PSAK 1 (Revised 2013) “Presentation of Financial Statements”. This revised PSAK changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss would be presented separately from items that will never be reclassified.

The financial statements have been prepared on the assumption of going concern and accrual basis except for statement of cash flows using cash basis.

The measurement in the financial statements is historical cost concept, except for certain accounts which are measured on the basis described in the related accounting policies of respective account.

The statement of cash flows, which have been prepared using the indirect method, present cash receipts and payments classified into operating, investing and financing activities.

The reporting currency used in the preparation of the financial statements is Rupiah which also represents functional currency of the Company.

When the Company adopts accounting policy retrospectively or restates items in its financial statements or the Company reclassifies the items in its financial statements, the financial statements at the beginning of comparative period are presented.

c. Transactions with Related Parties

The Company deals transactions with related parties as defined in PSAK 7 (Revised 2010) “Related Party Disclosures” and PSAK 7 (Improvements 2015) “Related Party Disclosures”.

This PSAK requires disclosure of relationships, transactions and balances related parties, including commitments in the financial statements.

This PSAK also introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same Government as the reporting Company (Government related entities).

Related party is a person or an Company related to the Company who prepares financial statements (the reporting Company).

Related party is a person or an Company related to the Company who prepares financial statements (the reporting Company).

a. A person or a close member of that person’s family is related to the reporting Company if that person:

   (i) has control or joint control over the reporting Company;

   (ii) has significant influence over the reporting Company; or

   (iii) is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

b. An Company is related to the reporting Company if any of the following conditions applies:

   (i) the Company and the reporting Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) one Company is an associate or joint venture of the other Company (or an associate or joint venture of a member of a group of which the other Company is a member).

   (iii) both entities are joint ventures of the same third party.

   (iv) one Company is a joint venture of a third Company and the other Company is an associate of the third Company.

   (v) the Company is a post-employment defined benefit plan for the benefit of employees of either the reporting Company or an Company related to the reporting Company. If the reporting Company in itself such a plan, the sponsoring employers are also related to the reporting Company.

   (vi) the Company is controlled or jointly controlled by a person identified in (a).

   (vii) a person identified in a (i) has significant influence over the Company or is member of the key management personnel of the Company (or of a parent of the Company).

The transaction was conducted on terms agreed by both parties, which terms may not be the same as other transactions conducted by parties who are not related.

All transactions and balances with significant related parties, whether or not conducted with the terms and conditions, as were done with the parties that have no relation to related parties, have been disclosed in the relevant notes to the financial statements.

d. Financial Instruments

The Company adopted PSAK 71 “Financial Instruments” including Amendment to PSAK 71 “Financial Instruments: Features of Accelerating Repayment with Negative Compensation”. Amendment to PSAK 71 regulates that financial asset with accelerated repayment features that can result in negative compensation meeting qualifications as contractual cash flows originating solely from payment of principal and interest from the principal amount owed and the Company also applied PSAK 60 (Revised 2014) “Financial Instruments: Disclosures”. PSAK 71 replaces PSAK 55 (Revised 2014) “Financial Instruments: Recognition and Measurement”.

PSAK 50 (Revised 2014) outlines the accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The standard also provides guidance on the classification of related interest, dividends and gains/losses, and when financial assets and financial liabilities can be offset.

PSAK 60 (Revised 2014) requires quantitative and qualitative disclosures in the financial statements that enable users to evaluate the significance of financial instruments on the financial position and performance, and the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the end of the reporting period and how the Company manages such risks. In addition, this standard describes the requirement for disclosure of liquidity risk.

(1) Financial Assets

<u>Initial Recognition and Measurement</u>

Financial assets are recognized on the financial position when the Company becomes a party to the contractual provision of the instrument. All financial assets are recognized and de-recognized on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

Financial assets are initially measured at fair value, in the case of investments not classified as fair value through profit or loss (FVTPL), fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets.

All recognized financial assets are subsequently measured as a whole amortized cost or fair value, depending on the classification of the financial assets.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

Subsequent Measurement

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

– the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets that are not classified as amortized cost or FVOCI are subsequently measured at FVTPL.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI):

– the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the current year, the Company has neither designated any debt investments that meet the amortized cost or FVOCI criteria as measured at FVTPL nor any equity investment as FVOCI.

Amortized Cost and Effective Interest Method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset (gross basis), except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the “Finance Income - Interest Income” line item.

Investment in Debt Instruments Classified as at FVOCI

The debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of the debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these financial assets had been measured at amortized cost.

All other changes in the carrying amount of these financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Investment in Equity Instruments Designated as at FVOCI

A financial asset is held for trading if:

– it has been acquired principally for the purpose of selling it in the near term; or

– on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

– it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends income on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “Finance Income - Dividend Income” line item in profit or loss.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “Other Gains and Losses” line item.

Foreign Exchange Gains and Losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

Specifically,

– for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “Gains or Losses on Foreign Exchange” line item;

– for debt instruments measured at FVOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the "Gains or Losses on Foreign Exchange" line item;

– for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Gains or Losses on Foreign Exchange" line item; and

– for equity instruments measured at FVOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortized cost or at FVOCI. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL (12mECL). The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12mECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(2) Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial Liabilities Subsequently Measured at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination, held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

– it has been acquired principally for the purpose of repurchasing it in the near term; or

– on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liabilities and is included in the "Other Gains and Losses" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in own credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value due to other than own credit risk of liability is recognized in profit or loss.

Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial Liabilities Subsequently Measured at Amortized Cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, not held-for-trading, or designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, not held-for-trading, or designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, not held-for-trading, or designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the "Gains or Losses on Foreign Exchange" in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

(3) Offsetting Arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(4) Reclassification of Financial Instruments

For financial assets, reclassification is required between FVTPL, FVOCI and amortized cost, if and only if the Company's business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Company does not restate any previously recognized gains, losses, or interest.

PSAK 71 does not allow reclassification:

– for equity investments measured at FVOCI, or

– where the fair value option has been exercised in any circumstance for a financial assets or financial liability.

The financial liability shall not be reclassified.

e. Cash on hand and in Banks

Cash is the means of payment that ready and free to be used to finance the activities of the Company. Bank include cash in bank and deposit held or call with banks.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

f. Inventories

Inventories are stated at the lower of cost and net realizable value where the cost is determined using the weighted average method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance for inventories obsolescence is provided based on the review of inventories condition at the end of the year.

g. Advances and Prepaid Expenses

Advances and prepaid expenses are amortized over the useful life of each expense using the straight-line method.

h. Property, Plant and Equipment

The Company adopted PSAK No. 16 (Revised 2011), "Property, Plant and Equipment".

The Company has chosen the cost model for measurement of their property and equipment.

Property and equipment are stated at cost, except land, less accumulated depreciation and impairment losses. Depreciation is computed using the straight-line method over the useful life of the assets. Estimated useful lives as follows:

	Year
Building	30
Furniture and equipment	10
Machinery	15
Computer	4

At the end of each financial year, management reviewed the residual values, useful lives and methods of depreciation, and if appropriate, adjusted prospectively.

Land is stated at cost and not depreciated, unless it can be proven that the land has a certain useful life. Certain cost associated with the acquisition of land at the time of acquisition was first recognized as part of the acquisition of land.

The costs associated with the extension of land rights are deferred and amortized over the life of legal rights to land or economic life of the land (if it can be determined), which is shorter.

The cost of repairs and maintenance is charged to the statement of profit or loss and other comprehensive income as incurred; replacement or inspection costs are capitalized when incurred, and if it is probable future economic benefits associated with the item will flow to the Company, and the cost of the asset can be measured reliably.

The carrying amount of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized.

Construction in progress is presented in the "Property and Equipment" and is stated at cost.

i. Revenue and Expense Recognition

The Company recognizes revenue in accordance with the provisions of PSAK 72, the Company recognizes revenue at the time and to the extent that the transfer of goods or services to customers would reflect an amount that the Company expects to receive in exchange for those goods or services. In applying this Standard, the Company takes into account the terms of the contract and all relevant facts and circumstances. Revenue is recognized using the 5-step assessment:

1. <u>Identification of the Contract with the Customer</u>

   Contract is an agreement between two or more parties that creates enforceable rights and obligations.

2. <u>Identification of the Performance Obligation in the Contract</u>

   A performance obligation is a promise to a customer to transfer goods or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Distinct means separable, or separately identifiable.

3. <u>Determination of the Transaction Price</u>

   The transaction price is the amount of consideration that the Company expects to be entitled to in exchange for the goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value added tax). If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer less the estimated variable amount which will be paid during the contract period.

4. <u>Allocation Transaction Price to Performance Obligations</u>

   Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract. Where these are not directly observable, the relative stand-alone selling price is required to be estimated.

5. <u>Recognition of Revenue when Performance Obligation is Satisfied</u>

   Revenue from sales is recognized as a representation of the delivery of goods or the rendering of services at the amount that correctly represents the performed obligation and the right to receive consideration in exchange for the goods and/or services. Revenue recognition depends on whether the transfer is being settled over time or at a certain point in time.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties such as VAT (Value Added Tax). The Company recognizes revenue when it transfers control of a product or service to a customer.

Expenses are recognized when incurred (accrual basis).

j. Income Taxes

The Company adopted PSAK No. 46 (Revised 2013), "Income Taxes". Besides, the Company also adopted ISAK No. 20, "Income Taxes: Changes in the Tax Status of an Enterprise or its Shareholders".

<u>Recognition</u>

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

Deferred tax liability is recognized for all taxable temporary differences unless the temporary difference arises from:

(1) initial recognition of goodwill; or

(2) the initial recognition of an asset or liability of a transaction which

   a. other than in a business combination; and,

   b. at the time of the transaction, does not affect either the accounting or the taxable profit (fiscal loss).

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

Deferred tax asset is recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized unless the deferred tax asset arises from:

(1) the initial recognition of an asset or liability of a transaction which

   a. other than in a business combination; and

   b. at the time of the transaction, does not affect accounting profit or taxable profit (fiscal loss).

(2) deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, are only recognized to the extent that it is probable that:

   a. the temporary difference will reverse in the foreseeable future and

   b. taxable profit will be available against which the temporary difference will be utilized.

<u>Measurement</u>

Current tax liabilities (assets) for the current and prior periods is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted for the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted for the reporting period.

Deferred tax assets and liabilities may not be discounted.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. An Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

<u>Allocation</u>

For transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in OCI or directly in equity), any related tax effects are also recognized outside profit or loss (either in OCI or directly in equity, respectively).

<u>Offset</u>

Deferred tax assets and deferred tax liabilities are offset if, and only if, legally enforceable right exists to offset current tax assets against current tax liabilities, or deferred tax assets and deferred tax liabilities relate to the same taxable Company, or the Company intends to settle its current tax assets and liabilities on a net basis.

k. Transactions and Balances in Foreign Currency

The Company adopted PSAK 10 (Revised 2010) “The Effects of Changes in Foreign Exchange Rates”.

This revised standard sets up measurement and presentation currency of an company in which the measurement currency should use a functional currency as the presentation currency may use a currency other than the functional currency.

In determining the functional currency of the company to consider the following factors:

1) currency that most influences the selling price for goods and services, or from a country whose competitive forces and legislation largely determine the selling price of goods and services;

2) currency that most influences the cost of labor, material and other costs of the procurement of goods or services;

3) the currency in which funds from financing activities (i.e. issuing debt and equity instruments) are produced;

4) the currency in which receipts from operating activities are usually retained.

The Company using the Rupiah currency as the functional currency and the reporting currency.

Transactions in foreign currencies are recorded into Rupiah using the exchange rate at the transactions incurred. On the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah using the middle rate set by Bank Indonesia on the last banking day of the period. Gains or losses are credited or charged to the statement of profit or loss and other comprehensive income.

The exchange rates used are the middle exchange rate announced by Bank Indonesia, as follows:

March 31, 2023	Rp15.062/ 1 USD
March 31, 2022	Rp14.349/ 1 USD

4. ESTIMATES AND JUDGMENTS OF SIGNIFICANT ACCOUNTING

Judgments, Estimates and Assumptions

The preparation of financial statements requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about the judgment, estimates and assumptions could result in material adjustments to the carrying value of assets and liabilities in future period.

The key assumptions of the future and the other key source of uncertainty in estimation at the reporting date that have a significant risk of material adjustment to the carrying amounts of assets and liabilities for the future period described below.

The Company bases its estimates and assumptions on the parameters available at the time the financial statements are prepared. Assumptions and situation concerning the future development may change due to market changes or circumstances beyond the control of the Company. The changes are reflected in the related assumptions as incurred.

The following judgments, estimates and assumptions made by management in implementing accounting policies of the Company have the most significant effect on the amount recognized in the financial statements:

Determining of Functional Currency

The functional currency is the currency of the primary economic environment in which the Company operates. The management considers the currency that mainly influences the revenue and cost of sales and other indicators in determining the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Determining Classification of Financial Assets and Financial Liabilities

The Company determines classification of certain assets and liabilities as financial assets and financial liabilities by considering the definitions set forth in PSAK No. 55 (Revised 2014) are met. Accordingly, financial assets and financial liabilities are recognized in accordance with the Company’s accounting policies as disclosed in the Note 3d and 24.

Determining Fair Value and Calculation of Cost Amortization of Financial Instruments

The Company records certain assets and financial liabilities at fair value and at amortized cost, which requires the use of accounting estimates. While significant components of fair value measurement and assumptions used in the calculation of cost amortization is determined using verifiable objective evidence, the amount of the fair value or amortized cost may differ if the Company uses different valuation methodologies or assumptions. These changes directly affect the Company’s profit or loss. More detailed information is disclosed in Note 24.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

Determining Recoverable Amount of Non-financial Assets

Provision for decline in market value and obsolescence of inventories is estimated based on available facts and circumstances, including but not limited to, the physical condition of inventory on hand, the selling price of the market, estimated costs of completion and the estimated costs incurred for the sale.

Provision re-evaluated and adjusted if additional information that affect the estimated amounts.

The recovery amounts of property and equipment are based on estimates and assumptions especially about market prospects and cash flows associated with the asset. Estimates of future cash flows include estimates of future revenues. Any changes in these assumptions may have a material impact on the measurement of recoverable amount and could result in adjustments to the allowance for impairment already booked.

Determining Depreciation Method and Estimated Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the expected utilization of assets and supported by plans and business strategy and market behavior.

Estimation of useful lives of property and equipment are provided based on the Company's evaluation on industry practice, internal technical evaluation and experience for assets equivalent.

The estimated useful lives are reviewed at least at each year end reporting and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other restrictions on the use of assets as well as technological developments.

However, it is possible, future results of operations could be materially affected by changes in the estimates due to changes in the factors mentioned above, and therefore the future depreciation charges may be revised.

The costs of property and equipment are depreciated using the straight-line method over the estimated economic useful lives. Management estimates the useful lives of property and equipment 4-30 years. This is the age that is generally expected in the industry in which the Company does business. More detailed information disclosed in the Note 8.

Determining Income Taxes

Significant judgments made in determining the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business activities. The Company recognizes a liability for corporate income tax based on estimates of whether there will be an additional income tax.

In certain situations, the Company cannot determine the exact amount of their current or future tax liability due to on going investigation, or the negotiations with tax authorities. Uncertainties arise concerning the interpretation of complex tax regulations and the amount and timing of the taxable income in the future.

Determining Income Taxes

In determining the amount to be recognized related to uncertain tax liabilities, the Company applies the similar consideration that they will use in determining the amount of provision that must be recognized in accordance with PSAK No. 57 (Revised 2009), "Provisions, Contingent Liabilities and Contingent Assets". The Company makes the analysis to all tax positions related to income taxes to determine if tax liability for unrecognized tax benefits should be recognized.

5. CASH ON HAND AND IN BANKS

	March 31, 2023	March 31, 2022
Cash on hand	**1,772,385**	6,016,386
Bank (Rupiah):		
MUFG Bank Limited	**355,785,568**	770,838,413
The Hongkong and Shanghai Banking Corporation	**116,593,933**	2,866,715,915
PT Bank Mandiri (Persero) Tbk	**17,135,322**	–
Total	**491,287,208**	3,643,570,714

6. TRADE RECEIVABLE

	March 31, 2023	March 31, 2022
Nippon Steel Trading Coorporation	**6,775,850,252**	–
Total	**6,775,850,252**	–

ECL on trade receivables using provision matrix is as follows:

	March 31, 2023						
		Past due					
	Not past due	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 120 days**	**> 120 days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	0%	0%	**0%**	0%
Estimated total gross carrying amount at default	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lifetime ECL	**–**	**–**	**–**	–	–	**–**	–
Total							–

7. INVENTORIES

	March 31, 2023	March 31, 2022
Raw materials	**22,515,453,830**	8,917,526,558
Finish goods	**1,062,125,408**	–
Less: provision for fair value of inventories	**(2,194,354,234)**	–
Total	**21,383,225,004**	8,917,526,558

Based on the review of the market prices and physical condition of inventories at the reporting dates, management believes that inventory reflect their net realizable value of inventories as of March 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023				
	Beginning Balance	Additional	Deduction	Reclasification	Ending Balance
Acquisition Cost					
Land	**18,973,859,487**	**1,254,610**	**–**	**–**	**18,975,114,097**
Building	**–**	**482,996,059**	**–**	**32,962,384,686**	**33,445,380,745**
Furniture and equipment	**–**	**4,922,886,683**	**–**	**–**	**4,922,886,683**
Machinery	**–**	**–**	**–**	**44,873,976,018**	**44,873,976,018**
Computer	**13,918,274**	**126,762,449**	**–**	**–**	**140,680,723**
Construction in progress	**77,836,360,704**	**–**	**–**	**(77,836,360,704)**	**–**
Total	**96,824,138,465**	**5,533,899,801**	**–**	**–**	**102,358,038,266**
Accumulated Depreciation					
Building	**–**	**1,114,846,025**	**–**	**–**	**1,114,846,025**
Furniture and equipment	**–**	**367,356,571**	**–**	**–**	**367,356,571**
Machinery	**–**	**2,982,791,481**	**–**	**–**	**2,982,791,481**
Computer	**7,593,920**	**32,131,357**	**–**	**–**	**39,725,277**
Total	**7,593,920**	**4,497,125,434**	**–**	**–**	**4,504,719,354**
Book Value	**96,816,544,545**				**97,853,318,912**

	March 31, 2022				
	Beginning Balance	Additional	Deduction	Reclasification	Ending Balance
Acquisition Cost					
Land	18,973,859,487	–	–	–	18,973,859,487
Computer	13,918,274	–	–	–	13,918,274
Construction in progress	41,129,222,134	36,707,138,570	–	–	77,836,360,704
Total	60,116,999,895	36,707,138,570	–	–	96,824,138,465
Accumulated Depreciation					
Computer	4,114,352	3,479,568	–	–	7,593,920
Total	4,114,352	3,479,568	–	–	7,593,920
Book Value	60,112,885,543				96,816,544,545

Construction in progress of Rp77,836,360,704 has been fully capitalized in 2023.

Depreciation expense is charged to the general and administrative expenses.

Management believes that there is no impairment in the value of property, plant and equipment as referred to in PSAK 48, “Impairment of Asset Value” as of March 31, 2023 and 2022.

The Company has insured its property, plant and equipments with several third party insurance companies with insurance coverage of Rp71,000,000,000 as of March 31, 2023 and 2022.

Management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

9. INTANGIBLE ASSET

Intangible assets in the form of software amounted of Rp11,551,648 as of March 31, 2023.

10. OTHER ASSETS

This account consists of deposit to electrical connection and deposit to machinery rent amounted of Rp1,416,617,024 as of March 31, 2023 and Rp1,395,617,024 as of March 31, 2022.

11. TRADE PAYABLES

The details of trade payable by the supplier are as follows:

	March 31, 2023	March 31, 2022
Related party (Notes 15)	**–**	1,885,830,729
Third parties	**49,520,398,290**	6,510,947,449
Total	**49,520,398,290**	8,396,778,178

12. ACCRUED EXPENSES

	March 31, 2023	March 31, 2022
Salaries	**503,833,837**	246,257,830
Interest loan	**325,617,389**	372,146,849
Professional fee	**138,500,000**	499,735,000
Total	**967,951,226**	1,118,139,679

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

13. SHAREHOLDER LOAN

Based on agreement dated 29 Oct 2021, Mahindra Intertrade Limited has provided short term loan of INR 30 Million to the company for meeting its cashflow requirements. The loan is based on interest rates of 7.5% p.a.

	March 31, 2023	March 31, 2022
Mahindra Intertrade Limited	–	5,677,139,056
Total	–	5,677,139,056

This loan has been fully paid in January 11, 2023.

14. BANK LOAN

The Company has credit facility from MUFG Bank LTD in accordance with the credit agreement Number: 2021-0054119-LN dated January 7, 2022. With the following terms and conditions:

Facility Type:	Short Term Credit/ Working capital limit
Facility Limit:	USD 6,000,000/-
Interest Rate:	3M JIBOR & Margin minimum 2% p.a
Availability Period:	7 January 2022 - 7 January 2023
Credit Collateral:	1. Letter of comfort from MIL
	2. Fixed Asset (Land, Building, Machineries)

	March 31, 2023	March 31, 2022
Short term MUFG Bank Limited	9,950,000,000	–
Sub total	9,950,000,000	–
Long term MUFG Bank Limited	53,200,000,000	56,000,000,000
Sub total	53,200,000,000	56,000,000,000
Total	63,150,000,000	56,000,000,000

15. BALANCES AND TRANSACTION WITH RELATED PARTIES

In the normal course of business, the Company entered into transactions with related parties, mainly covering sale transactions, purchases and other financial transactions

a. The nature of relationships and transactions

The following table is a summary of related parties that have transaction with the Company, including the nature of the relationship and the nature of the transaction:

Related parties	Nature of Relationship	Nature of Transactions
Mahindra Intertrade ltd.	Shareholder	Trade payable

b. Balance with related party

a. Trade payable

	March 31, 2023	March 31, 2022
Mahindra Intertrade Limited	–	1,885,830,729
Total	–	1,885,830,729
Percentage of total liabilities	0.00%	2.62%

16. CAPITAL STOCK

The Composition of shareholder as of March 31, 2023 and 2022 are as follows:

Shareholders	Nominal of shares	Persentage of owner	Value of Shares
Mahindra Intertrade Limited	5,549	99.98%	55,490,000,000
Karthick Gnanasekaran	1	0.02%	10,000,000
Total	5,550	100%	55,500,000,000

17. SALES

	March 31, 2023	March 31, 2022
Steel	61,470,304,592	447,650,160
Total	61,470,304,592	447,650,160

18. COST OF GOODS SALES

	March 31, 2023	March 31, 2022
Cost of goods sales	57,630,238,563	358,361,339
Freight Charges	2,135,343,475	9,503,247
Packing Materials	1,036,388,859	15,068,150
Promotion	15,782,258	–
Stores consumed	2,730,000	4,088,000
Total	60,820,483,155	387,020,736

19. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2023	March 31, 2022
Depreciaiton (Notes 8)	4,497,125,434	3,479,568
Salaries	3,021,310,810	663,937,429
Professional fee	1,186,539,022	952,640,492
Rental	822,919,500	65,555,555
Repairs and maintenance	577,906,942	151,832,014
Electricity	411,926,847	76,129,678
Insurance	298,070,880	–
Travelling	196,285,325	218,563,750
Directors fees	75,672,060	108,568,000
Amortization	2,848,352	–
Others (below 100 Million)	384,139,822	225,669,656
Total	11,474,744,994	2,466,376,142

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

20. OTHER INCOME (EXPENSES)

	March 31, 2023	March 31, 2022
Interest income	**6,495,590**	49,077,777
Others income	**10,589,827**	–
Bank charges	**(299,428,340)**	(71,168,444)
Finance charges	**(5,227,809,343)**	–
Exchange rate	**(1,842,135,960)**	(3,175,815)
Totals	**(7,352,288,226)**	(25,266,482)

21. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCY

As of March 31, 2023 and 2022, the carrying amount of the Company monetary assets and liabilities in foreign currencies are as follows:

	March 31, 2023	
	Foreign Currency	**Equivalent to Rp**
Trade payables		
Third parties	**3,118,323**	**46,968,174,380**
Totals	**3,118,323**	**46,968,174,380**

	March 31, 2022	
	Foreign Currency	**Equivalent to Rp**
Trade payables		
Related parties	130,779	1,885,830,729
Third parties	446,765	6,442,359,231
Totals	577,544	8,328,189,960

22. TAXATION

a. Prepaid tax

	March 31, 2023	March 31, 2022
Value added tax	**16,225,161,688**	11,289,529,981
Total	**16,225,161,688**	11,289,529,981

b. Estimated claim for tax refund

	March 31, 2023	March 31, 2022
Corporate income tax :		
Year 2022	**1,353,726,739**	–
Year 2021	**1,080,346,000**	1,080,346,000
Total	**2,434,072,739**	1,080,346,000

c. Taxes payable

	March 31, 2023	March 31, 2022
Income tax :		
Article 21	**–**	13,230,066
Article 23	**–**	8,132,325
Article 4 (2)	**–**	292,800
Value added tax	**72,140,070**	–
Total	**72,140,070**	21,655,191

d. Income Tax

The reconsiliation between loss income before income tax expenses as shown in the statement of profit or loss and other comprehensive income and fiscal gain (loss) is as follows:

	March 31, 2023	March 31, 2022
Loss before income tax expense	**(18,177,768,161)**	(2,440,909,035)
Permanent different :		
Interest income	**(6,495,590)**	(49,077,777)
Staff welfare	**–**	365,074,264
Others	**–**	22,500,000
Total permanent difference	**(6,495,590)**	338,496,487
Estimated Loss Income Tax	**(18,184,263,751)**	(2,102,412,548)

23. POLICY AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Capital Management

The Company's capital management policy is to ensure that the capital ratio is always in a state of good health in order to support business performance and maximize value for shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the business.

Management monitors capital using some measure of financial leverage as debt-to-equity ratio.

Financial Risk Management

The Company is influenced by various financial risks such as credit risk and liquidity risk. The purpose of risk management the Company as a whole is to effectively control these risks and minimize the adverse effects that can occur to the financial performance of the Company. Management reviews and approves policies to control any risks, which are summarized below, and also monitors the market price risk of all financial instruments.

a. Credit Risk

Credit risk is the risk of financial losses incurred if the Company's customer fails to meet the contractual obligations to the Company. Credit risk mainly from trade receivables provided to the customers.

Allowance for impairment losses recognized on financial reporting is based on an expected losses on the date of the financial statements.

There are no significant concentrations of credit risk associated with trade receivables, this is due to the diversity of customers.

b. Liquidity Risk

Liquidity risk is the risk that the Company cannot meet obligations as they fall due. Prudent liquidity risk management includes managing sufficient cash and cash equivalents to support the business activities in a timely manner.

Liquidity risk management is conducted, among others by monitoring loans and funding sources, maintaining sufficient cash and cash equivalent as well as ensuring the availability of funding from a number of binding credit facilities, and the readiness to maintain its market position. The Company maintains its ability to binding finance from a reliable lender.

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

24. FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities include cash and banks, trade payables, accrued exepenses, shareholder loan and bank loan arising from its business activities.

The table below summarizes the carrying amounts and estimated fair values of financial instruments of the Company that are stated in the financial position March 31, 2023 and 2022:

	March 31, 2023	
	Carrying Value	**Fair Value**
Financial assets		
Cash and banks	**491,287,208**	**491,287,208**
Trade receivable	**6,775,850,252**	**6,775,850,252**
Total	**7,267,137,460**	**7,267,137,460**
Financial liabilities		
Trade payables	**49,520,398,290**	**49,520,398,290**
Accrued expenses	**967,951,226**	**967,951,226**
Bank loan	**53,200,000,000**	**53,200,000,000**
Total	**103,688,349,516**	**103,688,349,516**

	March 31, 2022	
	Carrying Value	**Fair Value**
Financial assets		
Cash and banks	3,643,570,714	3,643,570,714
Total	3,643,570,714	3,643,570,714
Financial liabilities		
Trade payables	8,396,778,178	8,396,778,178
Accrued expenses	1,118,139,679	1,118,139,679
Loan	5,677,139,056	5,677,139,056
Bank loan	56,000,000,000	56,000,000,000
Total	71,192,056,913	71,192,056,913

25. COMPLETION OF THE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of financial statements that have been authorized for issue by the Directors on April 11, 2023.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra MSTC Recycling Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra MSTC Recycling Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company does not have any pending litigations which would impact its financial position.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 34 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 34 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXG8962

Place : Mumbai
Date : 17 April 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of the Company based on the taxes paid to the authorities (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company, however, the same is established voluntarily. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXG8962

Place : Mumbai
Date : 17 April 2023

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(F) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra MSTC Recycling Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nishant Sayani
Partner
Membership No.: 132439
ICAI UDIN:23132439BGYFXG8962

Place : Mumbai
Date : 17 April 2023

BALANCE SHEET AS AT 31 MARCH, 2023

Rs. in lakhs

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	**3,069.80**	1,800.65
(b) Capital work-in-progress	32a	**179.87**	53.77
(c) Intangible assets	5	**5.95**	11.72
(d) Intangible assets under development	32b	**52.60**	–
(e) Financial assets			
Others	6	**123.77**	71.71
(f) Other non-current assets	7	**17.30**	41.99
Total non-current assets		**3,449.29**	1,979.84
2 Current assets			
(a) Inventories	8	**381.78**	513.27
(b) Financial assets			
(i) Trade receivables	9	**16.03**	3.42
(ii) Cash and cash equivalents	10A	**279.04**	294.16
(iii) Bank balances other than (ii) above	10B	**1,573.44**	1,952.00
(iv) Others	6	**58.69**	20.29
(c) Other current assets	7	**376.54**	213.06
Total current assets		**2,685.52**	2,996.20
Total assets (1+2)		**6,134.81**	4,976.04
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	**6,000.00**	5,720.00
(b) Other equity	12	**(2,124.73)**	(1,594.41)
		3,875.27	4,125.59
Total equity		**3,875.27**	4,125.59
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**1,243.38**	280.61
(b) Provisions	13	**57.17**	33.13
Total non-current liabilities		**1,300.55**	313.74
3 Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**315.46**	140.96

BALANCE SHEET AS AT 31 MARCH, 2023 (Contd...)

Rs. in lakhs

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	14	**10.45**	1.30
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	**397.84**	205.45
(iii) Other financial liabilities	15	**106.52**	88.76
(b) Provisions	13	**5.77**	3.96
(c) Other current liabilities	16	**122.95**	96.28
Total current liabilities		**958.99**	536.71
Total equity and liabilities (1+2+3)		**6,134.81**	4,976.04

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
17 April 2023

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS: 41200

Mumbai
17 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

Rs. in lakhs

	Particulars	Note No.	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Revenue from operations	19	**3,040.98**	1,665.14
	Other income	20	**126.65**	83.00
I	**Total income**		**3,167.63**	1,748.14
II	**EXPENSES**			
	(a) Cost of materials consumed	21a	**1,770.00**	602.20
	(b) Changes in inventories of finished goods and work-in-progress	21b	**(94.84)**	(82.99)
	(c) Employee benefits expense	22	**447.23**	316.63
	(d) Finance costs	23	**120.40**	35.38
	(e) Depreciation and amortisation expenses	4 & 5	**477.13**	332.89
	(f) Other expenses	24	**978.74**	535.05
	Total expenses (II)		**3,698.66**	1,739.16
III	**(Loss) / profit before tax (I - II)**		**(531.03)**	8.98
IV	**Tax Expense**			
	(a) Current tax	17	**–**	–
	(b) Deferred tax	18	**(0.18)**	(47.59)
	Total tax expense		**(0.18)**	(47.59)
V	**(Loss) / profit after tax (III - IV)**		**(530.85)**	56.57
VI	**Other comprehensive income/(loss)**		**0.53**	(0.33)
(i)	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit (asset)/liability		**(0.71)**	0.44
(ii)	Income tax relating to items that will not be reclassified to profit or loss	18	**0.18**	(0.11)
VII	**Total comprehensive (loss)/ income for the year (V + VI)**		**(530.32)**	56.24
	Earnings per equity share (of Rs. 10/- each)	31		
	(a) Basic		**(0.93)**	0.12
	(b) Diluted		**(0.93)**	0.12

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
17 April 2023

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS: 41200

Mumbai
17 April 2023

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

For the year ended 31 March, 2023 | Rs. in lakhs

Particulars	**As at 31 March, 2023**	As at 31 March, 2022
Balance at the beginning of the year	**5,720.00**	4,520.00
Changes in equity share capital during the year	**280.00**	1,200.00
Balance at the end of the year	**6,000.00**	5,720.00

B. Other equity

For the year ended 31 March, 2023 | **Rs. in lakhs**

Particulars	**Retained earnings**	
	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of year (A)	**(1,594.41)**	(1,650.65)
(Loss)/ profit for the year (B)	**(530.85)**	56.57
Other comprehensive income /(loss) (net of taxes) (C)	**0.53**	(0.33)
Total comprehensive (loss)/ income for the year (D)=(B)+(C)	**(530.32)**	56.24
Balance at the end of year (A)+(D)	**(2,124.73)**	(1,594.41)

See accompanying notes forming part of the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
17 April 2023

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS: 41200

Mumbai
17 April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023

Particulars	For the year ended 31 March, 2023	Rs. in lakhs For the year ended 31 March, 2022
Cash flow from operating activities		
(Loss)/ profit before tax for the year	**(531.03)**	8.98
Adjustment for:		
(1) Depreciation and amortisation expenses	**477.13**	332.89
(2) Finance cost	**120.40**	35.38
(3) Interest income	**(98.56)**	(68.15)
(4) Unwinding of interest on security deposit	**(9.83)**	(4.98)
	(41.89)	304.12
Movement in working capital:		
(1) Decrease/(Increase) in inventories	**131.49**	(439.84)
(2) Increase in other assets	**(228.56)**	(28.17)
(3) Increase in trade payables	**201.54**	106.01
(4) (Increase)/decrease in trade receivables	**(12.61)**	43.47
(5) Increase in provisions	**26.56**	7.47
(6) Increase in other liabilities	**26.78**	71.13
	145.20	(239.93)
Cash generated from operations	**103.31**	64.19
Less: income tax refund received/(paid) (net)	**15.50**	(6.05)
Net cash generated from operating activities	**118.81**	58.14
Cash flow from investment activities		
(1) Payment for property, plant and equipment	**(545.61)**	(154.63)
(2) Bank balances not considered as cash and cash equivalents		
- Placed	**(1,365.66)**	(2,082.00)
- Matured	**1,744.22**	1,127.00
(3) Interest received	**78.15**	52.98
Net cash used in investment activities	**(88.90)**	(1,056.65)
Cash flow from financing activities		
(1) Proceeds from issue of equity shares	**280.00**	1,200.00
(2) Repayment of the principal portion of the lease liability	**(204.63)**	(159.97)
(3) Repayment of the interest portion of the lease liability	**(120.40)**	(35.38)
Net cash (used in)/ generated from financing activities	**(45.03)**	1,004.65
Net (decrease)/increase in cash and cash equivalents	**(15.12)**	6.14
Cash and cash equivalents at the beginning of the year	**294.16**	288.02
Cash and cash equivalents at the end of the year	**279.04**	294.16
Reconciliation of cash and cash equivalents with the balance sheet:		
Cash and cash equivalents as per balance sheet (refer Note no. 10A)	**279.04**	294.16
Balance as per statement of cash flows	**279.04**	294.16

Note:

The above Cash Flow Statement has been prepared under the ‘Indirect method’ as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
17 April 2023

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS: 41200

Mumbai
17 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

1 Corporate information

Mahindra MSTC Recycling Private Limited is a private limited company incorporated in Mumbai, India on 16 December, 2016 under the Companies Act 2013. The registered office of the company is located at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is carrying on the business of setting up, owning, maintenance and operation of shredding plants and facilities for purchase, storage, collection, segregating, processing, recycling and importing of end of life vehicles and end of life white goods and other materials and sale there from of shredded ferrous and non-ferrous metal scrap and all other types of scrap including E-waste scrap, plastics, rubber, spare parts and any other disposable items, within and outside India.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on April 17, 2023.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Building - over the lease period

(b) Plant & Machinery - 5 to 20 years

(c) Vehicles - 5 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

2.4 Intangible asset:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under Intangible asset under development.

2.5 Impairment of assets :

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories :

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes.

2.7 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.8 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Derecognition of financial assets:
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Equity instrument:
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:
All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:
The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.9 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods: Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services: Service income is recognized over time based on as and when service is performed."

Other income:
Interest income is accounted on time proportionate basis.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

2.11 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

2.13 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:
Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.14 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in other financial liabilities.

2.15 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year.

2.17 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 4 - Property, plant and equipment

Rs. in lakhs

Description of assets	Building (Note 1)	Right of use asset (Leasehold land & building)	Plant equipments	Furniture and fixtures	Office equipments	Electrical installations	Vehicles	Computers & data processing units	Total
I. Cost									
Balance as at 1 April, 2022	**292.19**	**844.03**	**1,423.05**	**18.70**	**36.29**	**88.89**	**23.54**	**22.06**	**2,748.75**
Additions	5.89	1,425.91	203.49	15.65	11.85	19.14	24.80	33.77	1,740.50
Disposal (Note 2)	–	(316.14)	–	–	–	–	–	–	(316.14)
Balance as at 31 March, 2023	**298.08**	**1,953.80**	**1,626.54**	**34.35**	**48.14**	**108.03**	**48.34**	**55.83**	**4,173.11**
II. Accumulated depreciation									
Balance as at 1 April, 2022	**224.28**	**444.18**	**209.10**	**3.71**	**17.22**	**25.21**	**12.61**	**11.79**	**948.10**
Depreciation	33.31	314.39	85.97	2.65	8.40	9.91	7.66	9.06	471.35
Disposal (Note 2)	–	(316.14)	–	–	–	–	–	–	(316.14)
Balance as at 31 March, 2023	**257.59**	**442.43**	**295.07**	**6.36**	**25.62**	**35.12**	**20.27**	**20.85**	**1,103.31**
Net carrying amount (I-II)									
Balance as at 31 March, 2023	**40.49**	**1,511.37**	**1,331.47**	**27.99**	**22.52**	**72.91**	**28.07**	**34.98**	**3,069.80**
Balance as at 31 March 2022	67.91	399.85	1,213.95	14.99	19.07	63.68	10.93	10.27	1,800.65
I. Cost									
Balance as at 1 April, 2021	292.19	576.49	1,350.66	14.10	33.36	88.89	23.54	15.35	2,394.58
Additions	–	267.54	72.39	4.60	2.93	–	–	6.71	354.17
Balance as at 31 March, 2022	292.19	844.03	1,423.05	18.70	36.29	88.89	23.54	22.06	2,748.75
II. Accumulated depreciation									
Balance as at 1 April, 2021	150.66	289.40	140.01	2.12	10.60	16.77	8.14	8.45	626.15
Depreciation	73.62	154.78	69.09	1.59	6.62	8.44	4.47	3.34	321.95
Balance as at 31 March, 2022	224.28	444.18	209.10	3.71	17.22	25.21	12.61	11.79	948.10
Net carrying amount (I-II)									
Balance as at 31 March, 2022	67.91	399.85	1,213.95	14.99	19.07	63.68	10.93	10.27	1,800.65
Balance as at 31 March, 2021	141.53	287.09	1,210.65	11.98	22.76	72.12	15.40	6.90	1,768.43

Note 1: It includes the capital expenditure incurred on leasehold land.

Note 2: Disposal with respect to right of use assets represents expired leases.

Note No. 5 - Intangible assets

Rs. in lakhs

Description of assets	**Software**	**Website**	**Total**
I. Cost			
Balance as at 1 April, 2022	53.04	3.75	56.79
Additions	–	–	–
Balance as at 31 March, 2023	**53.04**	**3.75**	**56.79**
II. Accumulated amortisation			
Balance as at 1 April, 2022	41.31	3.75	45.06
Amortisation	5.78	–	5.78
Balance as at 31 March, 2023	**47.09**	**3.75**	**50.84**
Net carrying amount (I-II)			
Balance as at 31 March, 2023	**5.95**	**–**	**5.95**
Balance as at 31 March 2022	11.72	–	11.72

Rs. in lakhs

Description of Assets	Software	Website	Total
I. Cost			
Balance as at 1 April, 2021	41.54	3.75	45.29
Additions	11.50	–	11.50
Balance as at 31 March, 2022	53.04	3.75	56.79
II. Accumulated amortisation			
Balance as at 1 April, 2021	31.20	2.92	34.12
Amortisation	10.11	0.83	10.94
Balance as at 31 March, 2022	41.31	3.75	45.06
Net carrying amount (I-II)			
Balance as at 31 March, 2022	11.73	–	11.73
Balance as at 31 March, 2021	10.33	0.83	11.16

Note No. 6 - Other financial assets

Rs. in lakhs

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Financial assets at amortised cost						
Security Deposits						
Unsecured, considered good						
With others	**17.98**	**123.77**	**141.75**	–	71.71	71.71
Other receivables						
From related parties	**3.22**	**–**	**3.22**	1.48	–	1.48
From others	**0.39**	**–**	**0.39**	0.15	–	0.15
Interest receivable						
Interest accrued on deposits	**37.10**	**–**	**37.10**	18.66	–	18.66
Total	**58.69**	**123.77**	**182.46**	20.29	71.71	92.00

Note No. 7 - Other assets

Rs. in lakhs

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Capital advances	**–**	**–**	**–**	–	9.90	9.90
Total (A)	**–**	**–**	**–**	**–**	**9.90**	**9.90**
Advances other than capital advances						
Unsecured, considered good						
(i) Prepayments	**4.74**	**1.60**	**6.34**	18.71	2.86	21.57
(ii) Income tax assets (net)	**–**	**15.70**	**15.70**	–	29.23	29.23
(iii) Balances with government authorities (other than income taxes)						–
(a) GST input tax credit	**178.69**	**–**	**178.69**	178.43	–	178.43
(b) Others	**–**	**–**	**–**	1.20	–	1.20
(iv) Other advances						
(a) Defined contribution plan assets receivable in respect of employees transferred to the company	**9.88**	**–**	**9.88**	–	–	–
(b) Advances to suppliers	**182.12**	**–**	**182.12**	13.82	–	13.82
(c) Advances to employees	**1.11**	**–**	**1.11**	0.90	–	0.90
Total (B)	**376.54**	**17.30**	**393.84**	213.06	32.09	245.15
Total (A + B)	**376.54**	**17.30**	**393.84**	213.06	41.99	255.05

Note No. 8 - Inventories

Rs. in lakhs

Particulars		As at 31 March, 2023	As at 31 March, 2022
(a)	Raw material {includes goods-in-transit Rs 3.45 lakhs (2022 : Nil)}	**166.31**	392.85
(b)	Work-in-progress	**2.13**	2.97
(c)	Finished goods	**209.77**	114.09
(d)	Stores and spares	**3.57**	3.36
		381.78	**513.27**

(a) Raw material comprises of End of life Vehicles (ELVs) and industrial scrap. Work in process comprises of hulk dismantled out of ELVs. Finished goods comprises of processed material i.e. steel scrap, accessories (preowned spare parts), etc.

(b) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 1,675.16 lakhs (2022 : Rs 519.21 lakhs)

(c) The mode of valuation of inventories has been stated in Note no. 2.6

Note No. 9 - Trade receivables

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Considered good, Unsecured	**16.03**	3.42
Total	**16.03**	3.42

(a) There are no trade receivables which have significant increase in credit risk or are credit impaired.

Trade receivables ageing schedule:

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2023							
Undisputed trade receivables — considered good	–	16.03	–	–	–	–	16.03
Disputed trade receivables — considered good	–	–	–	–	–	–	–
Total trade receivables	–	16.03	–	–	–	–	16.03

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2022							
Undisputed trade receivables — considered good	–	3.42	–	–	–	–	3.42
Disputed trade receivables — considered good	–	–	–	–	–	–	–
Total trade receivables	–	3.42	–		–	–	3.42

Note No. 10 - Cash and bank balances

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
(A) Cash and cash equivalents		
(a) Balances with banks		
With scheduled banks		
(i) Current accounts	**112.28**	89.16
(ii) Deposits with original maturity of less than three months (refer note below)	**166.76**	205.00
Total cash and cash equivalents	**279.04**	294.16
(B) Other bank balances		
(i) Deposit with banks with original maturity greater than 3 months but less than 12 months	**1,573.44**	1,952.00
Total other bank balances	**1,573.44**	1,952.00

(a) Lien has been created on a fixed deposit of Rs 82.20 lakhs (2022 : Rs 15 lakhs) in favour of banks as a security for their guarantees.

Note No. 11 - Equity share capital

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Number of shares	**Rs. in lakhs**	Number of shares	Rs. in lakhs
(a) Authorised				
Equity Shares of Rs.10 each	**6,00,00,000**	**6,000.00**	6,00,00,000	6,000.00
	6,00,00,000	**6,000.00**	6,00,00,000	6,000.00
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs.10 each	**6,00,00,000**	**6,000.00**	5,72,00,000	5,720.00
	6,00,00,000	**6,000.00**	5,72,00,000	5,720.00

(i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Number of shares	**Rs. in lakhs**	Number of shares	Rs. in lakhs
Equity Shares of Rs. 10 each				
<u>Subscribed and fully paid</u>				
Opening balance	**5,72,00,000**	**5,720.00**	4,52,00,000	4,520.00
Add: shares issued for cash	**28,00,000**	**280.00**	1,20,00,000	1,200.00
Closing balance	**60,0,00,000**	**6,000.00**	5,72,00,000	5,720.00

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since its incorporation (i.e. 16 December, 2016).

Terms and rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to his share in the paid up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

As laid down in Articles of Association of the Company, there is a restriction on transfer of Company's shares for a lock-in period of 3 years from the date of issue of share certificate(s) of the Memorandum of Association, during which period Shares of the Company cannot be transferred by the Parties. After the expiry of the Lock-in Period, the shareholders may transfer the shares in accordance with the provisions of the Articles of Association.

(iii) Details of shares held by the holding company:

Particulars	**As at 31 March, 2023**	As at 31 March, 2022
	Number of shares	Number of shares
Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited), the holding company	**3,00,00,000**	2,86,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	**As at 31 March, 2023**		As at 31 March, 2022	
	Number of shares	**% of holding**	Number of shares	% of holding
Mahindra Accelo Limited	**3,00,00,000**	**50.00%**	2,86,00,000	50.00%
MSTC Limited	**3,00,00,000**	**50.00%**	2,86,00,000	50.00%

Note No. 12 - Other equity

		Rs. in lakhs
	Retained earnings	
Particulars	**As at 31 March, 2023**	As at 31 March, 2022
Balance at the beginning of year (A)	**(1,594.41)**	(1,650.65)
(Loss) / profit for the year (B)	**(530.85)**	56.57
Other comprehensive income/ (loss) (net of taxes) (C)	**0.53**	(0.33)
Total comprehensive (loss)/ income for the year (D)=(B)+(C)	**(530.32)**	56.24
Balance at the end of year (A)+(D)	**(2,124.73)**	(1,594.41)

Note No. 13 - Provisions

Rs. in lakhs

Particulars	**As at 31 March, 2023**			As at 31 March, 2022		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
Provision for employee benefits						
Long-term employee benefits						
(i) Provision for gratuity	**–**	**18.94**	**18.94**	–	2.15	2.15
(ii) Provision for compensated absences	**5.77**	**34.85**	**40.62**	3.96	25.74	29.70
(iii) Provision for post retirement medical benefit	**–**	**3.38**	**3.38**	–	5.24	5.24
Total	**5.77**	**57.17**	**62.94**	3.96	33.13	37.09

Note:
The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 25.

Note No. 14 - Trade payables

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade payables for goods and services		
(a) Micro enterprises and small enterprises	**10.45**	1.30
(b) Other than micro enterprises and small enterprises	**397.84**	205.45
Total	**408.29**	206.75

Note: Dues of micro, small and medium enterprises

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**10.45**	1.30
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues of micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Trade payables ageing schedule:

Rs. in lakhs

Particulars	Not due	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2023						
Trade payables — MSME	10.45	–	–	–	–	10.45
Trade payables — Others	214.80	172.24	10.80	–	–	397.84
Total trade payables	**225.25**	**172.24**	**10.80**	**–**	**–**	**408.29**
As at March 31, 2022						
Trade payables — MSME	–	1.30	–	–	–	1.30
Trade payables — Others	47.12	158.33	–	–	–	205.45
Total trade payables	**47.12**	**159.63**	**–**	**–**	**–**	**206.75**

Note No. 15 - Other financial liabilities

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Other financial liabilities measured at amortised cost		
(a) Other liabilities		
(i) Creditors for capital supplies/services	**32.13**	14.48
(ii) Employee related liabilities	**74.39**	74.28
Total	**106.52**	88.76

Note No. 16 - Other current liabilities

Rs. in lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Others		
(i) Employee recoveries and employer contributions	**3.78**	2.99
(ii) Statutory dues payable	**17.27**	12.42
(iii) GST payable	**1.53**	8.98
(iv) Dealers deposit	**1.39**	0.13
(v) Advance received from customers	**98.98**	70.51
(vi) Defined contribution plan assets payable in respect of employees transferred from the company	**–**	1.25
Total	**122.95**	96.28

Note No. 17 - Current tax

(a) Income tax recognised in statement of profit and loss

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax:		
In respect of current year	–	–
Deferred tax:		
In respect of taxable temporary differences	**0.22**	5.16
In respect of deductible temporary differences	**(0.40)**	(52.75)
	(0.18)	(47.59)
Total	**(0.18)**	(47.59)

(b) Income tax recognised in other comprehensive income

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined obligations	**0.18**	(0.11)
Total	**0.18**	(0.11)
Bifurcation of income tax recognised in other comprehensive income into:		
-Items that will not be reclassified to profit and loss	**0.18**	(0.11)
Total	**0.18**	(0.11)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(Loss) / Profit before tax	**(531.03)**	8.98
Income tax expense calculated at 26% (2022: 26%)	**(138.07)**	2.33
Effect of expenses that are non - deductible in determining taxable profit	**(11.29)**	(0.82)
Effect of unused tax losses for which no deferred tax asset is recognised	**153.02**	–
Effect of unused tax losses for which deferred tax asset is recognised to the extent of deferred tax liability	–	(48.88)
Others	**(3.84)**	(0.22)
	(0.18)	(47.59)
Adjustments recognised in the current year in relation to the current tax of prior years	–	–
Income tax expense recognised in statement of profit and loss	**(0.18)**	(47.59)

Note:

The tax rate used for the year ended 31 March, 2023 and 31 March 2022 reconciliations above is the corporate tax rate of 26% (including Health and Education cess of 4% respectively) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 18 - Deferred tax

Rs. in lakhs

Particulars	For the year ended 31 March, 2023			
	Opening Balance	**Recognised in the Statement of Profit and Loss**	**Recognised in Other Comprehensive Income (OCI)**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**66.73**	**0.22**	–	**66.95**
Employee benefits	–	–	**0.18**	**0.18**
Tax effect of items constituting deferred tax assets				
Employee benefits	**(7.72)**	**(3.03)**	–	**(10.75)**
Preliminary expenses	**(3.04)**	**3.04**	–	–
Carry forward tax losses to the extent of balance in deferred tax liabilities	**(52.36)**	**(3.65)**	–	**(56.01)**
Others	**(3.61)**	**3.24**	–	**(0.37)**
Net deferred tax liabilities/(assets)	–	**(0.18)**	**0.18**	–

Rs. in lakhs

Particulars	For the year ended 31 March, 2022			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	61.57	5.16	–	66.73
Tax effect of items constituting deferred tax assets				
Employee benefits	(6.41)	(1.20)	(0.11)	(7.72)
Preliminary expenses	(6.09)	3.05	–	(3.04)
Carry forward tax losses to the extent of balance in deferred tax liabilities	–	(52.36)	–	(52.36)
Others	(1.37)	(2.24)	–	(3.61)
Net deferred tax liabilities/(assets)	47.70	(47.59)	(0.11)	–

Amounts on which deferred tax asset has not been created:

Deferred tax asset have not been recognised in respect of following items, because it is not probable that future taxable profits will be available on which the Company can use the benefit therefrom:

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Unused tax losses (revenue in nature) [see expiry years in note below]	**1,257.26**	959.69
Unused depreciation losses (will never expire)	**924.23**	848.51
Total	**2,181.49**	1,808.20

Note : The unreognised tax losses carried forward will expire as follows:

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Assessment years		
2027-28	**154.99**	169.05
2028-29	**582.49**	582.49
2029-30	**194.77**	194.77
2030-31	**–**	13.38
2031-32	**325.01**	–
Total	**1,257.26**	959.69

Note No. 19 - Revenue from operations

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Revenue from contracts with customers:		
Sale of goods (refer Note below)	**3,012.19**	1,643.22
Sale of services (refer Note below)	**28.79**	21.92
Total	**3,040.98**	1,665.14

(a) Revenue from sale of goods mainly comprises of sale of processed material i.e. steel scrap, accessories (preowned spare parts), processed industrial scrap, etc.

(b) The management determines that the segment information reported under Note No. 29 - Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Note No. 20 - Other income

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Interest Income:		
On fixed deposits with banks	**96.59**	67.22
Others	**1.97**	0.93
(b) Interest on discounting of security deposit measured at amortised cost	**9.83**	4.98
(c) Other income including earnest money deposit forfeited	**18.26**	9.87
Total	**126.65**	83.00

Note No 21(a) - Cost of materials consumed

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock	**392.85**	37.16
Add: Purchases	**1,543.46**	957.89
	1,936.31	995.05
Less: Closing stock	**(166.31)**	(392.85)
Total cost of materials consumed	**1,770.00**	602.20

Note No 21(b) - Change in inventories of finished goods and work in progress

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year:		
Finished goods	**209.77**	114.09
Work-in-progress	**2.13**	2.97
	211.90	117.06
Inventories at the beginning of the year:		
Finished goods	**114.09**	31.55
Work-in-progress	**2.97**	2.52
	117.06	34.07
Net (increase)	**(94.84)**	(82.99)

Note No. 22 - Employee benefits expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Salaries and wages	**381.09**	277.34
(b) Contribution to provident and other funds	**26.81**	17.67
(c) Post retirement medical benefit expenses	**0.97**	1.02
(d) Staff welfare expenses	**38.36**	20.60
Total	**447.23**	316.63

Note No. 23 - Finance cost

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest expense on		
(a) Interest expense on lease liabilities	**120.40**	35.38
Total	**120.40**	35.38

Analysis of interest expense by category

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Expense		
(a) On financial liabilities measured at amortised cost	**120.40**	35.38
Total	**120.40**	35.38

Note No. 24 - Other expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Power and fuel	**20.70**	16.55
(b) Rates and taxes	**10.89**	7.06
(c) Security expenses	**57.98**	33.30
(d) Insurance charges	**2.68**	2.77
(e) Repairs and maintenance - others	**22.54**	15.50
(f) Rent expenses	**6.24**	2.34
(g) Advertisement expenses	**37.11**	38.99
(h) Auditor's remuneration (refer Note below)	**9.75**	9.75
(i) Directors' fees	**5.20**	4.40
(j) Printing and stationery	**6.57**	2.97
(k) Legal and professional expenses	**382.06**	202.09
(l) Subcontracting and hire charges	**191.32**	124.78
(m) Travelling expenses	**64.38**	17.53
(n) Other general expenses	**161.32**	57.02
Total	**978.74**	535.05

Note

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Payment to Statutory Auditors (excluding GST)		
(a) For audit	**3.75**	3.75
(b) For other services	**6.00**	6.00
	9.75	9.75

Note No. 25 - Employee benefits

(a) Defined contribution plan:

The Company has recognized, in the statement of profit and loss for the year ended, an amount of Rs 20.08 lakhs (2022: 13.18 lakhs) pertaining to defined contribution plans.

Rs. in lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Provident Fund	**11.61**	7.28
Pension Fund	**8.47**	5.90
Total	**20.08**	13.18

(b) Defined benefit plan:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation as on 31 March, 2023

Particulars				Rs. in lakhs
	Funded Plan	**Unfunded Plan**	Funded Plan	Unfunded Plan
	Gratuity	**Post retirement medical benefit**	Gratuity	Post retirement medical benefit
	31 March, 2023	**31 March, 2023**	31 March, 2022	31 March, 2022
(i). Expense recognised in the statement of profit and loss for the year ended:				
1. Current service cost	**5.30**	**0.61**	4.23	0.57
2. Interest on net defined benefit (asset)/liability	**0.52**	**0.36**	(0.04)	0.27
	5.82	**0.97**	4.19	0.84
(ii). Included in other comprehensive income				
1. Return on assets less interest on assets	**0.58**	**–**	(0.12)	**–**
2. Actuarial (Gain)/Loss on account of :	**–**	**–**	**–**	**–**
- Financial assumptions	**(2.86)**	**(0.38)**	1.60	(0.31)
- Experience adjustments	**4.41**	**(2.45)**	(1.22)	0.49
- Demographic assumptions	**–**	**–**	**–**	**–**
	2.13	**(2.83)**	0.26	0.18
(iii). Net asset/(liability) recognised in the balance sheet as at 31 March				
1. Present value of defined benefit obligation as at 31 March	**52.87**	**3.38**	32.22	5.24
2. Fair value of plan assets as at 31 March	**33.93**	**–**	30.07	**–**
3. (Deficit)	**(18.94)**	**(3.38)**	(2.15)	(5.24)
4. Current portion of the above	**–**	**–**	**–**	**–**
5. Non current portion of the above	**(18.94)**	**(3.38)**	(2.15)	(5.24)
(iv). Change in the obligation during the year ended				
1. Present value of defined benefit obligation at the beginning of the year	**32.22**	**5.24**	25.97	4.22
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	**–**	**–**	**–**	**–**
3. Expenses recognised in statement of profit and loss account				
– Current service Cost	**5.30**	**0.61**	4.23	0.57
– Interest expense (Income)	**2.68**	**0.36**	1.64	0.27
4. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actuarial gain (loss) arising from:				
i. Demographic assumptions	**–**	**–**	–	–
ii. Financial assumptions	**(2.86)**	**(0.38)**	1.60	(0.31)
iii. Experience adjustments	**4.41**	**(2.45)**	(1.22)	0.49
5. Benefit payments	**–**	**–**	–	**–**
6. Impact of liability assumed or (settled)	**11.12**	**–**	–	–
7. Present value of defined benefit obligation at the end of the year	**52.87**	**3.38**	32.22	5.24
(v). Change in fair value of assets during the year ended				
1. Fair value of plan assets at the beginning of the year	**30.07**	**–**	25.63	–
2. Expenses recognised in statement of profit and loss account				
– Interest on plan assets	**2.16**	**–**	1.68	–
3. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actual return on plan assets in excess of the expected return	**(0.58)**	**–**	0.12	–
– Others (specify)	–	**–**	–	–
4. Contributions by employer (including benefit payments recoverable)	**2.28**	**–**	2.64	–
5. Benefit payments	–	**–**	–	–
6. Assets acquired/ (settled)	–	**–**	–	–
7. Fair value of plan assets at the end of the year	**33.93**	–	30.07	–
(vi). The major categories of plan assets				
– List the plan assets by category here				
– Insurer managed funds	**33.93**	**–**	30.07	–
(vii). Actuarial assumptions				
1. Discount rate	**7.60%**	**7.60%**	6.90%	6.90%
2. Attrition rate	**8.00%**	**8.00%**	8.00%	8.00%
3. Medical premium inflation	**–**	**6.00%**	**–**	6.00%
4. Rate of increase in compensation levels	**8.00%**	**–**	8.00%	**–**
5. Mortality table	**IALM(2012-14) ult**	**IALM(2012-14) ult**	IALM(2012-14) ult	IALM(2012-14) ult

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(viii) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key aerial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2023**	1%	49.18	57.05
	31 March, 2022	1%	29.79	34.99
Salary growth rate	**31 March, 2023**	1%	56.93	49.16
	31 March, 2022	1%	34.94	29.79

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	31 March, 2023	1%	2.90	3.95
	31 March, 2022	1%	4.47	6.19
Medical inflation rate	31 March, 2023	1%	3.95	2.89
	31 March, 2022	1%	6.19	4.46

(ix) Expected contributions for the next year:

The expected contribution payable to the plan next year is Rs. 5 lakhs.

(x) Maturity profile:

Gratuity **Rs. in lakhs**

Maturity profile of defined benefit obligation:	31 March, 2023	31 March, 2022
Within 1 year	**4.09**	2.34
1 - 2 year	**4.40**	2.36
2 - 3 year	**4.41**	2.60
3 - 4 year	**4.50**	2.60
4 - 5 year	**4.57**	2.63
5 - 10 years	**35.31**	19.15
More than 10 years	**48.78**	31.51

Post retirement medical benefits **Rs. in lakhs**

Maturity profile of defined benefit obligation:	31 March, 2023	31 March, 2022
Within 1 year	**–**	–
1 - 2 year	**–**	–
2 - 3 year	**–**	–
3 - 4 year	**–**	–
4 - 5 year	**–**	–
5 - 10 years	**0.54**	0.54
More than 10 years	**12.46**	18.08

Note No. 26 - Related party transactions

Related party transactions as required by IND AS 24 " Related Party Disclosures" are given below.

(A) List of related parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited) (MAL)
Other parties with whom transactions have taken place during the year	
(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS)
	Mahindra Steel Service Centre Limited (MSSCL)
	Mahindra Auto Steel Private Limited (MASPL)
	Mahindra Logistics Limited (MLL)
	Mahindra Firct Choice Wheels Limited (MFCWL)
(ii) Companies having significant influence	MSTC Limited (MSTC)
(iii) Key Managerial Personnel (KMP)	Mr. Ashish Bhagra, Chief Operating Officer and Manager
	Mr. Duraiswamy Subramaniam Ramadorai (Independent Director - appointed w.e.f. 21st December, 2021)
	Mr. Ajay Mehta (Independent Director - appointed w.e.f. 1st April, 2022)
	Mr. P. R. Barpande (Independent Director - till 31st March, 2022)
	Mr. Bansh Bahadur Singh (Independent Director - till 30th September, 2021)

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the financial year ended 31 March, 2023:

Rs. in lakhs

	Ultimate Holding Company		Holding Company		A Company having significant influence		Fellow Subsidiary	
	M&M		MAL		MSTC		MIBS	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Issue of equity share capital	–	–	**140.00**	600.00	**140.00**	600.00	–	–
Purchase of raw material	**145.33**	158.60	–	–	–	–	–	–
Purchase of property, plant and equipment	**13.40**	–	–	–	–	–	–	–
Rent paid	**1.90**	1.98	–	–	–	–	–	–
Reimbursement made to related parties	**102.11**	**25.37**	**6.29**	4.84	**4.91**	–	–	–
Reimbursement received from related parties	–	–	**1.38**	**0.97**	**4.08**	6.00	–	–
Legal and professional expenses	**0.89**	1.00	–	–	**13.18**	**8.18**	–	–
Deputation of key managerial personnel from related parties	–	–	–	–	**28.46**	24.24	–	–
Deputation of personnel from related parties	–	–	**86.49**	**37.11**	–	–	–	–
Other expenses	**3.70**	**2.18**	–	–	–	–	–	–
Sale of goods	–	–	**1.76**	–	–		–	–
Payroll processing fees	–	–	–	–	–	–	**0.90**	0.99
Business support (manpower arrangement) charges	–	–	–	–	–	–	**111.82**	40.04

(C) Outstanding receivable from and payable to related parties

Rs. in lakhs

	Ultimate Holding Company		Holding Company		A Company having significant influence		Fellow Subsidiary	
	M&M		MAL		MSTC		MIBS	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Outstanding receivable	–	–	–	**0.60**	**41.20**	–	–	–
Outstanding payable	**163.87**	62.18	**18.43**	**11.13**	**6.60**	2.22	**15.90**	8.16

Rs. in lakhs

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MASPL		MLL		MFCWL	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Reimbursement received from related parties	**8.58**	7.73	**2.54**	0.04	–	–	–	–
Reimbursement made to related parties	–	1.15	–	–	–	–	–	–
Deputation of personnel from related parties	–	–	–	13.05	–	–	–	–
Sale of goods	**2.50**	–	–	–	–	–	–	–
Other expenses	–	0.01	–	–	**30.88**	8.70	**26.60**	19.30
Freight charges paid	–	–	–	–	**28.59**	29.56	–	–

Rs. in lakhs

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MASPL		MLL		MFCWL	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Outstanding receivable	**0.81**	0.88	–	–	–	–	–	–
Outstanding payable	–	0.20	–	2.26	**28.19**	16.32	**51.52**	21.50

Rs. in lakhs

	KMP Mr. Ashish Bhagra		KMP Mr. P R Barpande		KMP Mr. Bansh Bahadur Singh		KMP Mr. Duraiswamy Subramaniam Ramadorai		KMP Mr. Ajay Mehta	
	31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
Sitting fees paid	**–**	–	**–**	2.40	**–**	1.00	**2.60**	1.00	**2.60**	–
Managerial remuneration paid	**66.57**	55.30	**–**	–	**–**	–	**–**	–	**–**	–

Note:
1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Note No. 27 - Financial instruments

[I] Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of total equity of the Company.

The Company monitors capital on the basis of the carrying amount of equity less cash and bank balances as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in lakhs

	31 March 2023	31 March, 2022
Equity	**3,875.27**	4,125.59
Less:- Cash and bank balances	**(1,852.48)**	(2,246.16)
	2,022.79	1,879.43

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

As at 31 March 2023, the Company had receivables majorly from a single customer. The Company does not expect any credit loss.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with banks and within credit limits assigned to each counterparty.

(B) LIQUIDITY RISK

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in lakhs

	Less than 1 Year	**1-3 Years**	**3-5 Years**	**5 Years and above**	**Total**
Non-derivative financial liabilities					
31 March 2023					
Non-interest bearing	**514.81**	**–**	**–**	**–**	**514.81**
Fixed interest rate instruments	**463.42**	**969.90**	**429.89**	**103.07**	**1,966.28**
Total	**978.23**	**969.90**	**429.89**	**103.07**	**2,481.09**
31 March 2022					
Non-interest bearing	295.51	–	–	–	295.51
Fixed interest rate instruments	185.85	215.44	149.83	–	551.12
Total	481.36	215.44	149.83	–	846.63

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in lakhs

	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total
Non-derivative financial assets					
31 March 2023					
Non-interest bearing	**173.34**	**–**	**–**	**–**	**173.34**
Fixed interest rate instruments	**1,772.06**	**65.24**	**–**	**84.33**	**1,921.64**
Total	**1,945.41**	**65.24**	**–**	**84.33**	**2,094.98**
31 March 2022					
Non-interest bearing	112.87	–	8.46	–	121.33
Fixed interest rate instruments	2,157.00	55.94	–	23.11	2,236.05
Total	2,269.87	55.94	8.46	23.11	2,357.38

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in lakhs

	31 March, 2023	31 March, 2022
Bank Overdraft/ WCDL facility		
– Expiring within one year (Unsecured)	**400.00**	–
– Expiring beyond one year	**–**	–
Non-Fund Based facility: (LC, BG, LUT, LER)		
– Expiring within one year (Secured)	**–**	–
– Expiring beyond one year (Secured)	**30.00**	–

(C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Note No. 28 - Fair value measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in lakhs

Financial assets/ financial liabilities	**Fair value hierarchy as at 31 March 2023**			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	–	**279.04**	**–**	**279.04**
– other bank balances	–	**1,573.44**	**–**	**1,573.44**
– trade receivables	–	**16.03**	**–**	**16.03**
– other receivables	–	**3.61**	**–**	**3.61**
– security deposits	–	**141.75**	**–**	**141.75**
– Interest receivable	–	**37.10**	**–**	**37.10**
Total	**–**	**2,050.97**	**–**	**2,050.97**

Rs. in lakhs

Financial assets/ financial liabilities	Fair value hierarchy as at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	–	**408.29**	**–**	**408.29**
– lease liability	–	**1,558.84**	**–**	**1,558.84**
– creditors for capital supplies/services	–	**32.13**		**32.13**
– employee related liabilities	–	**74.39**	**–**	**74.39**
Total	**–**	**2,073.65**	**–**	**2,073.65**

Rs. in lakhs

Financial assets/ financial liabilities	Fair value hierarchy as at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	**–**	294.16	–	294.16
– other bank balances	**–**	1,952.00	–	1,952.00
– trade receivables	**–**	3.42	–	3.42
– other receivables	**–**	1.63	–	1.63
– security deposits	**–**	71.71	–	71.71
– Interest receivable	**–**	18.66	–	18.66
Total	–	2,341.58	–	2,341.58
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	**–**	206.75	–	206.75
– lease liability	**–**	421.57	–	421.57
– creditors for capital supplies/services	**–**	14.48	–	14.48
– employee related liabilities	**–**	74.28	–	74.28
Total	–	717.08	–	717.08

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 29 - Segment reporting

Segment Information

The company has identified 'Processing of End of life vehicles (ELVs) and Industrial steel scrap' as its only primary reportable segment. The Chief Operating Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All customers of the Company are located within India.

The Company operates and has its processing (vehicle recycling) facilities based out at Greater Noida, Chennai, Pune, Indore, Ahmedabad and Hyderabad in India.

There is only one customer (2022 : one) who is individually contributing to more than 10% of the Company's revenue. Total amount of revenue from such customer for the year ended on 31 March 2023 is Rs. 419.04 lakhs (2022 : Rs. 242.74 lakhs)

Note No. 30 - Commitments (to the extent not provided for)

Rs. in lakhs

Particulars	**For the year ended 31 March, 2023**	For the year ended 31 March, 2022
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**147.98**	132.80

Note No. 31 - Earnings per share

Rs. in lakhs

Particulars	**For the year ended 31 March, 2023**	For the year ended 31 March, 2022
(Loss) / Profit after tax (Rs. lakhs) (A)	**(530.85)**	56.57
Weighted average number of shares (B)	**57,276,712**	48,191,780
Earnings per share [basic / diluted] (Rs.) (A/B)	**(0.93)**	0.12
Nominal value of equity share (Rs.)	**10**	10

Note No. 32 - Additional Regulatory Information:

a. Capital-work-in progress (CWIP) ageing schedule :

Rs. in lakhs

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 Mar 2023 :					
Projects in progress	179.87	**–**	**–**	**–**	179.87
Total capital-work-in progress	**179.87**	**–**	**–**	**–**	**179.87**
As at 31 March, 2022 :					
Projects in progress	**53.77**	**–**	**–**	**–**	**53.77**
Total capital-work-in progress	**53.77**	**–**	**–**	**–**	**53.77**

b. Intangible assets under development (IUD) ageing schedule :

Rs. in lakhs

	Amount in IUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 Mar 2023 :					
Projects in progress	**52.60**	**–**	**–**	**–**	**52.60**
Total Intangible assets under development	**52.60**	**–**	**–**	**–**	**52.60**
As at 31 March, 2022 :					
Projects in progress	–	–	–	–	–
Total Intangible assets under development	–	–	–	–	–

Note No. 33 - Ratios

Sr. No.	**Particulars**	**For the year ended 31 March, 2023**	For the year ended 31 March, 2022	**Variance (%)**	**Notes**
1	**Current Ratio (times)** Current Assets / Current Liabilities	2.80	5.58	-50%	1
2	**Debt-Equity Ratio (times)** (Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings) / (Total Equity)	**–**	–	**–**	**2**
3	**Debt Service Coverage Ratio (times)** (Profit before interest, tax, depreciation, amortisation, impairments and exceptional items) / (Gross interest for the year + Principal repayments within a year)	**–**	–	**–**	**2**
4	**Return on Equity** (Net Profit for the year / Total Equity)	**-13.7%**	1.4%	**-1104%**	**3**
5	**Inventory Turnover (times)** (Cost of materials consumed / Average Inventories for the year)	3.74	1.54	143%	4
6	**Trade Receivables Turnover (times)** Revenue from sale of goods and services) / (Average Trade Receivable for the year)	**312.70**	66.19	**372%**	**5**
7	**Trade Payables Turnover (times)** (Purchase of goods and services) / (Average Trade Payable for the year)	**5.45**	5.79	**-6%**	
8	**Net Working Capital Turnover (times)** Revenue from sale of goods and services) / (Working Capital i.e. Current Assets - Current Liabilities)	**1.76**	0.68	**160%**	**6**
9	**Net Profit margin (%)** (Net Profit for the year/ Revenue from operations)	**-17.46%**	3.40%	**-614%**	**7**
10	**Return on Capital Employed (%)** (Profit before interest and tax / Average Debt and Shareholder Funds for the year)	**-10.26%**	1.27%	**-909%**	**8**
11	**Return on Investment (%)** (Total income from Investment / Average Investment for the year)	**–**	–	**–**	**9**

Notes:

1) The ratio has decreased due to increase in payables as on 31 March 2023 on account of expenditure incurred for opening recycling facilities and purchase of raw materials
2) The Company has not taken any borrowing during the year and in previous year.
3) The return on equity has decreased as Company has incurred losses during the year mainly on account of operating expenditure incurred for opening recycling facilities in new locations.
4) Inventory turnover ratio has increased mainly due to increase in procurement cost and increase in number of vehicles during the year as compared to previous year.
5) Improvement as compared to previous year mainly due to increase in sales in the current financial year. There are no major outstanding receivables from customer as Company entered into transactions with customers on advance/immediate payment basis only.
6) Improvement as compared to previous year mainly due to increase in sales and reduction in working capital ratio due to increase in payables.
7) Net profit margin has reduced due to loss incurred during the financial year on account of operating expenditure incurred for opening recycling facilities in new locations, metal price correction and other operating factors.
8) The return on capital employed has reduced as compared to previous year mainly on account of operating expenditure incurred in for recycling facilities in new locations, increased capital expenditure, metal price correction and other operating factors.
9) The Company has not made any investment during the year and in previous year.

Note No. 34 : Additional regulatory information

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nishant Sayani
Partner
Membership No: 132439

Mumbai
17 April 2023

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS: 41200

Mumbai
17 April 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Holdings Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 24 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 24 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN:23113156BGYUJA5187

Place: Mumbai
Date: 09 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) The Company does not have any Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, clause 3(i) of the Order is not applicable.

(ii) (a) The Company is a Core Investment Company, not requiring registration, as per the Reserve Bank of India Act, 1934, primarily engaged in the business of acquisition of shares and other securities within the group. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the operation carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

(viii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the

assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:23113156BGYUJA5187

Place: Mumbai
Date: 09 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holdings Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN:23113156BGYUJA5187

Place: Mumbai
Date: 09 May 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Notes	As at 31st March, 2023 Rupees lakhs	As at 31st March, 2022 Rupees lakhs
ASSETS			
I. Financial Assets			
(a) Cash and cash equivalents	**4**	**4.66**	2.89
(b) Bank balances other than (a) above	**4**	**45,000.00**	–
(c) Investments	**5**	**239,038.67**	209,635.73
(d) Other current assets	**6**	**590.86**	–
(e) Assets held for sale	**5**	**–**	–
		284,634.19	209,638.62
II. Non-Financial Assets			
(a) Income tax assets (net)	**7**	**90.06**	128.27
(b) Deferred tax assets (net)	**8**	**3,164.49**	9,469.19
		3,254.55	9,597.46
TOTAL ASSETS		**287,888.74**	219,236.08
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
Payables			
Trade Payables	**9**		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**24.82**	24.41
		24.82	24.41
II. Non-Financial Liabilities			
(a) Other non financial liabilities	**10**	**2.62**	2.65
		2.62	2.65
III. EQUITY			
(a) Equity share capital	**11**	**270,537.17**	246,349.95
(b) Other equity	**12**	**17,324.13**	(27,140.93)
		287,861.30	219,209.02
TOTAL LIABILITIES AND EQUITY		**287,888.74**	219,236.08

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: 9th May, 2023

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	Notes	**For the year ended 31st March, 2023 Rupees lakhs**	For the year ended 31st March, 2022 Rupees lakhs
(I)	**Revenue from operations**	**13**	**1,464.13**	192.62
(II)	**Other income**	**14**	**–**	5.50
(III)	**Total income**		**1,464.13**	198.12
(IV)	**Expenses**			
	Other expenses	**15**	**104.67**	42.80
(V)	**Total Expenses**		**104.67**	42.80
(VI)	Profit before exceptional item and tax (III-V)		**1,359.46**	155.32
(VII)	Add/(Less): exceptional item	**16**	**50,438.35**	(600.00)
(VIII)	Profit/(Loss) before tax (VI+VII)		**51,797.81**	(444.68)
(IX)	**Tax expenses:**			
	Current tax		**(240.00)**	(26.00)
	Deferred tax		**(6,529.81)**	–
			(6,769.81)	(26.00)
(X)	Profit/(Loss) for the year (VIII+IX)		**45,028.00**	(470.68)
(XI)	**Other comprehensive income/(loss)**			
	(i) Items that will not be reclassified to profit or loss Net gain/(loss) on equity instruments through other comprehensive income		**(788.05)**	1,006.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**225.11**	(186.18)
	Total other comprehensive (loss)/income		**(562.94)**	820.69
	Total comprehensive income for the year		**44,465.06**	350.01
(XI)	Earnings per equity share : (Basic and diluted) (Face Value Rs.10 per share) (Rupees)			
	Basic		**1.66**	(0.02)
	Diluted		**1.66**	(0.02)

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: 9th May, 2023

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	**For the year ended 31st March, 2023 Rupees lakhs**	For the year ended 31st March, 2022 Rupees lakhs
A.	**Cash Flow from operating activities:**		
	Profit/(Loss) before tax	**51,797.81**	(444.68)
	Adjustments for:		
	Impairment and loss on sale of non-current investments	**(50,438.35)**	600.00
	Profit on sale of mutual fund	**(25.70)**	–
	Interest income	**(934.14)**	(8.94)
	Unrealised gain on fair valuation of mutual fund	**(379.11)**	–
	Dividend on investments measured at fair value through profit and loss	**(4.11)**	(75.69)
	Operating profit before working capital changes	**16.40**	70.69
	Changes in Working Capital:		
	Adjustments for:		
	Decrease/(Increase) in Other current assets	**–**	3.38
	Adjustments for:		
	(Decrease)/Increase before Trade payable and Other current liabilities	**0.38**	(54.69)
		0.38	(51.31)
	Cash generated from operations	**16.78**	19.38
	Income taxes paid (net of refunds)	**(201.80)**	(22.56)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(185.02)**	(3.18)
B.	**Cash Flow from investing activities:**		
	Purchase of long term investments - subsidiaries	**(30,198.36)**	(5,361.30)
	Purchase of investments - mutual funds	**(27,574.76)**	(2,373.13)
	Sale of investments - subsidiaries	**71,993.65**	–
	Sale of investments - mutual funds	**6,435.05**	5,339.15
	Interest received	**339.88**	8.94
	Dividend on current investments	**4.11**	75.69
	NET CASH GENERATED / (USED IN) FROM INVESTING ACTIVITIES (B)	**20,999.57**	(2,310.65)
C.	**Cash Flow from financing activities:**		
	Proceeds from issue of share capital	**24,187.22**	–
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**24,187.22**	–
	CHANGES AS NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**45,001.77**	(2,313.83)
	Cash and cash equivalents at the beginning of the year	**2.89**	2,316.71
	Cash and cash equivalents at the end of the year	**45,004.66**	2.89
	Reconciliation of cash and cash equivalents with statement of financial position		
	Bank balance in current accounts (Refer Note 4)	**4.66**	2.89
	Fixed deposits with original maturity greater than 3 months but less than 12 months (Refer Note 4)	**45,000.00**	**–**

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in "Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: 9th May, 2023

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(A) Equity Share Capital

	For the year ended 31st March, 2023 Rupees lakhs	For the year ended 31st March, 2022 Rupees lakhs
Issued, Subscribed and paid up:		
Balance as at the beginning of the year	**246,349.95**	246,349.95
Equity share capital issued, subscribed and paid up during the year	**24,187.22**	–
Balance as at the end of the year	**270,537.17**	246,349.95

(B) Other Equity

	Reserves and surplus		**Items of other comprehensive income**	**Total**
	Special reserve	Retained earnings	Equity instruments through other comprehensive income	
	Rupees lakhs	**Rupees lakhs**	**Rupees lakhs**	**Rupees lakhs**
Balance as at 31st March 2021	502.03	(30,267.17)	2,274.20	**(27,490.94)**
Loss for the year	–	(470.68)	–	**(470.68)**
Other comprehensive income	–	–	820.69	**820.69**
Balance as at 31st March 2022	502.03	(30,737.85)	3,094.89	**(27,140.93)**
Profit for the year	–	45,028.00	–	**45,028.00**
Other comprehensive income	–	–	(562.94)	**(562.94)**
Balance as at 31st March 2023	**502.03**	**14,290.15**	**2,531.95**	**17,324.13**

(C) Description of the nature and purpose of Other Equity:

i) **Special reserve:** Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

ii) **Retained earnings:** Retained earings comprises of accumulated balance of profits/(losses) of current and prior years..

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: 9th May, 2023

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. Background

Mahindra Holdings Limited ('the Company') is a limited company incorporated in India. The address of its Registered Office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Company is a Core Investment Company, not requiring registration, as per the Reserve Bank of India Act, 1934. The principal activity of the Company is to make investments in group companies.

2. Significant Accounting Policies

(a) Statement of compliance and basis of preparation and presentation

These financial statements of Mahindra Holdings Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements are presented in Indian Rupees which is also the Company's functional currency.

These are the standalone financial statement of the Company. The Ministry of Corporate Affairs has, vide its Notification G.S.R 742(E) dated 27th July, 2016, exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements provided the Company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid Notification.

These financial statements have been approved by the Company's Board of Directors and authorised for issue on 9th May, 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(c) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair Value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on Management's best estimate about future developments.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis except for those purchases or sales where delivery of assets are not on the trade date but on a subsequent date within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of allocating interest income over the relevant period.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(f) Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

(g) Revenue recognition

i) Dividend income is accounted for when the right to receive payment is established.

ii) Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(h) Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect included in the accounting for the business combination.

(i) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

3. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTE 4

Cash and Cash equivalents

Particulars	**As at 31st March, 2023 Rupees lakhs**	As at 31st March, 2022 Rupees lakhs
Balances with Bank:		
In current accounts	**4.66**	2.89
	4.66	2.89
Other bank balance :		
Fixed deposits with original maturity greater than 3 months but less than 12 months.......	**45,000.00**	–
	45,000.00	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 5

Investments

No of shares	Face Value Per Unit Rupees	Particulars	As at 31st March, 2023	As at 31st March, 2022
			Rupees lakhs	Rupees lakhs
		(A) Investments in equity instruments unquoted -at cost		
		(i) In subsidiary companies:		
–	10	(2022: 19,54,61,728) Mahindra Susten Private Limited	**–**	71,839.66
67,750,000	10	(2022: 58,50,000) Mahindra Airways Limited	**6,775.00**	585.00
48,471,357	10	(2022: 4,02,31,037) Mahindra First Choice Wheels Limited	**66,070.22**	43,326.92
4,222,250	$0.001	Bristlecone Limited	**14,025.07**	14,025.07
26,607,970	10	Gromax Agri Equipment Limited	**1,985.98**	1,985.98
50,000	10	Emergent Solren Private Limited	**5.00**	–
			88,861.27	131,762.63
		(ii) In associate companies:		
35,000	10	Mahindra and Mahindra Contech Limited	**169.79**	169.79
–	10	(2022: 100) Medwell Ventures Private Limited *	**–**	6.36
191,928	10	Mahindra eMarket Limited	**1.19**	1.19
2,117,580	10	New Delhi Centre for Sight Limited	**11,650.59**	11,650.59
			11,821.57	11,827.93
		(iii) In Joint Venture Company :		
273,646,420	10	Mahindra Susten Private Limited #	**50,284.14**	–
			50,284.14	–
		(B) Designated & carried at fair value through other comprehensive income		
		(i) In other entities:		
10	10	NBS International Limited (subsidiary of the holding company)	**0.03**	0.03
19,748	5	PSL Media & Communications Limited (associate of the holding company)	**0.01**	0.01
186,853,800	0.02	Mahindra Two Wheelers Limited (subsidiary of the holding company)	**196.91**	196.91
1,500,000	10	Mahindra Integrated Business Solutions Private Limited (subsidiary of the holding company)	**150.00**	150.00
			346.95	346.95
		(C) Investments in preference shares unquoted- at cost		
		(i) In subsidiary companies:		
66,213,008	10	(2022:5,36,13,008) Mahindra First Choice Wheels Limited	**6,621.30**	5,361.30
7,775,147	$0.001	Bristlecone Limited - Preference Shares A	**25,826.74**	25,826.74
6,920,000	$0.001	Bristlecone Limited - Preference Shares B	**22,986.20**	22,986.20
			55,434.24	54,174.24
		(ii) In associate companies		
–	2000	(2022: 1,81,597) Series B Compulsory Convertible Preference Shares of Medwell Ventures Private Limited *	**–**	11,544.12
1,635,502	10	Series B Compulsory Convertible Preference Shares of New Delhi Centre for Sight Limited	**9,000.00**	9,000.00
156,063	10	Series A Compulsory Covertible Cumulative Preference Shares of Aquasail Distribution Company Private Limited	**600.00**	600.00
			9,600.00	21,144.12
		(D) Investments in Equity Shares Quoted		
		Designated & carried at Fair Value Through Other Comprehensive Income		
		(i) In other entities:		
1,98,201	5	Tech Mahindra Limited (Associate of the Holding Company)	**2,183.88**	2,971.92
			2,183.88	2,971.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

No of shares	Face Value Per Unit Rupees	Particulars	As at 31st March, 2023	As at 31st March, 2022
			Rupees lakhs	Rupees lakhs
		(E) Investments in Mutual Funds Quoted: Carried at Fair Value Through Profit or Loss		
		Investments in Mutual Funds	**21,579.81**	31.61
			21,579.81	31.61
		Less: Allowance for impairment *	**(1,073.19)**	(12,623.67)
		Total Investments	**239,038.67**	209,635.73
		(i) Investment outside of India (A)	**62,838.00**	62,838.00
		(ii) Investment in India (B)	**176,200.67**	146,797.73
		Total (A+B)	**239,038.67**	209,635.73

Mahindra Susten Private Limited ("Susten") has issued Bonus Shares in the proportion of 1:1, i.e. 1 Bonus Ordinary Equity Share of Rs. 10 each for every 1 fully paid-up Ordinary Equity Share of Rs. 10 each during the year. Accordingly, the Company held 39,09,23,456 equity shares (including bonus shares). On 22 December 2022, the Company sold 30% of the paid up equity share capital i.e. 11,72,77,037 equity shares to 2452991 Ontario Limited ("2OL"), a wholly owned subsidiary of Ontario Teachers' Pension Plan Board for a total consideration of Rs 71,993.65 lakhs resulting into long term capital gains tax of Rs 6,529.81 lakhs. The long term capital gain on sale of Susten was set off against the brought forward long term capital losses. This led to utilization of deferred tax assets of Rs 6,529.81 lakhs during the year.

*In April 2023, the Company has entered into an agreement with Health Care At Home India Private Limited to sell its entire shareholding in Medwell for total consideration of approx Rs 10 crore. Investment in Medwell was fully impaired in the books as on 31 March 2022. As the divestment was approved by the Board before 31 March 2023, investment in Medwell is presented as Assets Held for sale as at 31 March 2023 in line with requirements under Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations.

NOTE 6

Other current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Rupees lakhs	Rupees lakhs
Interest accrued on fixed deposits	**590.86**	–
	590.86	–

NOTE 7

Income tax assets (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Rupees lakhs	Rupees lakhs
Advance Income-tax (net of provision for tax)	**90.06**	128.27
	90.06	128.27

NOTE 7 (a)

Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rupees lakhs	Rupees lakhs
Current tax:		
In respect of current year	**(240.00)**	(26.00)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**(6,529.81)**	–
Total income tax expense	**(6,769.81)**	(26.00)

(b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rupees lakhs	Rupees lakhs
Deferred tax related to items recognised in other comprehensive income during the year	**225.11**	(186.18)
Total	**225.11**	(186.18)

(c) Reconciliation of estimated income tax at tax rate to income tax expense reported in profit or loss as follows:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rupees lakhs	Rupees lakhs
Profit/(Loss) before tax	**51,797.81**	(444.68)
Applicable Income tax rate	**25.17%**	27.82%
Expected Income Tax expense	**13,036.47**	(123.71)
Items on which no DTA is created/DTA created at definite rate		
Impairments on Investments	**–**	166.64
Others	**(67.07)**	(16.93)
Effect of income chargeable at specified tax rate	**(6,199.59)**	–
Income tax expense recognised in profit or loss	**6,769.81**	26.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 8

Deferred Tax (Assets)/Liabilities (Net)

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March 2023			
	Opening Balance	Charge/ (credit) in Profit or Loss	Charge/ (credit) in OCI	Closing Balance
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
<u>Tax effect of items constituting deferred tax liabilities</u>				
Fair Value through Other Comprehensive Income financial assets	**413.66**	**–**	**(225.11)**	**188.55**
<u>Tax effect of items constituting deferred tax assets</u>				
On Carryforward long term/short capital losses	**(9,882.85)**	**6,529.81**	**–**	**(3,353.04)**
Net deferred tax assets (net)	**(9,469.19)**	**6,529.81**	**(225.11)**	**(3,164.49)**

Note: Net deferred tax assets have been recognised by the Company to the extent that sufficient taxable profit are probable and will be available against which such deferred tax assets can be realised.

Particulars	For the Year ended 31st March 2022			
	Opening Balance	Charge/(credit) in Profit or Loss	Charge/(credit) in OCI	Closing Balance
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
<u>Tax effect of items constituting deferred tax liabilities</u>				
Fair Value through Other Comprehensive Income financial assets	227.48	–	186.18	413.66
<u>Tax effect of items constituting deferred tax assets</u>				
On Carryforward long term/short capital losses	(9,882.85)	–	-	(9,882.85)
Net deferred tax assets (net)	(9,655.37)	–	186.18	(9,469.19)

NOTE 9

Trade payables

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
	Rupees lakhs	Rupees lakhs
(i) Total outstanding dues of micro and small enterprises	**–**	–
(ii) Total outstanding dues of creditors other than micro and small enterprises	**24.82**	24.41
	24.82	24.41

Note: On the basis of information available with the management, there are no Micro, Small and Medium Enterprises as specified in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues which are outstanding for more than the stipulated period. Accordingly, the disclosures as required by Notification No. GSR 719(E) dated 16 November 2007 are not applicable. This has been relied upon by the auditors.

i) Creditors Ageing schedule for the year ended 31st March, 2023

(Rs. lakhs)

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	more than 3 years	Total
MSME	**–**	**–**	**–**	**–**	**–**	**–**
Others	**1.53**	**–**	**–**	**–**	**–**	**1.53**
Disputed dues- MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues- Others	**–**	**–**	**–**	**–**	**–**	**–**
						1.53
Accured expenses	**–**	**–**	**–**	**–**	**–**	**23.29**
Total Trade payable	**–**	**–**	**–**	**–**	**–**	**24.82**

ii) Creditors Ageing schedule for the year ended 31st March, 2022

(Rs. lakhs)

Particulars	Less than 6 months	6 Months – 1 year	1-2 year	2-3 Year	More than 3 year	Total
MSME	–	–	–	–	–	–
Others	–	–	–	–	–	–
Disputed dues- MSME	–	–	–	–	–	–
Disputed dues- Others	–	–	–	–	–	–
	–	–	–	–	–	–
Accured expenses	–	–	–	–	–	24.41
Total Trade payable	–	–	–	–	–	24.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 10

Other non financial liabilities

Particulars	As at 31st March, 2023 Rupees lakhs	As at 31st March, 2022 Rupees lakhs
– Statutory dues payables	**2.62**	2.65
	2.62	2.65

NOTE 11

Share capital

	Particulars	As at 31st March, 2023 Rupees lakhs	As at 31st March, 2022 Rupees lakhs
Authorised:			
2,75,40,00,000	(2022 : 2,50,40,00,000) Ordinary (equity) shares of Rs.10 each with voting rights	**2,75,400.00**	2,50,400.00
20,00,000	preference shares of Rs. 100 each	**2,000.00**	2,000.00
	Total	**2,77,400.00**	2,52,400.00
Issued:			
2,70,53,71,700	(2022: 2,46,34,99,450) Ordinary (equity) shares of Rs.10 each with voting rights	**2,70,537.17**	2,46,349.95
	Total	**2,70,537.17**	2,46,349.95
Subscribed and Fully paid-up:			
2,70,53,71,700	(2022: 2,46,34,99,450) Ordinary equity shares of Rs.10 each with voting rights	**2,70,537.17**	2,46,349.95
	(All the shares are held by Mahindra & Mahindra Limited (the holding Company)		
	Total	**2,70,537.17**	2,46,349.95

(a) The ordinary equity shares of the Company, having par value of Rs.10 per share, rank pari passu in all respects including voting rights and entitlement to dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of shares held by the holding company:

Particulars	Equity shares with voting rights Number of shares
As at 31st March, 2023	
Mahindra & Mahindra Limited, the holding company*	**2,70,53,71,700**
As at 31st March, 2022	
Mahindra & Mahindra Limited, the holding company*	**2,46,34,99,450**

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2023 Number of shares held	As at 31st March, 2023 % holding in that class of shares	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited *	**2,70,53,71,700**	**100%**	2,46,34,99,450	100%

*Includes 6 shares held jointly with its nominees

(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Period ended 31st March, 2023			
- Number of shares	**2,46,34,99,450**	**24,18,72,250**	2,70,53,71,700
- Amount (Rupees lakhs)	**2,46,349.95**	**24,187.22**	2,70,537.17
Year ended 31st March, 2022			
- Number of shares	**2,46,34,99,450**	**–**	2,46,34,99,450
- Amount (Rupees lakhs)	**2,46,349.95**	**–**	2,46,349.95

NOTE 12

Other Equity:

Particulars	Reserves and surplus: Special reserve Rupees lakhs	Reserves and surplus: Retained earnings Rupees lakhs	Items of other comprehensive income: Equity instruments through other comprehensive income Rupees lakhs	Total Rupees lakhs
Balance as at 31st March 2021	502.03	(30,267.17)	2,274.20	**(27,490.94)**
Loss for the year	–	(470.68)	–	**(470.68)**
Other comprehensive income	–	–	820.69	**820.69**
Balance as at 31st March 2022	502.03	(30,737.85)	3,094.89	**(27,140.93)**
Loss for the year	–	45,028.00	–	**45,028.00**
Other comprehensive income	–	–	(562.94)	**(562.94)**
Balance as at 31st March 2023	502.03	14,290.15	2,531.95	**17,324.13**

(A) Description of the nature and purpose of Other Equity:

i) **Special reserve:** Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

ii) **Retained earnings:** Retained earings comprises of accumulated balance of profits/(losses) of current and prior years.

NOTE 13

Revenue from Operations:

Particulars	For the year ended 31st March, 2023 Rupees lakhs	For the year ended 31st March, 2022 Rupees lakhs
a) Dividend Income:		
Mutual fund measured at fair value through profit or loss	**4.11**	75.69
Investments in subsidiaries	**–**	7.67
Investments in others	**121.07**	100.32
b) Profit on sale of mutual fund	**25.70**	**–**
c) Interest Income		
Interest on deposits	**891.36**	8.94
Interest on others	**42.78**	**–**
D) Mark to market gain on fair valuation of mutual fund	**379.11**	**–**
Total	**1,464.13**	192.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 14

Other income:

Particulars	For the year ended 31st March, 2023 Rupees lakhs	For the year ended 31st March, 2022 Rupees lakhs
Excess provision written back................	**–**	5.50
Total	**–**	5.50

NOTE 15

Other Expenses:

Particulars	For the year ended 31st March, 2023 Rupees lakhs	For the year ended 31st March, 2022 Rupees lakhs
Payment to statutory auditors:		
For audit fees..................................	**4.00**	4.42
For other services	**1.24**	0.33
Legal and professional charges............	**90.23**	34.85
Directors' commission	**2.00**	0.63
Miscellaneous expenses	**7.20**	2.57
Total	**104.67**	42.80

16. Exceptional Item

Exceptional Item recognised in profit or loss account represents:

- Impairment provision on certain long-term investments Rs. Nil (2022: Rs. 600.00 lakhs)
- During the year ended 31st March, 2023, the Company has sold its Non Current Investments as a part of reorganisation within the group based on external valuation. The Company has incurred net profit on sale of Mahindra Susten Private Limited Rs. 50,438.35 lakhs (2022: Rs. Nil).

17. Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders by Holding Company.

The Company determines the amount of capital required on the basis of its strategic investment plans. The same is funded through equity capital.

18. Financial risk management framework

The Company's activities expose it to a variety of financial risks namely credit risk, interest risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a Risk Management policy and a program that performs close monitoring of and responding to each risk factors. The ultimate responsibility vests with the Board of Directors.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on liquid funds is limited because the counterparties are Mutual Funds and banks with high credit-ratings assigned by credit- agencies.

c) Liquidity risk

The Board of Directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity of financial liabilities

The following Table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the Table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The Table include both interest and principal cash flows.

(Rs. lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
31st March, 2023				
Non-interest bearing	24.82	–	–	–
31st March, 2022				
Non-interest bearing	24.41	–	–	–

d) Interest rate risk

The Company does not have any borrowings and hence, it does not have any interest rate risk.

e) Maturity analysis of assets and liabilities

The below Table shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

(Rs. lakhs)

Particulars	31st March, 2023		31st March, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	**4.66**	**–**	2.89	–
Other bank balance	**45,000.00**	**–**		
Investments................................	**21,579.81**	**2,17,458.86**	31.61	2,09,604.13
Other current assets	**590.86**	**–**	–	–
Income tax assets (net)	**–**	**90.06**	–	128.27
Deferred tax assets (net)	**–**	**3,164.49**	–	9,469.19
Total Assets	**67,175.33**	**2,20,713.41**	34.50	2,19,201.59
Liabilities				
Trade Payables- total outstanding dues of creditors other than micro enterprises and small enterprises ...	**24.82**	**–**	24.41	–
Other non-financial liabilities	**2.62**	**–**	2.65	–
Total liabilities	**27.44**	**–**	27.06	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

19. Fair value measurement

a) Fair valuation Techniques and inputs used –recurring items

(Rs. lakhs)

Financial assets/ financial liabilities measured at fair value	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	31st March, 2023	**31st March, 2022**		
Financial assets Investments				
Mutual fund investments	**21,579.81**	31.61	Level 1	Net Asset value
Investment in equity instruments - Quoted.................	**2,183.88**	2,971.92	Level 1	Quoted market price
Investment in equity instruments - Unquoted.............	**346.95**	346.95	Level 3	Price of recent transaction

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value.

	(Rs. lakhs)
Particulars	**Unquoted equity instruments**
Year ended 31st March, 2023	
Opening balance of fair value......................................	**346.95**
Total gain recognised in other comprehensive income	**–**
Closing balance of fair value	**346.95**
Year ended 31st March, 2022	
Opening balance of fair value......................................	346.95
Total gain recognised in other comprehensive income	–
Closing balance of fair value	346.95

20. Segment information

The Company is a Core Investment Company, primarily engaged in the business of acquisition of shares and other securities in group companies. The Company's business activity falls within a single segment and accordingly there is no separate reportable segment as per Ind AS 108.

21. Related Party Transactions

(a) List of Related Parties:

i) Holding Company:

- Mahindra & Mahindra Limited

ii) Related Parties where control exists:

Subsidiary Companies:

- Mahindra First Choice Wheels Limited
- Fifth Gear Ventures Limited (wholly owned subsidiary of Mahindra First Choice Wheels Limited)
- Mahindra Airways Limited
- Emergent Solren Private Limited- (Wholly owned subsidiary w.e.f 9th November 2022)
- Bristlecone Limited
- Bristlecone India Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Inc (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone UK Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone (Malaysia) Sdn Bhd (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Consulting Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone International AG (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Middle East DMCC (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone (Singapore) Pte Ltd (wholly owned subsidiary of Bristlecone India)
- Bristlecone Gmbh (wholly owned subsidiary of Bristlecone India)
- Bristlecone International Costa Rica Limited (wholly owned subsidiary of Bristlecone India)

Joint Ventures :

- Mahindra Susten Private Limited- (controlling status was changed from subsidiary to joint ventures w.e.f.22nd December 2022)
- Mahindra Renewables Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Mahindra Teqo Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited) -ceased to be a wholly owned subsidiary w.e.f. 14th December, 2022
- Martial Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Marvel Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Brightsolar Renewable Energy Private Limited (subsidiary of Mahindra Renewables Private Limited)
- Neo Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- Astra Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- Mega Suryaurja Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- MSPL International DMCC (wholly owned subsidiary of Mahindra Susten Private Limited)

iii) Name of other related parties where transactions have taken place:

Fellow Subsidiary Companies:

- Mahindra Two Wheelers Limited
- Mahindra Integrated Business Solutions Private Limited

Associate of Holding Company:

- Tech Mahindra Limited

Directors of the Company

- Mr. K Chandrasekar - Independent Director
- Mr. Zhooben Bhinwandiwala – Whole-time Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(b) Related Party Transactions are as under:

(Rs. lakhs)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate Companies	Associate of Holding Company	Fellow Subsidiary	Fellow Subsidiary	Director
(A) Investments – Subscribed/ Purchased:							
(a) Mahindra First Choice Wheels Limited	–	24,003.30	–	–	–	–	–
	(–)	(5,361.30)	(–)	(–)	(–)	(–)	(–)
(b) Mahindra Airways Limited	–	6,190	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(c) Emergent Solren Private Limited	–	5.00	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(B) Investments – Sales:							
(a) Mahindra Susten Private Limited	–	–	–	–	–	21,555.52	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(C) Dividend Received:							
(a) Mahindra Integrated Business Solutions Private Limited	–	10.74	–	–	–	–	–
	(–)	(7.67)	(–)	(–)	(–)	(–)	(–)
(b) Tech Mahindra Limited	–	–	–	95.14	–	–	–
	(–)	(–)	(–)	(89.19)	(–)	(–)	(–)
(c) Mahindra Two Wheelers Limited	–	–	–	–	15.19	–	–
	(–)	(–)	(–)	(–)	(11.13)	(–)	(–)
(D) Receipt of services							
(a) Mahindra & Mahindra Limited	77.37	–	–	–	–	–	–
	(25.30)	(–)	(–)	(–)	(–)	(–)	(–)
(E) Issue of shares:							
(a) Mahindra & Mahindra Limited	24,187.22	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(F) Investments Balances:							
(a) Mahindra First Choice Wheels Limited	–	72,691.52	–	–	–	–	–
	(–)	(48,688.22)	(–)	(–)	(–)	(–)	(–)
(b) Mahindra Airways Limited	–	6,775.00	–	–	–	–	–
	(–)	(585.00)	(–)	(–)	(–)	(–)	(–)
(c) Emergent Solren Private Limited	–	5.00	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(d) Mahindra Susten Private Limited	–	–	–	–	–	50,284.14	–
	(–)	(71,839.66)	(–)	(–)	(–)	(–)	(–)
(G) Outstandings - Payable:							
(a) Mahindra & Mahindra Limited	16.25	–	–	–	–	–	–
	(19.50)	(–)	(–)	(–)	(–)	(–)	(–)
(H) Commission and Director fees	–	–	–	–	–	–	4.80
	(–)	(–)	(–)	(–)	(–)	(–)	(0.63)

Note: Previous year's figures are given in brackets.

22. Corporate Social Responsibility (CSR)

During the year under review, based on the profitability/loss of the Company in the past immediately three financial years of the Company, the CSR obligation as computed under Section 135 of the Companies Act, 2013 for financial year 2022-23 was NIL and the Company thereby had not made any contributions towards CSR.

23. Earnings per share:

Particulars	31st March, 2023	31st March, 2022
Profit/(Loss) after tax for the year (Rs. lakhs)	**45,028.00**	(470.68)
Nominal Value per ordinary equity Share (in Rs.)	**10**	10
Weighted Average number of ordinary equity shares for Basic Earnings per share	**2,70,53,71,700**	2,46,34,99,450
Basic Earnings per equity Share (in Rs.) - (Rounded off)	**1.66**	(0.02)
Weighted Average number of ordinary equity shares for Diluted Earnings per share	**2,70,53,71,700**	2,46,34,99,450
Diluted Earnings per equity Share (in Rs.) - (Rounded off)	**1.66**	(0.02)
Profit/(Loss) after tax for the year (Rs. lakhs)	**45,028.00**	(470.68)
Basic Earnings per equity Share (in Rs.) - (Rounded off)	**1.66**	(0.02)
Diluted Earnings per equity Share (in Rs.) - (Rounded off)	**1.66**	(0.02)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

24. Other matters

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

I. Information with regard to other matters specified in Part II of Schedule III to the Act is either nil or not applicable to the Company for the year.

II. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

III. The Company does not have any transactions with companies struck off.

IV. The Company does not have any property, plant and equipment (including right-of- use assets) or intangible assets or both during the current or previous year.

V. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

VI. Details of fund received by the Company from any persons or entities, including foreign entities

(Rs. lakhs)

Name of the Company	**Date of Transaction**	**Amount**
Holding Company:		
Mahindra & Mahindra Limited	18th April 2022	1,260.00
Mahindra & Mahindra Limited	1st July 2022	17,134.18
Mahindra & Mahindra Limited	18th August 2022	5,693.04
Mahindra & Mahindra Limited	14th October 2022	100.00

Details of Investments made by the Company in Ultimate Beneficiary:

(Rs. lakhs)

Name of the Company	**Date of Transaction**	**Amount**
Holding Company:		
Mahindra First Choice Wheels Limited	18th April 2022	1,260.00
Mahindra First Choice Wheels Limited	1st July 2022	17,134.18
Mahindra First Choice Wheels Limited	18th August 2022	5,606.73

VII. The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

VIII. The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

IX. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

X. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

XI. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

- Disclosures required as per RBI direction for core investment company are either nil or given at appropriate places.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: 9th May, 2023

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Bristlecone Worldwide, Inc.***	*Bristlecone India Limited	*Bristlecone Inc	*Bristlecone UK Limited	*Bristlecone (Malaysia) Sdn Bhd	*Bristlecone Consulting Limited	*Bristlecone International AG	*Bristlecone Middle East DMCC	**Bristlecone (Singapore) Pte Ltd	**Bristlecone Gmbh	*Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Foreign Subsidiary	Indian Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary
	Currency	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
3	Share Capital	16.00	1,904.94	5,630.83	2,395.08	93.24	0.00	89.95	11.19	1,034.40	44.82	82.19
4	Reserves & Surplus	5,828.70	10,526.14	5,839.59	1,768.81	92.42	316.78	1,973.44	918.65	4.64	4,976.01	(0.08)
5	Total Assets	25,914.33	22,909.11	32,956.04	633.18	192.31	362.33	3,078.49	1,233.82	1,088.02	5,984.46	82.11
6	Total Liabilities & Equity	25,914.33	22,909.11	32,956.04	633.18	192.31	362.33	3,078.49	1,233.82	1,088.02	5,984.46	82.11
7	Investments	24,731.88	778.51	–	–	–	–	–	–	–	–	–
8	Turnover	821.93	49,733.83	75,810.41	75.82	71.97	202.78	1,766.13	1,888.94	1,385.84	5,795.05	–
9	Profit/(Loss) before taxation	(45.60)	4,503.72	3,007.91	17.39	1.52	38.51	78.76	22.63	27.78	195.03	(0.08)
10	Provision for taxation	0.00	(1,160.08)	(927.24)	–	–	(10.22)	0.97	–	(8.55)	(52.38)	–
11	Profit/(Loss) after taxation	(45.60)	3,343.64	2,080.67	17.39	1.52	28.29	79.73	22.63	19.23	142.65	(0.08)
12	Proposed Dividend	–	–	–	–	–	–	–	–	–	–	–
13	% of shareholding	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%	97.19%

* a subsidiary of Bristlecone Limited

**a subsidiary of Bristlecone India

*** Bristlecone Worldwide, Inc. formerly known as Bristlecone Limited

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra Susten Private Limited	Mahindra Airways Limited	Mahindra First Choice Wheels Limited	Gromax Agri Equipment Limited	*Mahindra Renewables Private Limited	*MSPE International DMCC	Emergent Solren Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Foreign Subsidiary	Foreign Subsidiary
3	Share Capital	39,092.35	6,775.00	8,784.32	5,430.20	32,152.46	1,13,70,000.00	5.00
4	Reserves & Surplus	63,622.73	(708.38)	18,503.78	(658.46)	11,212.58	(1,13,42,927.00)	(3.62)
5	Total Assets	2,73,199.88	6,072.85	47,731.28	12,443.50	2,72,783.30	27,073.00	4.33
6	Total Liabilities & Equity	2,73,199.88	6,072.85	47,731.28	12,443.50	2,72,783.30	27,073.00	4.33
7	Investments	1,007.00	–	10,097.68	–	15,440.31		–
8	Turnover	39,645.22	6.00	1,11,312.38	19,797.68	35,272.69	–	–
9	Profit/(Loss) before taxation	5,485.04	(160.77)	(11,055.71)	(228.56)	4,936.10	(1,000.00)	(3.62)
10	Provision for taxation	2,049.79	–	–	–	1,241.32	–	–
11	Profit/(Loss) after taxation	3,435.25	(160.77)	(11,055.70)	(228.56)	3,694.78	(1,000.00)	(3.62)
12	Proposed Dividend	–	–	–	–	–	–	–
13	% of shareholding	70%	100%	49.17%	49%	100%	100%	100%

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	*Martial Solren Private Limited	*Mega Suryaurja Private Limited	**Marvel Solren Private Limited	**Astra Solren Private Limited	**Neo Solren Private Limited	**Brightsolar Renewable Energy Private Limited	$ Fifth Gear Ventures Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary
3	Share Capital	1.00	865.00	2,781.60	888.96	931.50	951.79	30.71
4	Reserves & Surplus	(8.80)	6,515.96	2,607.77	8,796.60	7,142.88	1,505.97	1,897.62
5	Total Assets	0.47	1,35,815.03	13,233.54	39,954.40	30,523.61	8,419.29	3,830.28
6	Total Liabilities & Equity	0.47	1,35,815.03	13,233.54	39,954.40	30,523.61	8,419.29	3,830.28
7	Investments	–	–		–	–	–	–
8	Turnover	–	11,806.63	2,185.19	6,225.31	3,792.28	1,273.36	6,313.68
9	Profit/(Loss) before taxation	(3.19)	(1,476.41)	305.81	1,592.51	297.37	208.76	(2656.81)
10	Provision for taxation	–	(371.32)	74.77	486.54	84.22	59.90	–
11	Profit/(Loss) after taxation	(3.19)	(1,105.08)	231.04	1,105.97	213.15	148.86	(2656.81)
12	Proposed Dividend	–	–	–	–	–	–	–
13	% of shareholding	100%	100%	51%	100%	100%	51%	100%

* a subsidiary of Mahindra Susten Private Limited

** a subsidiary of Mahindra Renewables Pvt.Ltd

$ a subsidiary of Mahindra First Choice Wheels Ltd

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "B": Associate Companies

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra and Mahindra Contech Limited	Mahindra eMarket Limited	# Medwell Ventures Private Limited	# New Delhi Centre for Sight Limited	# Aquasail Distribution Company Private Limited
1	Latest audited Balance Sheet Date	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
2	Share of associates companies held by the company on the year end	23.33%	24.00%	28.62%	30.30%	17.63%
3	No of Equity Share held	35,000	1,91,928	1,81,697	37,53,082	1,56,063
4	Amount of Investment in associate companies	169.79	1.19	11,544.12	20,650.60	600.00
5	Extent of Holding %	23.33%	24.00%	28.62%	30.30%	17.63%
6	Description of how there is significant influence	–	–	–	–	–
7	Reason why the associate companies is not consolidated	NA	NA	NA	NA	NA
8	Net worth attributable to shareholding as per latest audited Balance Sheet	420.73	(23.60)	480.82	8,058.56	56.06
9	Profit/(Loss) for the year	29.27	(0.12)	1,952.46	430.54	10.95

Amounts are based on unaudited financials.

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Bharat Doshi
Director
DIN.No. 00012541

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer
DIN.No. 00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069
Place: Mumbai
Date: 9th May, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LTD

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Mahindra Overseas Investment Company (Mauritius) Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"),* and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 23 in the separate financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The directors have assessed that certain investments in associates/subsidiaries, stated at cost in these separate financial statements, have higher fair values based on recent external valuation and available quoted prices. Thus, the Company would therefore be able to repay all its liabilities should the need arise. Furthermore, the holding company has undertaken to provide financial support to ensure continuation of the Company's operations. The separate financial statements do not include any adjustments if the going concern basis is no longer appropriate. Our opinion is not modified in this respect.

Other Matter

The supplementary information presented in Indian Rupee in the separate financial statements is solely for the convenience of the users of these separate financial statements. The supplementary information presented in Indian Rupee does not form part of the audited separate financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Separate Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of Directors sections, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

The Company is licensed as an Authorised Company with the Financial Services Commission of Mauritius (FSC) and by virtue of this status, it does not have an obligation to file audited financial statements with the FSC.

Mahindra and Mahindra Limited, the parent company, is listed in the Republic of India and is required to submit consolidated audited financial statements to the Indian authorities. The Group Auditors of the parent company, in compliance with ISA 600, Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors), require an audit to be performed on these separate financial statements and to communicate the results thereon to them. In this context, the directors have voluntarily appointed Grant Thornton to carry out an audit on these separate financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 16 May 2023
Ebene 72201, Republic of Mauritius

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Notes	2023	2023	2022	2022
		USD	**INR (Note 1)**	USD	INR (Note 1)
INCOME					
Dividend income		**8,335,960**	**685,132,552**	6,920,486	568,794,744
Other income		**2,394**	**196,763**	–	–
		8,338,354	**685,329,315**	6,920,486	568,794,744
EXPENSES					
Professional fees		**108,259**	**8,897,804**	684,811	56,284,616
Depreciation	9	**–**	**–**	26,568	2,183,624
Repairs and maintenance		**21,988**	**1,807,194**	28,951	2,379,483
Audit fees		**30,139**	**2,477,124**	29,003	2,383,757
Bank charges		**8,059**	**662,369**	8,240	677,246
Licence fees		**450**	**36,986**	1,038	85,313
Insurance charges		**240**	**19,726**	887	72,903
		169,135	**13,901,206**	779,498	64,066,942
OPERATING PROFIT		**8,169,219**	**671,428,109**	6,140,988	504,727,802
Impairment of investments	11	**(25,934,000)**	**(2,131,515,460)**	(18,960,370)	(1,558,352,810)
Impairment of property, plant and equipment	9	**–**	**–**	(279,630)	(22,982,790)
Investment written off	12	**(1)**	**(82)**	–	–
Reversal of impairment losses	11	**–**	**–**	72,473,012	5,956,556,856
Finance income	20.1	**5,840,148**	**480,001,764**	15,177,998	1,247,479,656
Finance costs	20.2	**(3,470,684)**	**(285,255,518)**	(5,391,813)	(443,153,110)
Loss on disposal of investments	11	**–**	**–**	(71,705,705)	(5,893,491,894)
LOSS BEFORE TAX		**(15,395,318)**	**(1,265,341,187)**	(2,545,520)	(209,216,290)
Tax expense	8	**(2,947,659)**	**(242,268,093)**	(3,344,425)	(274,878,290)
LOSS FOR THE YEAR		**(18,342,977)**	**(1,507,609,280)**	(5,889,945)	(484,094,580)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss					
Fair value loss on financial assets at fair value through other comprehensive income	**12(iii)**	**(6,545,466)**	**(537,971,851)**	(5,872,648)	(482,672,939)
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(6,545,466)**	**(537,971,851)**	(5,872,648)	(482,672,939)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(24,888,443)**	**(2,045,581,131)**	(11,762,593)	(966,767,519)

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Notes	2023	2023	2022	2022
		USD	**INR (Note 1)**	USD	INR (Note 1)
ASSETS					
Non-current					
Investments in associates	10	**78,400,645**	**6,443,749,013**	78,400,645	6,443,749,013
Investments in subsidiaries	11	**93,794,408**	**7,708,962,394**	110,828,408	9,108,986,854
Financial assets at fair value through other comprehensive income ("FVOCI")	12	**27,205,293**	**2,236,003,031**	33,750,760	2,773,974,964
Non-current assets		**199,400,346**	**16,388,714,438**	222,979,813	18,326,710,831
Current					
Investment in subsidiary	11	**–**	**–**	2,891,692	237,668,165
Other receivables and prepayments	18	**53,345**	**4,384,426**	44,432	3,651,865
Cash and cash equivalents	14	**1,720,176**	**141,381,265**	5,049,819	415,044,624
		1,773,521	**145,765,691**	**7,985,943**	**656,364,654**
Non-current asset classified as held-for-sale	15	**–**	**–**	894,454	73,515,174
Current assets		**1,773,521**	**145,765,691**	8,880,397	729,879,828
Total assets		**201,173,867**	**16,534,480,129**	231,860,210	19,056,590,659
EQUITY AND LIABILITIES					
Equity					
Stated capital	16	**440,309,209**	**36,189,013,888**	440,309,209	36,189,013,888
Accumulated losses		**(446,408,213)**	**(36,690,291,027)**	(427,019,081)	(35,096,698,267)
Fair value reserves for financial assets at FVOCI	12	**(29,486,055)**	**(2,423,458,860)**	(23,986,744)	(1,971,470,489)
Total equity		**(35,585,059)**	**(2,924,735,999)**	(10,696,616)	(879,154,868)
Liabilities					
Current					
Borrowings	17	**236,688,734**	**19,453,447,047**	242,474,376	19,928,968,963
Accruals	19	**70,192**	**5,769,081**	82,450	6,776,564
Total current liabilities		**236,758,926**	**19,459,216,218**	242,556,826	19,935,745,527
Total liabilities		**236,758,926**	**19,459,216,218**	242,556,826	19,935,745,527
Total equity and liabilities		**201,173,867**	**16,534,480,129**	231,860,210	19,056,590,659

Approved by the Board of Directors on 16 May 2023 and signed on its behalf by:

Zakir Niamut

DIRECTOR

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Stated capital	Accumulated losses	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	USD	USD	USD	USD
Balance at 01 April 2021	424,109,209	(421,129,136)	(18,114,096)	(15,134,023)
Issue of shares	16,200,000	–	–	16,200,000
Transactions with the owner	16,200,000	–	–	16,200,000
Loss for the year	–	(5,889,945)	–	(5,889,945)
Other comprehensive loss	–	–	(5,872,648)	(5,872,648)
Total comprehensive loss for the year	–	(5,889,945)	(5,872,648)	(11,762,593)
Balance at 31 March 2022	440,309,209	(427,019,081)	(23,986,744)	(10,696,616)
Balance at 01 April 2022	**440,309,209**	**(427,019,081)**	**(23,986,744)**	**(10,696,616)**
Loss for the year	**–**	**(18,342,977)**	**–**	**(18,342,977)**
Other comprehensive income	**–**	**–**	**(6,545,466)**	**(6,545,466)**
Total comprehensive loss for the year	**–**	**(18,342,977)**	**(6,545,466)**	**(24,888,443)**
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	**–**	**(1,046,155)**	**1,046,155**	**–**
Balance at 31 March 2023	**440,309,209**	**(446,408,213)**	**(29,486,055)**	**(35,585,059)**

	Stated capital	Accumulated losses	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	INR	INR	INR	INR
Balance at 01 April 2021	34,857,535,888	(34,612,603,687)	(1,488,797,550)	(1,243,865,349)
Issue of shares	1,331,478,000	–	–	1,331,478,000
Transactions with the owner	1,331,478,000	–	–	1,331,478,000
Loss for the year	–	(484,094,580)	–	(484,094,580)
Other comprehensive loss	–	–	(482,672,939)	(482,672,939)
Total comprehensive loss for the year	–	–	(482,672,939)	(482,672,939)
Balance at 31 March 2022	36,189,013,888	(35,096,698,267)	(1,971,470,489)	(879,154,868)
Balance at 01 April 2022	**36,189,013,888**	**(35,096,698,267)**	**(1,971,470,489)**	**(879,154,868)**
Loss for the year	**–**	**(1,507,609,280)**	**–**	**(1,507,609,280)**
Other comprehensive income	**–**	**–**	**(537,971,851)**	**(537,971,851)**
Total comprehensive loss for the year	**–**	**(1,507,609,280)**	**(537,971,851)**	**(2,045,581,131)**
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	**–**	**(85,983,480)**	**85,983,480**	**–**
Balance at 31 March 2023	**36,189,013,888**	**(36,690,291,027)**	**(2,423,458,860)**	**(2,924,735,999)**

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2023	2023	2022	2022
		USD	**INR (Note 1)**	USD	INR (Note 1)
Operating activities					
Loss before tax		**(15,395,318)**	**(1,265,341,187)**	(2,545,520)	(209,216,290)
Adjustments for:					
Net impairment of investments		**25,934,000**	**2,131,515,460**	(53,512,642)	(4,398,204,046)
Investment written off		**1**	**82**	–	–
Impairment of property, plant and equipment		**–**	**–**	279,630	22,982,790
Net impairment of loans		**–**	**–**	–	–
Depreciation		**–**	**–**	26,568	2,183,624
Loss on disposal of investments		**–**	**–**	71,705,705	5,893,491,894
Amortisation of transaction costs		**–**	**–**	–	–
Interest income		**3,076,535**	**252,860,412**	(13,843)	(1,137,756)
Interest expense				2,757,809	226,664,322
Swap interest expense				–	–
Dividend income		**(8,335,960)**	**(685,132,552)**	(6,920,486)	(568,794,744)
Net foreign exchange differences		**(5,840,148)**	**(480,001,764)**	(14,016,670)	(1,152,030,107)
		(560,890)	**(46,099,549)**	(2,239,449)	(184,060,313)
Changes in working capital:					
Change in other receivables and prepayments		**(8,913)**	**(732,559)**	1,525	125,340
Change in accruals		**(12,258)**	**(1,007,485)**	(22,162)	(1,821,495)
Net cash used in operations		**(582,061)**	**(47,839,592)**	(2,260,086)	(185,756,468)
Interest paid	**22**	**(1,295,492)**	**(106,476,487)**	(10,525,223)	(865,068,078)
Tax refund		**44,614**	**3,666,825**	–	–
Tax paid		**(2,947,659)**	**(242,268,093)**	(3,344,425)	(274,878,291)
Net cash used in operating activities		**(4,780,598)**	**(392,917,348)**	(16,129,734)	(1,325,702,837)
Investing activities					
Purchase of investments		**(8,900,000)**	**(731,491,000)**	(34,348,994)	(2,823,143,817)
Proceeds from sale of investments		**2,886,520**	**237,243,079**	767,307	63,064,962
Dividends received		**8,335,960**	**685,132,552**	6,920,486	568,794,744
Interest received		**–**	**–**	13,600	1,117,784
Net cash from/(used in) investing activities		**2,322,480**	**190,884,631**	(26,647,601)	(2,190,166,327)
Financing activities					
Loans repaid to banks	**22**	**(109,035,920)**	**(8,961,662,265)**	(260,222,100)	(21,387,654,399)
Loans received from banks (net of transaction cost)	**22**	**107,198,700**	**8,810,661,153**	274,729,863	22,580,047,440
Loan repaid to shareholder		**–**	**–**	(11,496,306)	(944,881,390)
Loans repaid by related parties		**–**	**–**	2,739,000	225,118,410
Proceeds from issue of shares		**–**	**–**	16,200,000	1,331,478,000
Loan granted to related parties		**–**	**–**	(2,735,750)	(224,851,293)
Net cash (used in)/from financing activities		**(1,837,220)**	**(151,001,112)**	19,214,707	1,579,256,768
Net change in cash and cash equivalents		**(4,295,338)**	**(353,033,829)**	(23,562,628)	(1,936,612,395)
Cash and cash equivalents, beginning of year		**5,049,819**	**415,044,624**	27,685,885	2,275,502,888
Exchange differences on cash and cash equivalents		**965,695**	**79,370,470**	926,562	76,154,131
Cash and cash equivalents, end of year		**1,720,176**	**141,381,265**	5,049,819	415,044,624
Cash and cash equivalents made up of:					
Cash at bank	**14**	**1,720,176**	**141,381,265**	5,049,819	415,044,624

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Mahindra Overseas Investment Company (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 7 December 2004 as a private Company with liability limited by shares and held a Global Business Licence issued by the Financial Services Commission up to 22 March 2021. Pursuant to a Board meeting held on 2 February 2021, the Company had sought authorisation from the Financial Services Commission ("FSC") to be converted from a Global Business Licence Company to an Authorised Company. The Company was issued with an authorisation from the FSC to convert into an Authorised Company under Section 71A of the Financial Services Act 2007 on 22 March 2021.

The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius. The principal purpose of the Company is to act as an investment holding company.

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of USD 1= INR 82.19 has been used for the purpose of presentation of the INR amounts in the accompanying separate financial statements for the two years ended 31 March 2023 and 31 March 2022.

2. APPLICATION OF NEW AND REVISED IFRS

2.1 New and amended Standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the annual reporting period commencing on 01 April 2022:

IFRS 3	References to the Conceptual Framework (Amendment to IFRS 3)
IAS 16	Proceeds before intended use (Amendments to IAS 16)
IAS 37	Onerous Contracts- Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)

Management has assessed the impact of these new and revised amendments and concluded that none of the above has an impact on these separate financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these separate financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 17	Amendments to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)
IFRS 17	Initial Application of IFRS 17 and IFRS 9- Comparative Information (Amendment to IFRS 17)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Non-Current Liabilities with Covenants (Amendments to IAS 1)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's separate financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these separate financial statements are summarised below.

(b) Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

Interest income is recognised on the accrual basis unless collectability is in doubt.

(c) Expenses

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(d) Taxation

Tax expense recognised in the statement of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the separate financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

(e) Property, plant and equipment

Building and furniture and fittings are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Building and furniture and fittings are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values.

The following average useful lives are applied:

Building: 60 years

Furnitures and fittings: 10 years

Where the carrying amount of an asset is greater than its estimated amount, it is written down immediately to its recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset. The gain or loss on disposal is credited or charged to the statement of profit or loss and other comprehensive income.

(f) Consolidated financial statements

The financial statements are separate financial statements which contain information about Mahindra Overseas Investment Company (Mauritius) Ltd as a company and do not contain consolidated financial information as the parent of a group.

(g) Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company has majority voting rights in ten unquoted companies at the reporting date and which are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements.*

Consolidated financial statements have not been presented as the Company monitors the performance of the subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom. The investments in the subsidiaries are measured at cost less any impairment charges in these separate financial statements. Impairment charges are recognised in the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited in the statement of profit or loss and other comprehensive income.

(h) Investment in associate and joint venture

An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

A joint venture is an arrangement that the Company controls jointly with one or more other investors, and over which the Company has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Investment in associate and joint venture are initially shown at cost in these separate financial statements in accordance with IAS 28, *Investments in Associates and Joint Ventures.* Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(i) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's other receivables and cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. For the Company, instruments within the scope of the new requirements included its other receivables.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement financial liabilities

The Company's financial liabilities include accruals and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(l) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

(m) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ('INR") for the convenience of users of financial statements.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

(n) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss and other comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and amortised over the terms of the borrowings.

(p) Non-current assets held-for-sale

Non-current assets classified as held-for-sale are presented separately and measured at the lower of carrying amount prior to their classification as held-for-sale and fair value less costs to sell. Once classified as held-for-sale, the assets are not subjected to depreciation or amortisation.

The following conditions must be met for an asset to be classified as held-for-sale:

- management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held-for-sale (subject to limited exceptions);
- the assets is being actively marketed for sale at a sales price reasonable in relation to its fair; and
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

(q) Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the separate financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following is the significant management judgement in applying the accounting policies of the Company that has the most significant effect on the separate financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these separate financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

In particular, the directors have assessed that certain investments in associates/subsidiaries, stated at cost in these separate financial statements, have higher fair values based on recent external valuation and available quoted price. The total fair value of these investments as at 31 March 2023 is more than the cost by USD 197 million. Consequently, the total asset size of the Company is deemed to be USD 398 million which is more than the liabilities of USD 236 million resulting into a comfortable safety margin of USD 162 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, all the Company's borrowings are secured by the corporate guarantee of the parent company, Mahindra & Mahindra Limited ("M&M").

Investments in associates

The directors have assessed the level of influence that the Company has on CIE Automotive S.A and The East India Company Group Limited and determined that the Company has significant influences even though the shareholdings are below 20% due to the representations on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investments in associates and subsidiaries.

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts of certain investments suffered impairment losses as reported in Notes 10 and 11.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value of unquoted investments

The Company holds investments that are not quoted on active markets. Fair values of such investments are determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate. Changes in assumptions about these factors and the method adopted could affect the reported fair values of the financial instruments.

Useful lives and residual values of property, plant and equipment

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2023 USD	**2023 INR (Note 1)**	2022 USD	2022 INR (Note 1)
Financial assets				
Non-current				
Financial assets at fair value through other comprehensive income:				
Investments in quoted and unquoted securities	**27,205,290**	**2,236,002,785**	33,750,760	2,773,974,964
	27,205,290	**2,236,002,785**	33,750,760	2,773,974,964
Current				
Financial assets measured at amortised cost:				
Other receivables	**51,823**	**4,259,332**	40,075	3,293,764
Cash and cash equivalents	**1,720,176**	**141,381,265**	5,049,819	415,044,624
	1,771,999	**145,640,597**	5,089,894	418,338,388
Total financial assets	**28,977,289**	**2,381,643,382**	38,840,654	3,192,313,352
Financial liabilities				
Current				
Financial liabilities measured at amortised cost:				
Borrowings	**236,688,734**	**19,453,447,047**	242,474,376	19,928,968,963
Accruals	**70,192**	**5,769,081**	82,450	6,776,564
	236,758,926	**19,459,216,128**	242,556,826	19,935,745,527
Total financial liabilities	**236,758,926**	**19,459,216,128**	242,556,826	19,935,745,527

The Company's risks are managed by its Board of Directors and the focus is on securing the Company's short to medium term cash flows by minimising the exposure to financial risks. The Company's investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described below.

(a) Market risk analysis

Market risk is specifically comprised of currency risk and interest rate risk, which result from both its operating and investing activities. The Company is exposed to market risk through its use of financial instruments.

(i) Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The currency profile of the Company's financial assets and financial liabilities is as follows:

	Financial assets 2023	**Financial liabilities 2023**	Financial assets 2022	Financial liabilities 2022
	USD	**USD**	USD	USD
United States Dollar (USD)	**3,380,588**	**57,909**	7,764,489	66,739
Euro (EUR)	**25,548,186**	**236,699,801**	31,069,542	242,485,443
South African Rand (ZAR)	**48,515**	**–**	6,623	3,323
Indian Rupee (INR)	**–**	**1,216**	–	1,321
	28,977,289	**236,758,926**	38,840,654	242,556,826

	Financial assets 2023	**Financial liabilities 2023**	Financial assets 2022	Financial liabilities 2022
	INR (Note 1)	**INR (Note 1)**	INR (Note 1)	INR (Note 1)
United States Dollar (USD)	**277,850,528**	**4,759,541**	638,163,351	5,485,276
Euro (EUR)	**2,099,805,406**	**19,454,356,644**	2,553,605,657	19,929,878,560
South African Rand (ZAR)	**3,987,448**	**–**	544,344	273,117
Indian Rupee (INR)	**–**	**99,943**	–	108,574
	2,381,643,382	**19,459,216,128**	3,192,313,352	19,935,745,527

The Company's transactions are carried out in the United States Dollar (USD), Euro (EUR), South African Rand (ZAR) and Indian Rupee (INR). Consequently, the Company is exposed to foreign currency risk on its financial liabilities and financial assets denominated in EUR, ZAR and INR.

The table below illustrates the sensitivity of profit and equity in regard to the Company's financial instruments and the USD/EUR, USD/ZAR and USD/INR exchange rates "all other things being equal".

It assumes the following percentage changes in the exchange rates:

	2023	2022
	% change	% change
EUR	**18%**	3%
ZAR	**3%**	4%
INR	**8%**	3%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the foreign currencies had strengthened by the above percentages, then this would have the following impact on loss and equity:

	Loss 2023		Loss 2022	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**(6,334,548)**	**(520,636,500)**	(8,456,636)	(695,050,913)
ZAR	**8,733**	**717,765**	99	8,137
INR	**(97)**	**(7,972)**	40	3,288

	Equity 2023		Equity 2022	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**7,074,312**	**581,437,728**	9,589,275	788,142,512
ZAR	**(8,733)**	**(717,765)**	(99)	(8,137)
INR	**97**	**7,972**	(40)	(3,288)

If the foreign currencies had weakened by the above percentages, then this would have the same reverse impact on loss and equity.

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company is not exposed to changes in market interest rates on its interest-bearing financial assets having fixed interest rates.

As 31 March 2023, the Company has interest bearing financial liabilities in the form of bank loan from Bank of America, N.A.

Loan from Bank of America, N.A

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America ("BOA") to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis point. It is agreed that if the EURIBOR is negative it shall be deemed zero for the purpose of the loan facility. As at 31 March 2023, the Company owes EUR 40,000,000 to BOA. The loans are repayable within the next 12 months.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and equity to reasonably possible changes in interest rates of +/- 1% for the years ended 31 March 2022 and 2023. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

A 1% increase in interest rate will have the following impact:

	Loss for the year	Shareholder's deficit
	USD	**USD**
At 31 March 2023	**422,082**	**422,082**
	Loss for the year	**Shareholder's deficit**
	USD	**USD**
At 31 March 2022	448,339	448,339

	Loss for the year	Shareholder's deficit
	INR	**INR**
At 31 March 2023	**36,334,720**	**36,334,720**
	Loss for the year	**Shareholder's deficit**
	INR	**INR**
At 31 March 2022	36,849,887	36,849,887

A 1% decrease in interest rate would have the reversed impact.

(iii) Other price sensitivity

The Company is exposed to other price risk in respect of its listed securities. The average volatility observed in the share prices during the year ended 31 March 2022 is shown in the table below:

Name of investee company	% change in share price 2023	% change in share price 2022
Global Dominion Access S.A	**11%**	6%
Bird Rides Inc.	**89%**	75%
REE Automotive Ltd.	**83%**	81%

	Other comprehensive income and equity		Other comprehensive income and equity	
	2023	**2023**	2022	2022
	USD	**INR**	USD	INR
Increase	**15,131,224**	**1,243,635,288**	15,957,407	1,311,539,281
Decrease	**(15,131,224)**	**(1,243,635,288)**	(15,957,407)	(1,311,539,281)

The listed securities were classified as financial assets at fair value through other comprehensive income and therefore no effect on profit was noted.

(b) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions with related parties. The Company has significant concentration of credit risk as shown as follows.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023	2023	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
ASSETS				
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")	**27,205,290**	**2,236,002,785**	33,750,760	2,773,974,964
	27,205,290	**2,236,002,785**	33,750,760	2,773,974,964
Current				
Other receivables	**51,823**	**4,259,332**	40,075	3,293,764
Cash and cash equivalents	**1,720,176**	**141,381,265**	5,049,819	415,044,624
	1,771,999	**145,640,597**	5,089,894	418,338,388
Total assets	**28,977,289**	**2,381,643,382**	38,840,654	3,192,313,352

The Company holds investments in both quoted and unquoted companies. The directors have made assessment on the fair value of these investments and have recognised a fair value loss of USD 6,545,466 (2022: USD 5,872,648) in these separate financial statements.

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

Based on the assessment for other receivables, management considers the probability of default of the counterparty to be close to zero and as a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

The credit risk for the bank balances and derivative financial instruments is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The disposal of the investments is subject to some restrictions as described in Note 11 to these separate financial statements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(c) Liquidity risk analysis

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from the shareholder.

The Company's main cash inflows are in the form of dividend, interest on loans, proceeds from issue of shares and disposal of investments. The main cash outflows relate to repayment of loans and interest and capital investments.

The Company's liquidity risk is managed by securing credit facilities from financial institutions and also through shares issue. The Company also seeks financial support of its parent company where necessary.

The Company also manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business as well as scheduled debt servicing payments for long-term financial liabilities.

At 31 March 2023, the Company has contractual maturities which are summarised below:

	Current		Non-current	
	Within 1 year	Within 1 year	Over 1 year	Over 1 year
	USD	INR (Note 1)	USD	INR (Note 1)
Borrowings	236,688,734	19,453,447,047	–	–
Accruals	70,192	5,769,081	–	–
Total	236,758,926	19,459,216,128	–	–

This compares to the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Current		Non–current	
	Within 1 year	Within 1 year	Over 1 year	Over 1 year
	USD	INR (Note 1)	USD	INR (Note 1)
Borrowings	242,474,376	19,928,968,963	–	–
Accruals	82,450	6,776,564	–	–
Total	242,556,826	19,935,745,527	–	–

(d) Concentration risk analysis

The Company has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However the directors consider these investments to be strategic and the concentration risk is manageable.

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

– Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within which the hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis at 31 March 2023.

Level 1

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Investments at fair value through other comprehensive income	**24,805,285**	**–**	2,400,005	27,205,290

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
Financial assets				
Investments at fair value through other comprehensive income	**2,038,746,374**	**–**	197,256,411	2,236,002,785

The following table shows the Levels within which the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 March 2022:

Level 1

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Investments at fair value through other comprehensive income	**29,550,753**	**–**	4,200,007	33,750,760

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
Financial assets				
Investments at fair value through other comprehensive income	**2,428,776,389**	**–**	345,198,575	2,773,974,964

There were no transfers between Level 1 and Level 2 during the year ended 31 March 2023 and 31 March 2022.

The method used for the purpose of measuring fair values of securities are detailed below:

Quoted company (Level 1)

The listed equity shares are denominated in EURO and USD and are publicly traded on Bolsa de Madrid, New York Stock Exchange and Nasdaq Stock Market. The fair value has been determined by reference to their respective quoted closing prices at the reporting date.

Unquoted companies (Level 3)

The fair values of the investments in the unquoted companies are determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate.

Level 3- Fair value measurement

The reconciliation of the carrying amount of financial assets classified within level 3 is as follows:

	2023	2023	2022	2022
	USD	INR	USD	INR
At 01 April	**4,200,007**	**345,198,575**	7,300,007	599,987,575
Fair value adjustments	**(1,800,002)**	**(147,942,164)**	–	–
Transfer from Level 3 to Level 1	**–**	**–**	(3,100,000)	(254,789,000)
At 31 March	**2,400,005**	**197,256,411**	4,200,007	345,198,575

6.2 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

6.3 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investments in associates, investments in subsidiaries and prepayments. For these non-financial instruments, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

The details of the gearing ratio are disclosed as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Total borrowings (i)	**236,688,734**	**19,453,447,047**	242,474,376	19,928,968,963
Less: cash and cash equivalents	**(1,720,176)**	**(141,381,265)**	(5,049,819)	(415,044,624)
Net debt	**234,968,558**	**19,312,065,782**	237,424,557	19,513,924,339
Total equity	**–**	**–**	–	–
Total capital	**234,968,558**	**19,312,065,782**	237,424,557	19,513,924,339
Gearing ratio (%) (ii)	**100%**	**100%**	100%	100%

(i) Borrowings include all short-term and long-term borrowings as detailed in Note 17.

(ii) The Company was fully geared (2022: 100%) at the reporting date and the directors consider that this level of gearing is necessary taking into account the Company's business activities.

8. TAXATION

(i) Income tax

The Company, has on 22 March 2021, obtained authorisation from the Financial Services Commission to act as an Authorised Company. The Finance (Miscellaneous Provisions) Act 2018 amended the Financial Services Act 2007 to introduce a new type of licence, the "Authorised Company". An Authorised Company is required to have its place of effective management outside of Mauritius. Accordingly, under this new regime, the Company has its control and management in India and it will be deemed to be non-resident for tax purposes in Mauritius. By being non-resident for tax purposes in Mauritius, it will not be subject to tax on its foreign income. On the other hand, the Company will be liable to tax in Mauritius on any local-source income. Furthermore, an Authorised Company is required to file a return of income to the Mauritius Revenue Authority within six months of its accounting year end.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

During the year under review, the Company submitted tax returns to the Mauritius Revenue Authority under the Advance Payment Systems (''APS'') for the quarters ended 30 June 2022, 30 September 2022 and 31 December 2022.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2023, the Company did not have any current tax liability with the Mauritius Tax authority and India Tax Authority.

Statement of profit or loss and other comprehensive income

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Tax charge for the year (Note 8 (iv))	**1,468,526**	**120,698,152**	2,029,533	166,807,317
Withholding tax (Note 8 (iii))	**1,479,133**	**121,569,941**	1,314,892	108,079,973
	2,947,659	**242,268,093**	3,344,425	274,878,290

The tax charge for the year of **USD 1,468,526** (2022: USD 2,029,533) relates to advance tax payment in respect to Tax residency and Place of Effective Management ("PoEM") year of assessment 2022/2023 (Note 8 (iv)) and Tax Deducted at Source paid on behalf of Indian vendors.

(a) Movement in current tax liability:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
At 01 April	**–**	**–**	–	–
Tax charge for the year	**1,468,526**	**120,698,152**	2,029,533	166,807,317
Tax paid for the year	**(1,468,526)**	**(120,698,152)**	(2,029,533)	(166,807,317)
	–	**–**	–	–

(ii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Loss before tax	**(15,395,318)**	**(1,265,341,187)**	(2,545,520)	(209,216,290)
Tax calculated at the rate of 15%	**(2,309,298)**	**(189,801,203)**	(381,828)	(31,382,443)
Items outside taxation scope	**(2,125,031)**	**(174,656,298)**	(14,185,725)	(1,165,924,738)
Non-allowable expenses	**4,434,329**	**364,457,501**	14,567,553	1,197,307,181
Tax expense for the year	**–**	**–**	–	–

(iii) Withholding tax

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Withholding tax	**1,479,133**	**121,569,941**	1,314,892	108,079,973
	1,479,133	**121,569,941**	1,314,892	108,079,973

During the year ended 31 March 2023, withholding tax of 19% was charged on dividend income amounting to USD 1,413,490 from CIE Automotive S.A and Global Dominion S.A both quoted companies and incorporated in Spain. Pursuant to the Double Taxation Agreement between India and Spain, the Company would be taxed at 15% rather than 19%. As such, as from January 2023, withholding tax of 15% would be charged on such dividend income.

The Company has also suffered a withholding tax of USD 65,643 on the disposal of its branch in South Africa.

(iv) Tax residency and Place of Effective Management ("PoEM")

During the year, the Company has paid an advance tax in India amounting to **USD 1,468,526** (2022: USD 2,029,533) and would also submit tax returns in India for the said period by 30 September 2023.

(v) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions.

Deferred tax is calculated on all temporary differences under the liability method at the rate of 15%.

9. PROPERTY, PLANT AND EQUIPMENT

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Building	Furnitures & fittings	Total
	USD	USD	USD
Gross carrying amount			
Balance at 01 April 2022	–	–	–
Impairment during the year	–	–	–
Amount transfer to non-current asset held-for-sale	–	–	–
Balance at 31 March 2023	–	–	–
Depreciation			
Balance at 01 April 2022	–	–	–
Charge for the year	–	–	–
Balance at 31 March 2023	–	–	–
Carrying amount			
31 March 2023	–	–	–

	Building	Furnitures & fittings	Total
	USD	USD	USD
Gross carrying amount			
Balance at 01 April 2021	**1,430,606**	**115,430**	**1,546,036**
Impairment during the year	**(279,630)**	**–**	**(279,630)**
Amount transferred to non-current asset held-for-sale	**(894,454)**	**–**	**(894,454)**
Adjustments	**(256,522)**	**–**	**(256,522)**
Balance at 31 March 2022	**–**	**115,430**	**115,430**
Depreciation			
Balance at 01 April 2021	**232,681**	**112,703**	**345,384**
Charge for the year	**23,841**	**2,727**	**26,568**
Adjustments	**(256,522)**	**–**	**(256,522)**
Balance at 31 March 2022	**–**	**115,430**	**115,430**
Carrying amount			
31 March 2022	**–**	**–**	**–**

	Building	Furnitures & fittings	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Gross carrying amount	–	–	–
Balance at 01 April 2022	–	–	–
Impairment during the year	–	–	–
Amount transfer to non-current asset held-for-sale	–	–	–
Balance at 31 March 2023	–	–	–
Depreciation	–	–	–
Balance at 01 April 2022	–	–	–
Charge for the year	–	–	–
Balance at 31 March 2023	–	–	–
Carrying amount			
31 March 2023	–	–	–

	Building	Furniture & fittings	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Gross carrying amount			
Balance at 01 April 2021	117,581,507	9,487,192	127,068,699
Impairment during the year	(22,982,790)	–	(22,982,790)
Adjustments	(21,083,543)	–	(21,083,543)
Amount transferred to non-current asset held-for-sale	(73,515,174)	–	(73,515,174)
Balance at 31 March 2022	–	9,487,192	9,487,192
Depreciation			
Balance at 01 April 2021	19,124,051	9,263,060	28,387,111
Charge for the year	1,959,492	224,132	2,183,624
Adjustments	(21,083,543)	–	(21,083,543)
Balance at 31 March 2022	–	9,487,192	9,487,192
Carrying amount			
31 March 2022	–	–	–

(i) During the year ended 31 March 2022, the Company entered into an agreement dated 22 March 2022 with Willem Bester (the "Purchaser") to fully dispose its property, plant and equipment. The agreed purchase price was USD 894,454 (ZAR 12,700,000) and as a result the property, plant and equipment was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification and consequently an impairment loss of USD 279,630 was recognised in these separate financial statements.

10. INVESTMENTS IN ASSOCIATES

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) At carrying amount:				
Balance at 01 April and 31 March	**78,400,645**	**6,443,749,013**	78,400,645	6,443,749,013

(ii) Details pertaining to the investments are as follows:

Name of investee companies	Class of shares	Country of incorporation	% holding	Carrying amount 2023	Carrying amount 2022
				USD	USD
CIE Automotive S.A.	Equity shares	Spain	7.43%	**78,400,645**	78,400,645
The East India Company Group Limited (Note 10 (v))	Equity shares	Jersey	18.62%	**15,893,176**	15,893,176
The East India Company Gin (BVI) Limited (Note 10 (v))	Equity shares	British Virgin Islands	20%	**4,000**	4,000
The East India Company Gin Ltd (Note 10 (v))	Equity shares	The Republic of Singapore	20%	**25,992**	25,992
Scoots Network, Inc	Series A Preferred stocks	United States of America	35.3%	**24,967,288**	24,967,288
Accumulated impairment				**(40,890,456)**	(40,890,456)
Total				**78,400,645**	78,400,645

(iii) The Company exercises significant influence with its 20% stake in The East India Company Gin (BVI) Limited and The East India Company Gin Ltd. For the remaining investee companies, although the Company has less than 20% shareholdings in these companies, the directors assessed the level of influence that the Company had on them and determined that it has significant influence over these investee companies through its representations on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates and accounted at cost in these separate financial statements.

(iv) At 31 March 2023, the investment in CIE Automotive S.A. had a fair value of USD 254,153,709 based on the closing market price listed on the Madrid Stock Exchange (Bolsa de Madrid), Spain.

(v) During the year ended 31 March 2023, the directors have assessed the recoverable amounts of the investments in associates and confirm that the carrying amount of these investments have not suffered additional impairment. Consequently, there was no movement in accumulated impairment losses.

(vi) The above companies are considered to be associates in accordance with IAS 28, *Investments in Associates and Joint Ventures*. Consequently, as required by IAS 28, the Company should adopt the equity method for these investments. However, these investments have not been equity accounted in these separate financial statements.

11. INVESTMENTS IN SUBSIDIARIES

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Non-current				
Investments in subsidiaries	**93,794,408**	**7,708,962,394**	110,828,408	9,108,986,854
Current				
Investment in subsidiary	**–**	**–**	2,891,692	237,668,165
Total	**93,794,408**	**7,708,962,394**	113,720,100	9,346,655,019

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Unquoted and at carrying amount				
Balance at 01 April	**113,720,100**	**9,346,655,019**	98,831,476	8,122,959,012
Additions during the year (Note 11 (ii))	**8,900,000**	**731,491,000**	33,848,994	2,782,048,816
Disposals during the year (Note 11 (iii))	**(2,891,692)**	**(237,668,165)**	–	–
Impairment of investments (Note 11 (iv))	**(25,934,000)**	**(2,131,515,460)**	(18,960,370)	(1,558,352,809)
Balance at 31 March	**93,794,408**	**7,708,962,394**	113,720,100	9,346,655,019

(i) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	Carrying amount 2023	Carrying amount 2022
			USD	USD
Equity shares				
Mahindra - BT Investment Company (Mauritius) Limited	Republic of Mauritius	57%	**6,771,600**	6,771,600
Mahindra Europe S.r.l	Republic of Italy	100%	**4,136,635**	4,136,635
Mahindra Racing UK Limited	United Kingdom	100%	**33,700**	33,700
Mahindra Tractor Assembly, Inc (Note 11 (iv))	United States of America	100%	**–**	110,024,287
Mahindra Emirates Vehicle Armouring FZ-LLC (Note 11 (iii))	United Arab Emirates	88%	**–**	2,891,692
Mahindra Automotive North America, Inc (Note 11 (ii))	United States of America	100%	**194,343,430**	185,443,430
Erkunt Sanayi A.S.	Turkey	63.72%	**30,384,793**	30,384,793
Erkunt Traktor Sanayii A.S.	Turkey	100%	**102,943,630**	102,943,630
Reversal of impairment			**72,473,012**	72,473,012
Accumulated impairment losses (Note 11(vi))			**(317,292,392)**	(401,382,679)
Total			**93,794,408**	113,720,100

(ii) During the year ended 31 March 2023, the Company acquired additional 356 equity shares for a total consideration of USD 8,900,000 in Mahindra Automotive North America, Inc.

(iii) During the year under review, the Company has disposed its entire shareholding in Mahindra Emirates Vehicle Armouring FZ-LLC equivalent to its carrying amounting of USD 2,891,692.

(iv) The investment held in Mahindra Tractor Assembly, Inc, which was fully impaired in prior years, was completely written off in these financial statements since the investee company ceased its operations.

(v) During the year ended 31 March 2022, the Company has fully disposed its investment in Hisarlar Makine Sanayi ve Ticaret for a consideration price of USD 767,307 and consequently the impairment loss of USD 72,473,012 was reversed, thus resulting into a loss on disposal of USD 71,705,705 in these separate financial statements.

(vi) During the year ended 31 March 2023, the accumulated impairment losses was reduced by USD 110,024,287 representing investment fully written off (Note 11 (iv)). Additionally, the directors have assessed the recoverable amounts of the investments in subsidiaries and concluded that these investments have suffered additional impairment of USD 25,934,000 resulting to accumulated impairment losses of USD 317,292,392.

(vii) The disposals of the following investments are subject to some restrictions, as more fully defined in the respective Agreements:

Name of investee companies	Restrictions on disposal of shares
Mahindra – BT Investment Company (Mauritius) Limited	As detailed in the Share Subscription Agreement signed between the Company, Mahindra – BT Investment Company (Mauritius) Limited and BT Holdings Limited on 23 June 2005.
Mahindra Europe S.r.l.	As detailed in the Credit Agreement with EXIM Bank and prior approval of Unicredit Bank and San Paolo Bank have to be obtained before any disposal of shares held.

(viii) The above unquoted companies are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements*. Consequently, as required by IFRS 10, the Company should present consolidated financial statements. However, the Company has only prepared separate financial statements as it monitors the performance of its subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom.

(ix) The proportions of the voting rights in the subsidiaries held directly by the Company do not differ from the proportion of ordinary shares held.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2023	2022	2022
	USD	INR (Note 1)	USD	INR (Note 1)
(i) Cost				
Balance at 01 April	**57,737,504**	**4,745,445,454**	57,237,504	4,704,350,454
Additions during the year	**–**	**–**	500,000	41,095,000
Investment written off during the year	**(1,046,155)**	**(85,983,480)**	–	–
Balance at 31 March	**56,691,349**	**4,659,461,974**	57,737,504	4,745,445,454

	2023	2023	2022	2022
	USD	INR (Note 1)	USD	INR (Note 1)
(ii) Fair value				
Balance at 01 April	**33,750,760**	**2,773,974,964**	39,123,408	3,215,552,903
Additions during the year			500,000	41,095,000
Investment written off during the year	**(1)**	**(82)**	–	–
Fair value adjustment for the year	**(6,545,466)**	**(537,971,851)**	**(5,872,648)**	**(482,672,939)**
Balance at 31 March	**27,205,293**	**2,236,003,031**	33,750,760	2,773,974,964

	2023	2023	2022	2022
	USD	INR (Note 1)	USD	INR (Note 1)
(iii) Fair value reserves				
At beginning of the year	**(23,986,744)**	**(1,971,470,489)**	(18,114,096)	(1,488,797,550)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	**1,046,155**	**85,983,480**	–	–
Fair value adjustment for the year	**(6,545,466)**	**(537,971,851)**	(5,872,648)	(482,672,939)
At end of year	**(29,486,055)**	**(2,423,458,860)**	(23,986,744)	(1,971,470,489)

(iv) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	2023	2022
			USD	USD
Equity shares				
Mahindra Do Brasil Industrial, Ltda	Brazil	0.27%	**20,000**	20,000
Preference shares/common stock				
Cleartrip Inc	Cayman Islands	0.74%	**–**	1,046,155
Cloudleaf, Inc. – Series A Preferred Stock	United States of America	15.13%	**2,030,479**	2,030,479
Cloudleaf, Inc. – Series B Preferred Stock	United States of America	8.31%	**2,389,132**	2,389,132
Avaamo, Inc	United States of America	5.27%	**2,999,998**	2,999,998
Zoomcar	United States of America	5.7%	**7,294,205**	7,294,205
Medixine OY	Finland	1.3%	**239,020**	239,020
Global Dominion Access S.A	Spain	3.7%	**34,386,175**	34,386,175
Bird Rides Inc. Series D-1 Preferred Stock	United States of America	0.22%	**6,832,339**	6,832,339
Prana Holdings, Inc (initially acquired at a cost of USD 1,441,607)	United States of America	3.7%	**–**	–
REE Automotive	Israel		**500,000**	500,000
Other				
Chartoff – Tempest Productions, LLC	–	–	**1**	1
Fair value reserves			**(29,486,055)**	(23,986,744)
Fair value at 31 March			**27,205,293**	33,750,760

(v) During the year ended 31 March 2023, the Company held investment in Cleartrip Inc for which the fair value was USD 1 and was completely written off in these financial statements since the investee ceased its operations.

(vi) At the reporting date, the fair value loss of USD. 6,545,466 arises on the investments in Cloudleaf, Inc, Global Dominion Access S.A, Bird Rides Inc. Series D-1 Preferred Stock and REE Automotive.

13. LOANS

	2023	2023	2022	2022
	USD	INR (Note 1)	USD	INR (Note 1)
Current				
Loans to related parties	**–**	**–**	–	–

The movement during the year on the loans given to related parties is as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Balance at 01 April	**–**	**–**	–	–
Loans given to related party:				
Sampo Rosenlew OY (Note 13 (i))	**–**	**–**	2,835,750	233,070,293
Loans repaid:				
Sampo Rosenlew OY (Note 13 (i))	**–**	**–**	(2,739,000)	(225,118,410)
Interest income during the year	**–**	**–**	13,843	1,137,756
Interest received during the year	**–**	**–**	(13,600)	(1,117,784)
Foreign exchange losses	**–**	**–**	(96,993)	(7,971,855)
Balance at 31 March	**–**	**–**	–	–

(i) The Company had extended a short-term loan to Sampo Rosenlew OY, a company incorporated in Finland, of USD 2,735,750 (EUR 2,500,000) which carried interest at the rate of 3.25% per annum. The loans along with the interest amounting to USD 2,752,600 (EUR 2,512,413) was fully repaid during the year ended 31 March 2022.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Cash at bank:				
– USD	**217,842**	**17,904,434**	2,713,500	223,022,565
– ZAR.............	**664,766**	**54,637,118**	6,624	544,428
– EUR	**837,568**	**68,839,713**	2,329,695	191,477,631
	1,720,176	**141,381,265**	5,049,819	415,044,624

15. NON-CURRENT ASSET CLASSIFIED AS HELD-FOR-SALE

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Balance at 01 April	**894,454**	**73,515,174**		
Transfer from property, plant and equipment during the year and at 31 March (Note 9(i))	**–**	**–**	894,454	73,515,174
Disposal during the year	**(737,330)**	**(60,601,152)**	–	–
Foreign exchange loss	**(157,124)**	**(12,914,022)**	–	–
	–	**–**	894,454	73,515,174

During the year ended 31 March 2023, the Company disposed its property, plant and equipment ("Assets") to Willem Bester for a total consideration of ZAR 12,700,000 (USD 737,330) resulting to a foreign exchange loss of USD 157,124. Additionally, the Company had incurred expenses amounting to USD 11,946 and suffered a withholding tax amounting to USD 65,643 (Note 8 (iii)) in order to fully disposed the Assets.

16. STATED CAPITAL

The Company has issued shares to Mahindra & Mahindra Ltd as follows:

	2023		2022	
	No of Shares	**USD**	No of Shares	USD
Issued and fully paid:				
687,472,686 shares of no par value	**687,472,686**	**440,309,209**	687,472,686	440,309,209

There was no new issue of shares during the year under review (2022: 57,857,143 shares of USD 16,200,000).

(i) The movement in stated capital was as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
At 01 April	**440,309,209**	**36,189,013,888**	424,109,209	34,857,535,888
Issue of shares during the year	**–**	**–**	16,200,000	1,331,478,000
At 31 March	**440,309,209**	**36,189,013,888**	440,309,209	36,189,013,888

(ii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

17. BORROWINGS

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Current				
Loans from holding company (Note 17 (ii))	**194,480,524**	**15,984,354,268**	197,639,311	16,243,974,971
Bank loans (Note 17 (iii))	**42,208,210**	**3,469,092,780**	44,835,065	3,684,993,992
Total	**236,688,734**	**19,453,447,047**	242,474,376	19,928,968,963

(i) The movements during the year on the borrowings was as follows:

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Balance at 01 April	**242,474,376**	**19,928,968,963**	260,317,434	21,395,489,900
Loans repaid during the year:				
Bank of America, N.A	**(62,697,720)**	**(5,153,125,607)**	(125,706,450)	(10,331,813,126)
Société Générale	**(46,338,200)**	**(3,808,536,658)**	(134,515,650)	(11,055,841,274)
Mahindra & Mahindra Limited	**–**	**–**	(11,496,306)	(944,881,390)
Loans received during the year:				
Bank of America, N.A	**59,868,950**	**4,920,629,001**	137,923,863	11,335,962,300
Société Générale	**47,329,750**	**3,890,032,153**	136,806,000	11,244,085,140
Interest element for the year:				
Interest expense	**3,076,535**	**252,860,412**	2,757,809	226,664,322
Interest payments	**(1,295,492)**	**(106,476,487)**	(10,525,223)	(865,068,078)
TDS payment	**–**	**–**	(290,505)	(23,876,606)
Foreign exchange losses	**(5,729,465)**	**(470,904,729)**	(12,796,596)	(1,051,752,225)
Balance at 31 March	**236,688,734**	**19,453,447,047**	242,474,376	19,928,968,963

(ii) Loans amounting to EUR 146,650,000 and EUR 30,000,000, disbursed by the parent company, Mahindra & Mahindra Ltd, a quoted company, in prior financial years, have been rolled over for another year ending on 06 June 2023 and 22 September 2023 respectively.

The interest is payable at maturity date along with the principal amount. The loans have been classified as current liabilities since the loans would be repaid within 12 months. At the reporting date, the interest payable amounted to USD 1,826,034.

(iii) Summary of bank borrowings arrangements are as follows:

(a) Loan from Bank of America, N.A ("BOA")

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America ("BOA") to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis point. It is agreed that if the EURIBOR is negative, it shall be deemed zero for the purpose of the loan facility.

During the year ended 31 March 2023, BOA disbursed loans amounting to EUR 59,000,000, in several tranches which had repayment dates within the next 12 months. Loans amounting to EUR 61,011,351 have been repaid as at the reporting date by the Company. Consequently, loan amounting to EUR 20,000,000 and an Overdraft of EUR 13,500,000 is payable as at the reporting date. The loan has a repayment date of 28 April 2023. Therefore, the loan facility has been classified as current liabilities in these separate financial statements. The interest accrued on the loans from BOA outstanding at the reporting date amounted to USD 130,774.

(b) Loan from Société Générale

Pursuant to the Master Money Market Agreement dated 27 January 2021, Société Générale disbursed loans amounting to EUR 45,500,000 in several tranches. The loans have been fully repaid as at 31 March 2023.

18. OTHER RECEIVABLES AND PREPAYMENTS

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Prepayments	**1,522**	**125,094**	4,357	358,102
Advances to investee company (Note 18 (i))	**–**	**–**	40,075	3,293,764
Deposit	**51,823**	**4,259,332**	–	–
	53,345	**4,384,426**	44,432	3,651,866

(i) The advances of USD 40,075 (EUR 35,000) made to Graphics Research Design S.r.l are interest free, unsecured and receivable on demand. The amount has been fully recovered from Graphics Research Design S.r.l during the year ended 31 March 2023.

(ii) The directors have assessed the recoverable amount of the other receivable and concluded that no allowance for credit losses is necessary as any such impairment would be wholly insignificant to the Company in these separate financial statements.

19. ACCRUALS

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
Professional fees	**57,709**	**4,743,102**	60,891	5,004,631
Administration fees	**12,483**	**1,025,979**	21,559	1,771,933
	70,192	**5,769,081**	82,450	6,776,564

20. FINANCE INCOME AND FINANCE COSTS

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
20.1 Finance income				
Interest on loans (Note 13)	**–**	**–**	13,843	1,137,757
Foreign exchange gains	**5,840,148**	**480,001,764**	15,164,155	1,246,341,899
	5,840,148	**480,001,764**	15,177,998	1,247,479,656

	2023	**2023**	2022	2022
	USD	**INR (Note 1)**	USD	INR (Note 1)
20.2 Finance costs				
Interest on borrowings (Note 17 (i))	**3,076,535**	**252,860,412**	2,757,809	226,664,322
Foreign exchange losses	**394,147**	**32,395,106**	2,634,004	216,488,788
	3,470,684	**285,255,518**	5,391,813	443,153,110

21. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2023, the Company had transactions with its related party. The nature, volume of transaction and balance with the related party are as follows:

Nature of relationship	**Nature of transaction**	**Volume of transactions**	**Credit balance at 31 March 2023**	Credit balance at 31 March 2022
		USD	**USD**	USD
Parent company	Loans payable	**3,158,787**	**(194,480,524)**	(197,639,311)

Nature of relationship	**Nature of transaction**	**Volume of transactions**	**Credit balance at 31 March 2023**	Credit balance at 31 March 2022
		INR (Note 1)	**INR (Note 1)**	INR **(Note 1)**
Parent company	Loans payable	**259,620,704**	**(15,984,354,268)**	(16,243,974,971)

The terms and conditions of the balance are stated in Note 17 to these separate financial statements.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Net det reconciliation:

	2023	2022
Net debt	**USD**	USD
Borrowings:		
– Repayable within one year	**–**	–
– Repayable after one year	**236,688,734**	242,474,376
	236,688,734	242,474,376

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2022	–	242,474,376	242,474,376
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	107,198,700	107,198,700
– Interest payments	–	(1,295,492)	(1,295,492)
– Repayment of loans	–	(109,035,920)	(109,035,920)
Non-cash:			
– Interest expense	–	3,076,535	3,076,535
– Foreign exchange losses	–	(5,729,465)	(5,729,465)
Net debt as at 31 March 2023	**–**	**236,688,734**	**236,688,734**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2021	227,470,060	32,847,374	260,317,434
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	274,729,863	274,729,863
– Interest payments	(10,344,237)	(180,986)	(10,525,223)
– Repayment of loans	(11,496,306)	(260,222,100)	(271,718,406)
Non-cash:			
– Interest expense	2,565,659	192,150	2,757,809
– TDS payment	(290,505)	–	(290,505)
– Foreign exchange losses	(10,265,360)	(2,531,236)	(12,796,596)
– Reclassification of loan from non-current to current	(197,639,311)	197,639,311	–
Net debt as at 31 March 2022	–	242,474,376	242,474,376

	2023	2022
Net debt	**INR (Note 1)**	INR (Note 1)
Borrowings:		
– Repayable within one year	**–**	–
– Repayable after one year	**19,453,477,048**	19,928,968,963
	19,453,477,048	19,928,968,963

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2022	**–**	**19,928,968,963**	**19,928,968,963**
Cash flows:			
– Proceeds from loans (net of transaction cost)	**–**	**8,810,661,153**	**8,810,661,153**
– Interest payments	**–**	**(106,476,487)**	**(106,476,487)**
– Repayment of loans	**–**	**(8,961,662,265)**	**(8,961,662,265)**
Non-cash:			
– Interest expense	**–**	**252,860,412**	**252,860,412**
– Foreign exchange losses	**–**	**(470,904,729)**	**(470,904,729)**
Net debt as at 31 March 2023	**–**	**19,453,447,048**	**19,453,447,048**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2021	18,695,764,231	2,699,725,669	21,395,489,900
Cash flows:			
– Proceeds from loans (net of transaction cost)		22,580,047,440	22,580,047,440
– Interest payments	(850,192,839)	(14,875,239)	(865,068,078)
– Repayment of loans	(944,881,390)	(21,387,654,399)	(22,332,535,789)
Non-cash:			
– Interest expense	210,871,513	15,792,808	226,664,321
– TDS payment	(23,876,606)	–	(23,876,606)
– Foreign exchange losses	(843,709,938)	(208,042,287)	(1,051,752,225)
– Reclassification of loan from non-current to current	(16,243,974,971)	16,243,974,971	–
Net debt as at 31 March 2022	–	19,928,968,963	19,928,968,963

23. GOING CONCERN

The separate financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses amounted to USD 446,408,213 as at 31 March 2023 (2022: USD 427,019,081) and it has also a negative equity of USD 35,585,059 as of that date (2022: USD 10,696,616).

The directors have assessed that certain investments in associates/ subsidiaries, stated at cost in these separate financial statements, have higher fair values based on recent external valuation and available quoted price. The total fair value of these investments as at 31 March 2023 is more than the cost by USD 197 million. Consequently, the total asset size of the Company is deemed to be USD 398 million which is more than the liabilities of USD 236 million resulting into a comfortable safety margin of USD 162 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, the directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

24. EVENTS AFTER THE REPORTING DATE

The Company has evaluated all events subsequent through the date of these separate financial statements that were available to be issued on 16 May 2023 and determined that the subsequent events that require disclosures is mentioned below:

- Loan amounting to EUR 20,000,000 from Bank of America, N.A, has been rolled over for a period of 3 month from 28 April 2023; and
- Interest on loan of EUR 20,000,000 from Bank of America, N.A, was repaid on 28 April 2023.

25. HOLDING COMPANY

The directors regard Mahindra & Mahindra Ltd, a quoted company on the National Stock Exchange of India, as the Company's holding company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF Mahindra Automotive Mauritius Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Automotive Mauritius Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under Corporate Data and Commentary of the Directors sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 10 MAY 2023
Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2023	2022	2022
		EUR	**INR (Note 1)**	EUR	INR (Note 1)
INCOME		**–**	**–**	–	–
EXPENDITURE					
Interest on shareholder's loan		**–**	**–**	79,576	7,133,193
Professional fees	10	**42,076**	**3,771,693**	31,993	2,867,853
Audit fees		**4,277**	**383,390**	3,870	346,907
Bank charges		**1,341**	**120,207**	1,107	99,231
Licence fees		**2,160**	**193,622**	1,986	178,025
Realised loss on foreign exchange		**372**	**33,346**	187	16,763
Other expenses		**105**	**9,412**	–	–
		50,331	**4,511,670**	118,719	10,641,972
OPERATING LOSS		**(50,331)**	**(4,511,670)**	(118,719)	(10,641,972)
Impairment of investment	9	**(31,500,000)**	**(2,823,660,000)**	(36,599,938)	(3,280,818,442)
LOSS BEFORE TAX		**(31,550,331)**	**(2,828,171,670)**	(36,718,657)	(3,291,460,414)
Tax expense	8	**–**	**–**	–	–
LOSS FOR THE YEAR		**(31,550,331)**	**(2,828,171,670)**	(36,718,657)	(3,291,460,414)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		**–**	**–**	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(31,550,331)**	**(2,828,171,670)**	(36,718,657)	(3,291,460,414)

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023	2023	2022	2022
		EUR	**INR**	EUR	INR
			(Note 1)		(Note 1)
ASSETS					
Non-current asset					
Investments in subsidiary	9	**–**	**–**	–	–
Current					
Prepayments		**2,183**	**195,684**	1,907	170,943
Cash and cash equivalents	12	**39,697**	**3,558,439**	39,915	3,577,981
Current assets		**41,880**	**3,754,123**	41,822	3,748,924
Total assets		**41,880**	**3,754,123**	41,822	3,748,924
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**219,255,001**	**19,654,018,290**	187,705,001	16,825,876,290
Accumulated losses		**(219,222,521)**	**(19,651,106,782)**	(187,672,190)	(16,822,935,112)
Total equity		**32,480**	**2,911,508**	32,811	2,941,178
Liabilities					
Current liabilities					
Accruals		**9,400**	**842,615**	9,011	807,746
Total equity and liabilities		**41,880**	**3,754,123**	41,822	3,748,924

Approved by the Board of Directors on 10 MAY 2023 and signed on its behalf by:

Gopall Tooram
Director

Zakir Niamut
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Stated capital	Accumulated losses	Total
	EUR	EUR	EUR
Balance at 01 April 2022	**187,705,001**	**(187,672,190)**	**32,811**
Issue of shares	**31,550,000**	**–**	**31,550,000**
Transaction with the shareholder	**31,550,000**	**–**	**31,550,000**
Loss for the year	**–**	**(31,550,331)**	**(31,550,331)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(31,550,331)**	**(31,550,331)**
At 31 March 2023	**219,255,001**	**(219,222,521)**	**32,480**
Balance at 01 April 2021	151,005,001	(150,953,533)	51,468
Issue of shares	36,700,000	–	36,700,000
Transaction with the shareholder	36,700,000	–	36,700,000
Loss for the year	–	(36,718,657)	(36,718,657)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(36,718,657)	(36,718,657)
At 31 March 2022	187,705,001	(187,672,190)	32,811

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Stated capital	Accumulated losses	Total
	INR	INR	INR
Balance at 01 April 2022	**16,825,876,290**	**(16,822,935,112)**	**2,941,178**
Issue of shares	**2,828,142,000**	**–**	**2,828,142,000**
Transaction with the shareholder	**2,828,142,000**	**–**	**2,828,142,000**
Loss for the year	**–**	**(2,828,171,670)**	**(2,828,171,670)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(2,828,171,670)**	**(2,828,171,670)**
At 31 March 2023	**19,654,018,290**	**(19,651,106,782)**	**2,911,508**
Balance at 01 April 2021	13,536,088,290	(13,531,474,699)	4,613,591
Issue of shares	3,289,788,000	–	3,289,788,000
Transaction with the shareholder	3,289,788,000	–	3,289,788,000
Loss for the year	–	(3,291,460,413)	(3,291,460,413)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(3,291,460,413)	(3,291,460,413)
At 31 March 2022	16,825,876,290	(16,822,935,112)	2,941,178

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	**2023**	2022	2022
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Operating activities				
Loss before tax	**(31,550,331)**	**(2,828,171,670)**	(36,718,657)	(3,291,460,413)
Adjustments for:				
Impairment of investments	**31,500,000**	**2,823,660,000**	36,599,938	3,280,818,442
	(50,331)	**(4,511,670)**	(118,719)	(10,641,971)
Changes in working capital:				
Change in prepayments	**(276)**	**(24,742)**	8	717
Change in accruals	**389**	**34,870**	3,095	277,436
Net cash used in operations	**(50,218)**	**(4,501,542)**	(115,616)	(10,363,818)
Investing activities				
Investments in subsidiary	**(31,500,000)**	**(2,823,660,000)**	(36,599,938)	(3,280,818,442)
Net cash used in investing activities	**(31,500,000)**	**(2,823,660,000)**	(36,599,938)	(3,280,818,442)
Financing activities				
Proceeds from issue of shares	**31,550,000**	**2,828,142,000**	36,700,000	3,289,788,000
Net cash from financing activities	**31,550,000**	**2,828,142,000**	36,700,000	3,289,788,000
Net change in cash and cash equivalents	**(218)**	**(19,542)**	(15,554)	(1,394,260)
Cash and cash equivalents at beginning of the year	**39,915**	**3,577,981**	55,469	4,972,241
Cash at bank at end of the year	**39,697**	**3,558,439**	39,915	3,577,981
Cash and cash equivalents made up of:				
Cash at bank	**39,697**	**3,558,439**	39,915	3,577,981

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Mahindra Automotive Mauritius Ltd. (the 'Company') was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 27 August 2018 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the EUR amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of EUR 1 = INR 89.64 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2023.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended Standards that are effective for the current year

The following new and amended Standards and Interpretations are mandatory for the first time for the financial year beginning 01 April 2022:

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before intended use (Amendments to IAS 16)
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018 – 2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)

Management has assessed the impact of these new and revised Standards and Interpretations and concluded that none of the above has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 17	Amendments to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Non-current Liabilities with Convenants (Amendments to IAS 1)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.3 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the current year, the Company does not have any financial assets categorised as FVOCI and FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.5 Consolidated financial statements

The financial statements are separate financial statements which contain information about Mahindra Automotive Mauritius Ltd. as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra & Mahindra Ltd.

3.6 Investments in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in transit. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of comprehensive income.

3.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.10 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.11 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.12 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.13 Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2023	**2023**	2022	2022
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Financial assets at amortised cost:				
Current				
Cash and cash equivalents	**39,697**	**3,558,439**	39,915	3,577,981
Total financial assets	**39,697**	**3,558,439**	39,915	3,577,981
Financial liabilities at amortised cost:				
Current				
Accruals	**9,400**	**842,615**	9,011	807,746
Total financial liabilities	**9,400**	**842,615**	9,011	807,746

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described as follows:

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

Foreign currency risk arises when the fair value or future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates.

The Company's financial assets and financial liabilities are not exposed to any foreign currency risk as these are principally denominated in the EURO ("EUR").

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have interest bearing financial assets and financial liabilities and it is therefore not exposed to interest rate on its financial instruments.

5.2 Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023	**2023**	2022	2022
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
ASSETS				
Current assets				
Cash and cash equivalents	**39,697**	**3,558,439**	39,915	3,577,981

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the Company's financial liabilities:

		2023		2022
	Less than one year	**Less than one year**	Less than one year	Less than one year
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Accruals	**9,400**	**842,615**	9,011	807,746
Total	**9,400**	**842,615**	9,011	807,746

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial assets and financial liabilities and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended 31 March 2022 and 2023, the Company was not geared since it did not have any external borrowings.

8. TAXATION

(i) Income tax

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 31 March 2023, there are no potential subsequent events, other than those described below, that would have a material impact on unrecognised income tax benefits within the next twelve months.

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to the Shareholder or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2023, the Company has accumulated tax losses of EUR 269,860 (2022: EUR 219,529) and is therefore not liable to income tax.

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2023, no deferred tax has been recognised in respect of the accumulated tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2023	2022
	EUR	EUR
Loss for the year	**(31,550,331)**	(36,718,657)
Tax calculated at the rate of 3%	**–**	–
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2023	**2023**	2022	2022
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
(i) Unquoted and at carrying amount				
At 01 April	**–**	**–**	–	–
Additions during the year (Note 9 (iii))	**31,500,000**	**2,823,660,000**	36,599,938	3,280,818,442
Impairment during the year (Note 9 (iv))	**(31,500,000)**	**(2,823,660,000)**	(36,599,938)	(3,280,818,442)
At 31 March	**–**	**–**	–	–

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	Type of investments	Carrying amount 2023	Cost 2023	Carrying amount 2022	Cost 2022
		EUR	**EUR**	EUR	EUR
Automobili Pininfarina GmbH*	Equity	**–**	**198,400,000**	–	166,900,000
Automobili Pininfarina GmbH*	Capital contribution	**–**	**20,525,000**	–	20,525,000
		–	**218,925,000**	–	187,425,000

* The Company has 100% holding in Automobili Pininfarina GmbH, a company incorporated in Germany.

(iii) During the year ended 31 March 2023, the Company acquired additional equity shares amounting to EUR31,500,000 (2022: EUR 36,599,938) in Automobili Pininfarina GmbH.

(iv) The directors made an assessment on the recoverable amount of the investments in Automobili Pininfarina GmbH and concluded that the carrying amount of these investments were fully impaired at the reporting date.

(v) The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is wholly-owned subsidiary of Mahindra & Mahindra Ltd, a company incorporated in the Republic of India.

10. PROFESSIONAL FEES

	2023	**2023**	2022	2022
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Administration fees and disbursements	**33,302**	**2,985,191**	22,233	1,992,966
Directors' fees	**2,464**	**220,873**	2,200	197,208
Fees for tax filings	**1,675**	**150,147**	1,839	164,848
Secretarial fees	**1,478**	**132,488**	1,320	118,325
Legal fees	**–**	**–**	1,892	169,599
Royalties/ trademark fee	**1,123**	**100,666**	2,328	208,682
Other expenses	**2,034**	**182,328**	181	16,225
	42,076	**3,771,693**	31,993	2,867,853

11. STATED CAPITAL

	2023	2023	2022	2022
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Issued and paid:				
At start of the year	**187,705,001**	**16,825,876,290**	151,005,001	13,536,088,290
Issued during the year (Note 11 (i) & (ii))	**31,550,000**	**2,828,142,000**	36,700,000	3,289,788,000
At end of the year	**219,255,001**	**19,654,018,290**	187,705,001	16,825,876,290

(i) During the year ended 31 March 2023, the Company issued 110,502,033,333,333,000 shares of no par value amounting EUR 31,550,000 to Mahindra & Mahindra Ltd.

(ii) As at 31 March 2023, the Company has 110,502,398,826,993,000 shares of no par value amounting EUR 219,255,001.

(iii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- and be entitled, on a winding up, to share in the assets of the Company available for distribution.

12. CASH AND CASH EQUIVALENTS

	2023	2023	2022	2022
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Cash at bank	**39,697**	**3,558,439**	39,915	3,577,981
	39,697	**3,558,439**	39,915	3,577,981

13. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2023.

14. RELATED PARTY TRANSACTIONS

During the year under review, the Company had no transaction with its related parties.

15. EVENTS AFTER THE REPORTING DATE

There have been no events after the reporting date which requires disclosure or adjustment to the 31 March 2023 financial statements.

16. HOLDING COMPANY

The directors regard Mahindra & Mahindra Ltd, a company listed on the National Stock Exchange of India, as the Company's holding company.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA RACING UK LIMITED

Opinion

We have audited the financial statements of Mahindra Racing UK Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages herein, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on management's assessment of risk and management's processes for identifying and responding to the risks of fraud in the entity;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Coverdale FCA (Senior Statutory Auditor)
for and on behalf of

MHA

Statutory Auditor

London

Date: 18th May 2023

STATEMENT OF INCOME & RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
INCOME			
Turnover	4	**25,224,047**	17,591,699
Other external charges		**(19,103,471)**	(14,357,518)
Gross Profit		**6,120,576**	3,234,181
Staff costs		**(3,895,529)**	(3,500,625)
Depreciation & amortisation		**(808,082)**	(895,538)
Operating Loss	5	**1,416,965**	(1,161,982)
Interest receivable and similar income		**81,969**	295
Interest payable and similar expense		**(60,303)**	(44,666)
Profit / (loss) before tax		**1,438,631**	(1,206,353)
Tax on profit /(loss)	9	**1,534,803**	825,265
Profit / (loss) after tax		**2,973,434**	(381,088)
Retained earnings at the beginning of the year		**(1,741,042)**	(1,359,954)
Profit/ (loss) for the year		**2,973,434**	(381,088)
Retained earnings at the end of the year		**1,232,392**	(1,741,042)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income & retained earnings.

The notes on pages herein form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2023

REGISTERED NUMBER :09052210

	Note	**2023** £	2022 £
Fixed Assets			
Intangible assets	10	**2**	2
Tangible assets	11	**2,667,455**	2,029,520
		2,667,457	2,029,522
Current Assets			
Debtors: amounts falling due within one year	12	**6,800,281**	5,297,282
Cash at bank and cash equivalents	13	**1,979,236**	899,964
		8,779,517	6,197,246
Creditors: amounts falling due within one year	14	**(10,194,582)**	(9,947,810)
Net Current liabilities		**(1,415,065)**	(3,750,564)
Total assets less current liabilities		**1,252,392**	(1,721,042)
Net assets/(liabilities)		**1,252,392**	(1,721,042)
Capital & Reserves			
Called up share capital	15	**20,000**	20,000
Profit & Loss Account	16	**1,232,392**	(1,741,042)
		1,252,392	(1,721,042)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

F. Bertrand
Director

Date: 16th May 2023

The notes on pages herein form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023

REGISTERED NUMBER :09052210

1. General Information

Mahindra Racing UK Limited is a private company limited by shares, incorporated in England and Wales within the UK.

The address of the registered office & the registration number are given in the compnay information page of these financial statements

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the financial standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of finnacial statements in compliance with FRS 102 requires the use of certain crtitical accounting estimates. It also requires management to exercise judgement in applying the Company's Accounting Policies (see note 3).

The Company's Statement of Financial position has been adapted and prepared in accordance with Section 4.2A of Financial Reporting Standard 102.

The following principal accounting policies have been applied :

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)( ), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mahindra & Mahindra Ltd as at 31 March 2023 and these financial statements may be obtained from Mahindra Towers Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income within "other operating income".

2.4 Revenue

Sponsorship revenue is recognised evenly over each race season in line with the number of races that have taken place prior to the period end, or to the extent that it is probable that the economic benefits will flow to the Company in line with the sponsorship agreement. Value in Kind Sponsorship is recognised in accordance with fulfillment of conditions per sponsorship agreement. Sponsorship revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating Lease : the Company as lessee

Rentals paid under operating leases are charged to the Statement of income on a straight line basis over the lease term.

2.6 Research and development

Expenditure on development are recognised as an expense when incurred and are not capitalised

2.7. Government Grants

Grants are accounted under accrual model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of income at the same rate as the depreciation on assets to which the grants relates. The deferred element of grants is included in creditors as deferred income.

Grants of revenue nature are recognised in the statement of income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.9 Finance costs

Finance costs are charged to the profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less and accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life, If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributed to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis :

Long term leasehold property	–	14% straight line
Plant & Machinery	–	33% straight line
Furniture & Fittings	–	20% straight line
Office equipment	–	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and Losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised In the Statement of income & retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an assets' carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Going Concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. Whilst the postponement of races last year impacted the team's financial operations, the team has secured new sponsorship deals, returned to the full race calender, and made commitments to the next generation of Formula-E racing.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the opinion of the directors there are no significant judgements in applying accounting policies and there are no key sources of estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£	£
Rendering of Services	**23,078,513**	17,591,699
Sales	**2,145,534**	–
	25,224,047	17,591,699

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	**0**	299,475
Rest of Europe	**4,598,319**	9,275,405
Rest of the world	**20,625,728**	8,016,819
	25,224,047	17,591,699

Rendering of Services relate to sponsorship income and prize money

Sale of goods relate to customer team income

5. Operating profit/(loss)

The operating profit /(loss) is stated after charging :

	2023	2022
	£	£
Research & Development charged as an expense	**1,479,014**	1,220,329
Exchange differences	**(206,144)**	44,432
Other operating lease rentals	**47,624**	159,714

6. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual Financial statements	**14,000**	9,000

7. Employees

	2023	2022
	£	£
Wages & Salaries	**3,282,062**	2,997,251
Social security costs	**437,625**	345,077
Cost of defined contribution scheme	**175,842**	158,297
	3,895,529	3,500,625

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	Nos.	Nos.
Staff	**44**	38

8. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	**354,803**	318,389
Company contributions to defined contribution pension schemes	**17,119**	28,404
	371,922	346,793

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £246,938 (2022 - £232,875).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,036 (2022- £11,644).

9. Taxation

	2023	2022
	£	£
Corporation tax		
Research & Development Tax Credit	**(1,534,803)**	(825,265)
	(1,534,803)	(825,265)
Total current tax	**(1,534,803)**	(825,265)
Deferred tax	**0**	0
Total deferred tax	**0**	0
Taxation on loss on ordinary activities	**(1,534,803)**	(825,265)

Factors affecting tax charge for the year

The tax assessed for the year is Nil (2022 - Nil) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Profit / (loss) on ordinary activities before tax	**1,438,631**	(1,206,353)
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 19% (2022- 19%)	**273,340**	0
Effects of:		
Capital Allowances for year in excess of depreciation	**(238,749)**	0
Adjustments to tax charges in respect of prior periods	**1589**	0
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(1,573,244)**	(825,265)
Capital items expensed	**2261**	
Total tax charge for the year	**(1,534,803)**	(825,265)

Factors that may affect future tax charges

From 1st April 2023 corporation tax rate in the UK will increase from 19% to 25%

10. Intangible assets

Costs	**Patents**
	£
1st Apr 2022	**2**
At 31st March 23	**2**
Net Book Value	
On 31st March 23	2
On 31st March 22	2

11. Tangible fixed assets

	Long term lease hold property	Plant & Machinery	Fixture & Fittings	Office Equipment	Asset under construction	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2022	755,220	3,657,886	285,537	448,693	852,414	5,999,750
Additions	43,000	1,383,408	4,915	15,233	0	1,446,556
Disposals		(2,712,834)		(75,377)		(2,788,211)
Transfers between classes		852,414			(852,414)	0
At 31 March 2023	**798,220**	**3,180,874**	**290,452**	**388,549**	**0**	**4,658,095**
Depreciation						
At 1 April 2022	187,458	3,250,754	253,105	278,913	0	3,970,230
Charge for the year on owned assets	108,218	570,722	26,671	102,183		807,794
Disposals	0	(2,712,830)	0	(74,554)	0	(2,787,384)
At 31 March 2023	**295,676**	**1,108,646**	**279,776**	**306,542**	**0**	**1,990,640**
Net book value						
At 31 March 2023	**502,544**	**2,072,228**	**10,676**	**82,007**	**0**	**2,667,455**
At 31 March 2022	567,762	407,132	32,432	169,780	852,414	2,029,520

12. Debtors

	2023	2022
	£	£
Trade Debtors	**1,053,023**	280,721
Other debtors	**1,660,270**	2,133,767
Prepayments and acrued income	**4,086,988**	2,882,794
	6,800,281	5,297,282

13. Cash & Cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	**1,979,236**	899,964
	1,979,236	899,964

14. Creditors : Amounts falling due within one year

	2023	2022
	£	£
Bank loans	**2,000,000**	2,000,000
Trade Creditors	**2,430,978**	1,408,531
Other taxation & social security	**162,608**	106,500
Other creditors	**33,705**	20,429
Accruals & Deferred income	**5,567,291**	6,412,350
	10,194,582	9,947,810

	2023	2022
	£	£
The following liabilities were secured		
Bank loans	**2,000,000**	2,000,000
	2,000,000	2,000,000

Details of Security provided

The above liabilities were secured by guarantee from the Company's ultimate parent company Mahindra & Mahindra Limited.

15. Share Capital

	2023	2022
	£	£
Allotted, called up and fully paid		
20,000 (2022 - 20,000) Ordinary shares of £1.00 each	**20,000**	20,000

16. Reserves

Profit and loss account

The profit and loss account represents the net accumulated profits and losses, after the deduction of dividends and adjustments.

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £175,842 (2022 - £158,297). Contributions totaling £33,705 (2022 - £20,429) were payable to the fund at the balance sheet date and are included in creditors.

18. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	**204,870**	221,943
Later than 1 year and not later than 5 years	**905,357**	746,701
	1,110,227	968,644

19. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

20. Controlling party

The Company's immediate parent undertaking is Mahindra Overseas Investment Company (Mauritius) Limited, a company incorporated in Mauritius. The ultimate parent undertaking is Mahindra & Mahindra Limited, a company incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Gateway Building, Apollo Bunder, Mumbai 400 001, India.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Turnover	**25,224,047**	17,591,699
Cost of Sales	**(15,809,420)**	(11,686,028)
Gross profit	**9,414,627**	5,905,671
Gross profit %ge	**37.3%**	33.6%
Less: overheads		
Administration expenses	**(7,997,662)**	(7,067,653)
Operating loss	**1,416,965**	(1,161,982)
Interest receivable	**81,969**	295
Interest payable	**(60,303)**	(44,666)
Research & Development Tax Credit	**1,534,803**	825,265
Loss for the year	**2,973,434**	(381,088)

SCHEDULE TO THE DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Turnover		
Sales- Domestic (sale of goods)	**–**	299,475
Sales- Other EU	**4,598,319**	9,275,405
Sales-Rest of the world	**20,625,728**	8,016,819
	25,224,047	17,591,699

	2023 £	2022 £
Cost of sales		
Subcontract labour	**1,714,639**	1,656,715
Commissions payable	**11,005**	10,619
FIA & development costs	**14,083,776**	10,018,694
	15,809,420	11,686,028

	2023 £	2022 £
Administration expenses		
Directors national insurance	**46,614**	50,437
Directors salaries	**354,803**	318,389
Directors pension costs - defined contribution schemes	**17,119**	28,404
Staff salaries	**2,927,259**	2,678,862
Staff national insurance	**391,011**	294,640
Staff pension costs - defined contribution schemes	**158,723**	129,893
Staff welfare	**119,594**	172,454
Motor vehicle (leasing)	**10,094**	–
Entertainment	**–**	122,159
Hotels, travel and subsistence	**1,704,178**	817,367
Printing and stationery	**36,868**	24,099
Telephone and fax	**21,067**	15,447
Computer costs	**15,609**	1,486
Advertising and promotion	**608,924**	364,373
Legal and professional	**161,362**	129,584
Auditors' remuneration	**14,000**	9,000
Accountancy fees	**95,629**	100,963
Bank charges	**18,528**	8,785
Bad debts	**–**	174,951
Difference on foreign exchange	**(206,144)**	44,432
Rent	**37,530**	159,714
Rates	**146,838**	205,315
Light and heat	**199,284**	143,920
Insurances	**54,411**	74,682
Repairs and maintenance	**35,513**	75,465
Depreciation	**807,794**	895,538
Profit / loss on sale of tangible assets	**288**	–
Recruitment	**40,766**	27,294
Dilapidation provision	**180,000**	–
	7,997,662	7,067,653

	2023 £	2022 £
Interest receivable		
Interest receivable	**81,969**	295
	81,969	295

	2023 £	2022 £
Interest payable		
Interest payable	**60,303**	44,666
	60,303	44,666

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA SUSTEN PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Susten Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
   h) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 40 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 40 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN: 23121513BGXZXO4803

Place: Mumbai
Date: May 04, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Susten Private Limited of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Susten Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN:23121513BGXZXO4803

Place: Mumbai
Date: May 04, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Mahindra Susten Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets and intangible assets under development.

(b) The property, plant and equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for (stock held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmations has been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) (a) The Company has granted unsecured loans during the year and details of which are given below:

Rs. in Lakhs

Particulars	Loans
A. Aggregate amount granted/provided during the year: - Subsidiaries	3,498.70
B. Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	3,349.39

(b) The terms and conditions of the grant of all the above-mentioned loans during the year are, in our opinion, *prima facie,* not prejudicial to the Company’s interest.

(c) In respect of loans of Rs. 6,176.89 Lakhs granted by the Company for which the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation. The Company has also granted sub-ordinated loans aggregating to Rs. 67,367.70 Lakhs that are payable after servicing of senior secured debts of those subsidiaries. In the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans of Rs. 6,176.89 Lakhs provided by the Company, wherein the schedule of repayment of principal and payment of interest has been stipulated, there is no overdue amount remaining outstanding as at the balance sheet date. The Company has also granted sub-ordinated loans aggregating to Rs. 67,367.70 Lakhs that are payable after servicing of senior secured debts of those subsidiaries. In the absence of such schedule, we are unable to comment on overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted following loan to it's subsidiary during the year, the terms of which do not specify the period of repayment but are repayable after servicing of senior secured debts of that subsidiary:

Particulars	Rs. in Lakhs
Aggregate of loans	
– Repayable on demand (A)	Nil
– Agreement does not specify period of repayment (B)	2,500.00
Total (A+B)	**2,500.00**
Percentage of loans to the total loans	71%

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Statute	**Nature of dues**	**Forum Pending**	**Period to which the amount relates**	**Amount involved (in Rs. Lakhs)**	**Amount Unpaid (in Rs. Lakhs)**
Income Tax Act, 1961	Income Tax	Assessing officer	FY 2020-2021	1,047	1047
		Commissioner of Income Tax (Appeals)	FY 2012-13; 2013-14 and 2016 -17	294	–
Goods and Service Tax Act, 2017	Goods and Service Tax	High Court	FY 2017-2018; 2018-2019	3,116	2,227
Central Sales Tax Act,1956	Sales Tax	Commissioner (Appeals)	FY 2014-2015; to 2017-2018	1048	879
		Tribunal	2016-2017 and 2017-2018	670	568
Rajasthan Entry Tax	Entry Tax	Commissioner (Appeals)	2012-2013	722	722

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis, *Prima facie* not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from following entities on account of or to meet the obligations of its subsidiaries as per details below:

Nature of funds taken	**Name of lender**	**On account of or to meet the obligations of subsidiary**		
		Amount involved (Rs in lakhs)	**Name of the subsidiary**	**Nature of transaction for which funds utilized**
Unsecured loan	Mahindra and Mahindra Limited	37,230.00	Mega Surya Urja Private Limited	Capital expenditure
		2,500.00	Bright Solar Limited	Term loan repayment

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or its subsidiaries or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the group. There were Four CIC forming part of the group as at March 31, 2023.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN: 23121513BGXZXO4803

Place: Mumbai
Date: May 04, 2023

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

INR (In Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	4	**1,07,366.03**	1,10,780.74
(b) Right-of-use assets	4 A	**725.83**	47.11
(c) Intangible assets	5	**3.53**	30.48
(d) Intangible assets under development	5 A	**98.13**	96.83
(e) Investments	6	**47,510.85**	47,520.85
(f) Financial assets			
(i) Loans	7	**71,993.59**	73,749.40
(ii) Other financial assets	8	**10,714.29**	11,800.59
(g) Income tax assets (net)		**3,897.07**	2,935.18
(h) Other non-current assets	10	**0.36**	770.24
SUB-TOTAL		**2,42,309.68**	2,47,731.42
CURRENT ASSETS			
(a) Inventories	11	**67.79**	315.86
(b) Financial assets			
(i) Investments	6	**1,007.00**	–
(ii) Trade receivables	12	**3,682.53**	22,404.57
(iii) Cash and cash equivalents	13	**5,784.28**	3,967.12
(iv) Bank balances other than (iii) above	13	**8,556.77**	807.63
(v) Loans	7	**1,551.00**	–
(vi) Other financial assets	8	**2,027.54**	2,022.70
(c) Other current assets	10	**7,294.37**	7,928.37
SUB-TOTAL		**29,971.28**	37,446.25
Non-current assets classified as held for sale	37	**919.24**	762.42
TOTAL ASSETS		**2,73,199.84**	2,85,940.08
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14 A	**39,092.34**	19,546.17
(b) Other equity	14 B	**63,622.71**	80,221.14
SUB-TOTAL		**1,02,715.05**	99,767.31
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	**78,510.06**	1,12,024.32
(ii) Lease liabilities	4 B	**641.52**	38.75
(b) Provisions	16	**3,055.50**	4,168.01
(c) Deferred tax liabilities (Net)	9	**5,081.97**	3,350.33
SUB-TOTAL		**87,289.05**	1,19,581.41
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17	**68,549.07**	41,968.97
(ii) Lease liabilities	4 B	**166.32**	11.87
(iii) Trade payables:	18		
- Total outstanding dues of micro and small enterprises		**7.96**	-
- Total outstanding dues of creditors other than micro and small enterprises		**7,821.85**	14,250.78
(iv) Other financial liabilities	19	**4,474.71**	5,132.14
(b) Provisions	16	**1,405.82**	4,042.70
(c) Other current liabilities	20	**770.00**	1,184.90
SUB-TOTAL		**83,195.73**	66,591.36
TOTAL EQUITY AND LIABILITIES		**2,73,199.84**	2,85,940.08
The accompanying notes are an integral part of the Financial Statements	1-42		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place : Mumbai
Date : 4th May, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Exective Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 4th May, 2023

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

INR (In Lakhs)

Particulars	Note No.	**Year ended 31 March 2023**	Year ended 31 March 2022
I. Revenue from operations	21	**28,014.16**	59,494.59
II. Other Income	22	**11,631.05**	6,291.65
III. Total Income (I + II)		**39,645.21**	65,786.24
IV. Expenses			
(a) Cost of materials consumed	23(a)	**8,893.41**	39,742.05
(b) Changes in inventories of work-in-progress	23(b)	**–**	80.19
(c) Employee benefit expense	24	**6,212.74**	5,241.23
(d) Finance costs	25	**11,833.41**	6,890.40
(e) Depreciation and amortisation expense	4, 5	**4,577.70**	2,842.41
(f) Other expenses	26	**5,315.90**	10,388.60
Total Expenses		**36,833.16**	65,184.87
Profit before exceptional items and tax (III-IV)		**2,812.05**	601.37
Exceptional Items (Refer note 35)		**(2,672.96)**	
V. Profit before tax (III - IV)		**5,485.01**	601.37
VI. Tax Expense	9		
(a) Current tax		**0.00**	(32.60)
(1) Minimum Alternate Tax		**316.89**	187.57
(2) Minimum Alternate Tax Credit		**(316.89)**	(187.57)
(b) Deferred tax		**2,020.69**	458.51
(c) Deferred Tax charge relating to earlier years	9(b)	**29.09**	224.68
		2,049.79	650.59
VII. Profit for the year (V - VI)		**3,435.23**	(49.22)
VIII. Other comprehensive income		**2.34**	11.18
Items that will not be reclassified to profit or loss:			
(i) Remeasurements of the defined benefit liabilities / (asset)		**3.60**	17.19
(ii) Income tax relating to remeasurement of defined benefit plan		**(1.26)**	(6.01)
IX. Total comprehensive income for the year (VII + VIII)		**3,432.89**	(60.40)
X Earnings per equity share:			
(1) Basic (In Rupees)	27	**0.88**	(0.01)
(2) Diluted (In Rupees)	27	**0.88**	(0.01)

The accompanying notes are an integral part of the Standalone Financial Statements 1-42

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place : Mumbai
Date : 4th May, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Exective Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 4th May, 2023

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

INR (In Lakhs)

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	**5,485.01**	601.37
Adjustments for:		
Provision for doubtful debts		925.65
Bad Debts	**87.30**	
Finance costs	**11,833.41**	6,890.40
Interest income	**(9,469.84)**	(6,176.79)
Dividend Income	**(25.48)**	(9.68)
Net gain arising on financial assets designated as at FVTPL	**(7.00)**	
Profit on sale of investments	**(2,672.96)**	–
Loss on disposal of property, plant and equipment	**99.67**	–
Reversal of excess warrant provision	**(2,129.00)**	
Depreciation and amortisation expense	**4,577.70**	2,842.41
Net unrealised foreign exchange loss / (Gain)	**(361.45)**	2,217.52
Provision for unrecoverable of asset	**–**	803.97
Liability no longer required written back	**–**	–
Operating profit before working capital changes	**7,417.35**	8,094.86
Movements in working capital:		
Decrease in trade and other receivables	**18,634.74**	20,881.47
Decrease in inventories	**91.27**	799.06
Decrease in other assets	**1,087.38**	102.04
Decrease in trade and other payables	**(6,906.13)**	(13,592.59)
(Decrease)/Increase in provisions	**(1,863.17)**	947.86
(Decrease)/increase in other liabilities	**(414.90)**	(5,359.84)
Cash generated from operations	**10,629.19**	3,778.00
Income taxes paid (net)	**(1,278.78)**	(1,730.29)
Net cash (used in)/generated by operating activities	**16,767.77**	10,142.57
Cash flows from investing activities		
Fixed Deposit made (Placed)	**(43,482.02)**	(40,242.73)
Fixed deposit redeemed	**37,032.88**	38,847.07
Payments to acquire mutual funds	**(10,300.00)**	(13,100.00)
Proceeds from sale of mutual funds	**9,300.00**	13,100.00
Inter coporate deposit (ICD) given to Subsidiaries	**(3,498.70)**	(35,393.67)
Repayment of ICD from Subsidiaries	**2,688.77**	3,926.39
Dividend received	**25.48**	9.68
Interest received	**9,042.40**	3,596.90
Payments for purchase of property, plant and equipment	**(1,507.99)**	(50,465.54)
Proceeds from disposal of property, plant and equipment	**77.54**	8.15
Investments in equity instruments of a susidiary	**–**	(8,500.00)
Proceed from sale of equity instrument of a subsidairy	**2,682.96**	–
Net cash inflow on disposal of subsidiary		
Net cash inflow on disposal of associate		
Net cash (used) / generated from investing activities	**2,061.34**	(88,213.75)

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUE)

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from financing activities		
Proceeds from long term borrowings availed from bank	**46,983.59**	47,696.58
Proceeds from long term borrowings availed from Related party		29,500.00
Repayment of long term borrowings availed from bank	**(49,763.22)**	(1,717.38)
Proceeds from short term borrowings availed from bank	**42,767.98**	61,980.06
Proceeds from short term borrowings availed from Related party	**33,000.00**	28,000.00
Repayment of short term borrowings availed from bank	**(47,540.40)**	(82,967.63)
Repayment of short term borrowings availed from Related parties	**(33,000.00)**	–
Repayment of lease liabilities	**(100.13)**	–
Interest paid	**(9,359.74)**	(3,878.37)
Net cash (Used) / generated from financing activities	**(17,011.94)**	78,613.26
Net increase/(decrease) in cash and cash equivalents	**1,817.17**	542.06
Cash and cash equivalents at the beginning of the year	**3,967.12**	3,425.06
Cash and cash equivalents at the end of the year	**5,784.29**	3,967.12

The accompanying 1-42 notes are an integral part of the standalone Financial Statements

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place : Mumbai
Date : 4th May, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Exective Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 4th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2023

A. Equity share capital

INR (In Lakhs)

Details	As at 31st Mar 2023	As at 31st Mar 2022
Balance at the beginning of the Year	19,546.17	19,546.17
Shares issued	19,546.17	
Balance at the end of the the year	**39,092.34**	**19,546.17**

B. Other Equity

(i) Current reporting year as at 31st March 2023

INR (In Lakhs)

	Reserves and Surplus			
Details	Securities Premium account	Other Reserve (ESOP Outstanding A/c)	Retained Earnings	Total
Balance at the beginning of the current reporting period	52,222.42	485.15	27,513.57	80,221.14
Utilised (Refer note 24)		(485.15)		(485.15)
Dividends				–
Profit / (loss) for the year			3,435.23	3,435.23
Other Comprehensive loss for the year			(2.34)	(2.34)
Transfer to retained earnings				–
Bonus shares issued during the year	(19,546.17)		–	(19,546.17)
Balance at the end of the current reporting period	**32,676.25**	**–**	**30,946.46**	**63,622.71**

Company has settled ESOP during the year (Refer note 24)

(ii) Previous year reporting period as at 31st March 2022

INR (In Lakhs)

	Reserves and Surplus			
Details	Securities Premium account	Other Reserve (ESOP Outstanding A/c)	Retained Earnings	Total
Balance at the beginning of the current reporting period	52,222.42	485.15	27,573.96	80,281.54
Profit / (loss) for the year			(49.22)	(49.22)
Additional provision of ESOP due to changes in fair value				–
Other Comprehensive loss for the year			(11.18)	(11.18)
Balance at the end of the current reporting period	**52,222.42**	**485.15**	**27,513.57**	**80,221.14**

The accompanying notes are an integral part of the Standalone Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place : Mumbai
Date : 4th May, 2023

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Exective Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 4th May, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Mahindra Susten Private Limited ('the Company') is a company limited by shares, incorporate and domiciled in India and A Joint venture of Mahindra Holdings Limited and 2452991 ONTARIO LIMITED. The registered office of the Company is located at Mumbai. The Company is engaged in the business of providing services in the areas of engineering, procurement and construction of power plants in renewable energy and sale of power.

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 25 April 2023.

2. Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company is exempt from preparing a consolidated financial statement (CFS);

(i) it is a partially-owned subsidiary of another company and all its other members do not object to the company not presenting consolidated financial statements; and

(ii) not listed on any stock exchange and;

3. Significant Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended,Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Evaluation of percentage of completion :

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year in which such changes are determined.

(ii) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the comapny and their ability to utilise tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iii) Measurement of defined benefit obligations and other employee benefit obligations :

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Provision for obsolete inventory :

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past consumption of the inventory.

(v) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables.. At reporting date,the previous year observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(vi) Impairment losses on investment :

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(viii) Provision for product warranty :

The warranty provision represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages. Presently, company creates provision at 1% on Revenue from EPC contracts of current financial year.

(ix) Useful lives of property, plant and equipment :

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utiliZation factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

(i) EPC Contracts

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period of time. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

(ii) Sales of Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – Plant	25 Years
Plant and equipment – other than Plant	15 Years
Office equipment	5 Years
Computer software	3 Years
Furniture and fixtures	10 Years
Lease hold improment	5 years
Vehicles	8 Years

The Company recognises right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
ROU Vehicles	4 Years
ROU Building	3 to 5 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Intangible Assets:

<u>Intangible assets acquired separately</u>

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows,

Type of assets	Useful life
Computer software	3 Years

<u>Internally-generated intangible assets</u>

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Inventories:

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials includes all costs of purchase, conversion and other direct attributable costs incurred for bringing the items to their present location and condition and is determined using the weighted average cost method.

The cost of contracts work in progress comprises costs directly attributable to the specific contracts and related overheads.

Traded goods costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency.All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

Foreign operations.

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

j) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

k) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

l) Employee Benefits:

(i) Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post employment employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

a) Defined Contribution schemes

The Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due.

b) Defined benefits plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

m) **Share Based Payments:**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

n) **Taxes on Income:**

Income tax comprises current and deferred tax. Income taxes are recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) **Provisions and Contingent Liabilities :**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

p) **Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable , ECL is presented as as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

s) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

t) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

u) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

w) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.There is no such notification which would be applicable from 01 April 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 4. – Property, Plant and Equipment

INR (In Lakhs)

Description of Assets	**Land - Freehold**	**Buildings - Leasehold Improvements**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross Carrying Amount							
Opening Balance as at 1 April 2022	5,326.56	–	1,15,739.07	604.94	0.70	57.10	1,21,728.37
Additions	878.35	149.11	22.01	47.64	79.62		1,176.73
Disposals	–	–	(511.63)	(191.50)		(32.56)	(735.69)
Closing Balance as at 31st March 2023	**6,204.91**	**149.11**	**1,15,249.45**	**461.08**	**80.32**	**24.54**	**1,22,169.41**
II. Accumulated depreciation							
Opening Balance as at 1 April 2022	–	–	10,438.06	476.29	0.24	33.04	10,947.63
Depreciation expense for the year	–	21.27	4,345.61	35.29	11.43	6.22	4,419.82
Disposals	–		**(366.94)**	**(181.57)**		**(15.56)**	**(564.07)**
Impairment	–						–
Closing Balance as at 31st March 2023	**–**	**21.27**	**14,416.73**	**330.01**	**11.67**	**23.70**	**14,803.38**
III. Net carrying amount (I-II)	**6,204.91**	**127.84**	**1,00,832.72**	**131.07**	**68.65**	**0.84**	**1,07,366.03**

INR (In Lakhs)

Description of Assets	Land - Freehold	Buildings - Leasehold Improvements	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Opening balance as at 1 April 2021	4,752.96	–	34,626.64	626.34	17.84	96.13	40,119.91
Additions	573.60	–	81,768.72	82.83	–		82,425.15
Disposals	–	–	(498.47)	(104.23)	(17.14)	(39.03)	(658.87)
Reclassified as held for sale							–
Impairment	–		157.82				157.82
Closing balance as at 31 March 2022	**5,326.56**	**–**	**1,15,739.07**	**604.94**	**0.70**	**57.10**	**1,21,728.37**
II. Accumulated depreciation							
Opening balance as at 1 April 2021	–	–	8,017.36	518.89	10.48	52.67	8,599.40
Depreciation expense for the year	–	–	2,738.02	46.50	1.59	13.61	2,799.72
Disposals	–	–	(317.32)	(89.10)	(11.83)	(33.24)	(451.49)
Impairment	–	–					–
Closing balance as at 31 March 2022	**–**	**–**	**10,438.06**	**476.29**	**0.24**	**33.04**	**10,947.63**
III. Net carrying amount (I-II)	**5,326.56**	**–**	**1,05,301.01**	**128.65**	**0.46**	**24.06**	**1,10,780.74**

Note:

i) Freehold land and plant and equipment have been pledged against the borrowings. (Refer note no. 15 Non Current Borrowings).

ii) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

iii) During previous the year ended 31st March 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment is as follows :

INR (In Lakhs)

Financial Year	**(Decrease)/Increase in Depreciation expenses**
2021-22	(561.91)
2022-23	(561.91)
2023-24	(561.91)
2024-25	(561.91)
2025-26	(561.91)
Later Years	4,404.13

Note No. 4A – Right-of-use assets

INR (In Lakhs)

Right of use of asset	**Car**	**Building**	**Total**
I. Gross Carrying Amount			
Opening Balance as at 1 April 2022	49.63		49.63
Additions	56.48	756.02	812.50
Closing Balance as at 31st March 2023	**106.11**	**756.02**	**862.13**

INR (In Lakhs)

Right of use of asset	**Car**	**Building**	**Total**
II. Accumulated depreciation			
Opening Balance as at 1 April 2022	2.52	–	2.52
Charge for the year	21.46	112.32	133.78
Closing Balance as at 31st March 2023	**23.98**	**112.32**	**136.30**
III. Net carrying amount (I-II)	**82.13**	**643.70**	**725.84**

INR (In Lakhs)

Right of use of asset	**Car**	**Building**	**Total**
I. Gross Carrying Amount			
Opening Balance as at 1 April 2021	–	–	–
Additions	49.63	–	49.63
Closing Balance as at 31 March 2022	**49.63**	**–**	**49.63**
II. Accumulated depreciation			
Opening Balance as at 1 April 2021	–	–	–
Charge for the year	2.52	–	2.52
Closing Balance as at 31 March 2022	**2.52**	**–**	**2.52**
III. Net carrying amount (I-II)	**47.11**	**–**	**47.11**

Notes :

(i) The lease term of the car is 4 years. The Company does not have an option to purchase the car at the end of lease term.

(ii) The lease tenure range for builidng is 3 to 5 years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 4B - Lease liablity

INR (In Lakhs)

Movement in Lease Liablties	**2022-23**	2021-22
Balance at the beginning of the year	50.62	0
Additions	812.50	49.63
Finance cost for the year	44.87	0.99
Deletions		
Payment of lease liabilities	(100.14)	0
	807.85	50.62

Amounts recognised in profit and loss	**2022-23**	2021-22
– Depreciation expense on right-of-use assets	133.78	2.52
– Interest expense on lease liabilities	44.87	0.99

The total cash outflow for leases amount to Rs 100.14 (2020-21: Rs. Nil), Future expected cash flow is Rs 949.41 lakhs

INR (In Lakhs)

Lease liabilities	**31-03-2023**	31-03-2023
Maturity Analysis		
On or before 31st march 2023		11.87
On or before 31st march 2024	166.32	14.11
On or before 31st march 2025	190.99	13.21
On or before 31st march 2026	210.82	11.43
On or before 31st march 2027	182.45	–
On or before 31st march 2028	57.26	–
Less : Unearned Interest	–	–

– Analysed as	**31-03-2023**	31-03-2022
Non Current	641.52	38.75
Current	166.32	11.87

Note No. 5 A - Intagible assets under development (ITUD)

ITUD Aging schedule as at 31st March 2023

INR (In Lakhs)

ITUD	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	18.30	61.68	18.15	–	**98.13**

ITUD Aging schedule as at 31st March 2022

INR (In Lakhs)

		Amount in ITUD for a 31st March 2022			
ITUD	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	61.68	35.15	–	–	96.83

ITUD completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan Nil (31 March 2022: None) ; ITUD Suspended : Rs 17 Lakhs (31 March 2022: Nil)

Note No. 5 - Other Intangible Assets

Description of Assets	INR (In Lakhs) **Computer Software**
I. Gross Carrying Amount	
Opening Balance as at 1 April 2022..	446.01
Additions	1.85
Disposals	(413.54)
Closing Balance as at 31st March 2023	**34.32**
II. Accumulated depreciation	
Opening Balance as at 1 April 2022..	415.53
Amortisation expense for the year	24.10
Disposals	(408.84)
Closing Balance as at 31st March 2023	**30.79**
III. Net carrying amount (I-II)	**3.53**

Description of Assets	INR (In Lakhs) **Computer Software**
I. Gross Carrying Amount	
Opening balance as at 1 April 2021	446.01
Closing balance as at 31 March 2022....................................	**446.01**
II. Accumulated Amortisation	
Opening balance as at 1 April 2021	375.38
Amortisation expense for the year	40.15
Closing balance as at 31 March 2022....................................	**415.53**
III. Net carrying amount (I-II)	**30.48**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 6. – Investments

INR (In Lakhs)

Particular	As at 31 March 2023 No. Of Shares	As at 31 March 2023 Amounts Non Current	As at 31 March 2022 No. Of Shares	As at 31 March 2022 Amounts Non Current
A. Investment in Subsidiaries in equity instrument measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**33,03,01,616**	**47,387.49**	33,04,01,616	47,397.49
Impairment in the value of investments (MSPL International DMCC fully impaired during the year 2020-21)	**(11,616)**	**(2,306.72)**	(11,616)	(2,306.72)
Total	**33,02,90,000**	**45,080.77**	33,03,90,000	45,090.77
B. Investment in Joint Venture in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
Total	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
C. Investment in Others in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**2,010**	**0.50**	2,010	0.50
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C)	**34,44,78,170**	**47,510.85**	34,45,78,170	47,520.85

– During the Year, board has approved for formation of an Infrastructure Investment Trust (“InvIT”) with MSPL and Ontario Teachers’ as Sponsors, which will own investment in equity shares in Special Purpose Vehicles.

INR (In Lakhs)

	Face Value Per Share	No. Of Shares	Amounts	No. Of Shares	Amounts
Subsidiaries					
1. Mahindra Renewables Private Limited	₹ 10	**32,16,30,000**	**36,575.30**	32,16,30,000	36,575.30
2. Mahindra Teqo Private Limited	₹ 10	**–**	**–**	1,00,000	10.00
3. MSPL International DMCC (fully impaired during the year 2020-21)	AED 1000	**11,616**	**2,306.72**	11,616	2,306.72
4. Mega Surya Urja Private Limited	₹ 10	**86,50,000**	**8,504.47**	86,50,000	8,504.47
5. Martial Solren Private Limited		**10,000**	**1.00**	10,000	1.00
Joint Venture		**–**		–	
1. Marvel Solren Private Limited	₹ 10	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
Others		**–**		–	
1. The Zoroastrian Co-operative Bank Limited	₹ 10	**2,010**	**0.50**	2,010	0.50

The Company has pledged 51% of its Equity shares held in Mahindra Renewables Private Limited & Mega Surya Urja Private Limited and 30% of Marvel Solren Private Limited, as collateral for the loan taken by respective companies for their respective projects as per Loan financing documents for FY 2022-21 and FY 2021-20.

Note No. 7. – Loans

INR (In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non-Current	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
Loans to related parties				
– Unsecured, considered good	**1,551.00**	**71,993.59**	–	73,749.40
TOTAL	**1,551.00**	**71,993.59**	–	73,749.40

INR (In Lakhs)

Particulars	As at 31 March 2023 %	As at 31 March 2023 Total	As at 31 March 2022 %	As at 31 March 2022 Total
without specifying terms or period of repayment				
– Loans to Subsidiaries	**91.60%**	**67,367.70**	89.99%	66,365.90
Total Loans to Subsidiaries	**100.00%**	**73,544.59**	100.00%	73,749.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INR (In Lakhs)

List of entities	Rate of Interest (%)	As at 31 March 2023	As at 31 March 2022
Subsidiaries			
1. Mahindra Renewables Private Limited (Sub-ordinate Debt taken for ISTS I Project, repayable after servicing of senior secured debts)	11.50	**35,993.50**	37,491.70
2. Mega Surya Urja Private Limited (Sub-ordinate Debt taken for ISTS II Project, repayable after servicing of senior secured debts)	11.50	**31,374.20**	28,874.20
3. Bright Solar Private Limited (To repay bank loan, repayable at the end of 20 years from date of drawdown of each tranche) (ROI for 2022 : 8.9%)	10.20	**2,500.00**	2,500.00
4. Bright Solar Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	11.00		1,956.00
5. Neo Solren Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	11.00	**3,169.89**	2,325.00
6. Mahindra Teqo Private Limited(For general business purpose, repayable at the end of 3 years from date of drawdown of each tranche) (Susbsidairy up to 6th Dec'22) (Refer note 35)	11.00		600.00
7. Martial Solren Private Limited (For general business purpose, repayable at the end of 2 years from date of drawdown of each tranche)	11.00	**7.00**	2.50
Other Enity			
Mahindra Teqo Private Limited (For general business purpose, repayable at the end of 3 years from date of drawdown of each tranche) (Refer note 35)	11.00	**500.00**	
TOTAL		**73,544.59**	73,749.40

Notes :

a. Details of Investments made or Inter Corporate Deposits/Loans taken from holding for further investment or intercorporate deposits/loans to the ultimate beneficiary :

INR (In Lakhs)

Name of Company	Date of transaction	As at 31 March 2023	As at 31 March 2022
Mahindra & Mahindra Limited	various	**39,730**	39,730

b. Details of further Investments made or Inter Corporate Deposits/Loans given by Holiding to Ultimate Beneficiary :

INR (In Lakhs)

Name of Company	Date of transaction	As at 31 March 2023	As at 31 March 2022
Mega Suryaurja Private Limited	various	**37,230**	37,230
Brightsolar Renewable Energy Private Limited	17th Dec, 2021	**2,500**	2,500
TOTAL		**39,730**	39,730

c. Details of each Intermediary / Ultimate Beneficiary :

Name of Company	Registered address	Identification number (CIN/Others)
Mega Suryaurja Private Limited	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, India	U40103MH2012PTC226016
Brightsolar Renewable Energy Private Limited	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, India	U40108MH2013PTC250683

Note No. 8. – Other financial assets

INR (In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non-Current	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
Financial assets				
a) Security Deposits:	**71.42**	**159.51**	200.65	148.92
b) Interest accrued on loan :				
– Gross	**273.19**	**9,654.78**	–	9,500.53
– Allowance for Credit loss (Refer note 35)	**(48.86)**	**–**	–	(48.86)
– Net	**224.33**	**9,654.78**	**–**	9,451.67
c) Unbilled Revenue	**1,487.64**	**–**	1,822.05	–
d) Derivative not designated as a hedge instrument	**244.16**	**–**	–	–
e) Fixed deposit (earmarked balance against borrowings)		**900.00**		2,200.00
TOTAL	**2,027.55**	**10,714.29**	2,022.70	11,800.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 9 - Current Tax and Deferred Tax

(i) Income Tax recognised in statement of profit or loss

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
In respect of current year		
Minimum Alternate Tax	**316.89**	187.57
Minimum Alternate Tax Credit	**(316.89)**	(187.57)
In respect of prior years	**–**	(32.60)
Deferred Tax:		
In respect of current year	**1,703.81**	270.94
Deferred tax	**2,020.69**	458.51
Minimum Alternate Tax Credit	**(316.89)**	(187.57)
In respect of prior years	**29.09**	224.68
Total income tax expense	**1,732.90**	463.01

(ii) Income tax recognised in other Comprehensive income

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of defined benefit obligaitons not reclassified to profit or loss	**(1.26)**	(6.01)
Total	**(1.26)**	(6.01)

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**5,485.01**	601.37
Corporate tax rate as per Income Tax Act, 1961	**34.94%**	34.94%
Tax on accounting profit (A)	**1,916.68**	210.14
Effect of income that is exempt from taxation	**–**	–
Effect of expenses that is non-deductible in determining taxable profit (B)	**104.00**	248.37
Total effect of Tax adjustment (A+B)	**2,020.68**	458.51
Adjustments recognised in the current year in relation to the tax of prior years (C)	**29.09**	192.08
Minimum Alternate Tax Credit (D)	**(316.89)**	(187.57)
Tax expense recognised during the year (A+B+C)	**1,732.90**	463.02

(iv) The details of Non-current/Current tax assets/(liabilities)

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Non-current tax assets (net of provision for taxation)	**17,137.04**	11,516.05
Current tax liabilities (net of advance tax)	**(13,239.97)**	(8,580.86)
Total	**3,897.07**	2,935.18

(v) Movement in deferred tax balances

INR (In Lakhs)

Particulars	For the Year ended 31 March 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangible assets	16,111.30	9,496.43	–	25,607.73
Unwinding of Financial liability	197.67	(34.42)		163.25
	16,308.97	9,462.01	–	25,770.99
Tax effect of items constituting deferred tax assets				
Employee Benefits	151.87	(28.65)	1.26	124.48
Provisions	3,618.93	(1,528.42)	–	2,090.51
Unabsorbed depreciation in tax books	5,856.24	9,461.85		15,318.09
Unwinding of Financial assets	370.15	250.12		620.27
Lease Liablity		27.44		27.44
Other Financial Assets	770.12	(770.12)		–
Minimum Alternate Tax Credit	2,191.33	316.89	–	2,508.22
	12,958.64	7,729.11	1.26	20,689.01
Net deferred tax liabilities	**(3,350.33)**	**(1,732.90)**	**1.26**	**(5,081.97)**

INR (In Lakhs)

Particulars	For the Year ended 31 March 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
A	B	C	D = B+C	E
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	8,275.49	7,835.81	–	16,111.30
Unwinding of Financial liability	124.83	72.84	–	197.67
	8,400.32	7,908.65	–	16,308.97
Tax effect of items constituting deferred tax assets				
Employee Benefits	113.50	32.36	6.01	151.87
Provisions	3,422.34	196.59	–	3,618.93
Unabsorbed depreciation		5,856.24		5,856.24
Unwinding of Financial assets		370.15		370.15
Other Financial Assets		770.12		770.12
Minimum Alternate Tax Credit	1,970.22	221.11	–	2,191.33
	5,506.06	7,446.57	6.01	12,958.64
Net deferred tax liabilities	**(2,894.26)**	**(462.08)**	**6.01**	**(3,350.33)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 10 – Other assets

INR (In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non-Current	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
(a) Capital advances	**–**	**0.36**	–	770.24
(b) Balances with government authorities (other than income taxes)	**7,098.04**	**–**	7,017.36	–
(c) Other advances				
- Advances to suppliers	**109.98**	**–**	493.93	–
- Advances to employees		**–**		–
- Advances to KMP	**–**		128.00	
- Advances to other employees	**15.06**		167.26	
- Prepaid Expenses	**70.92**	**–**	99.56	–
(d) Other assets	**–**	**–**	22.23	–
Total	**7,294.00**	**0.36**	7,928.34	770.24

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties

INR (In Lakhs)

Particulars	As at 31 March 2023 %	As at 31 March 2023 Total	As at 31 March 2022 %	As at 31 March 2022 Total
without specifying terms or period of repayment				
- Advance to KMP		**–**	43.35%	128.00
Advances to employees	**100.00%**	**15.06**	100.00%	295.25

Note No. 11 – Inventories

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Stores and pump including spares	**67.79**	315.86
Total Inventories (at lower of cost and net realisable value)	**67.79**	315.86

Note:

The carrying amount of inventories are provided as a security against working capital loans (refer note no 15)

Note No. 12 – Trade receivables

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2023 from due date of payment: Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
- Undisputed Trade receivables - considered good	**2,183.94**	**253.87**	**237.72**	**366.02**	**415.59**	**225.38**	**3,682.53**
- Undisputed Trade receivables - Credit Impaired	**7.03**	**0.85**	**0.89**	**1.24**	**21.55**	**66.08**	**97.64**
Less: Impairment allowance for trade receivables	**(7.03)**	**(0.85)**	**(0.89)**	**(1.24)**	**(21.55)**	**(66.08)**	**(97.64)**
TOTAL	**2,183.94**	**253.87**	**237.72**	**366.02**	**415.59**	**225.38**	**3,682.53**

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2022 from due date of payment: Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
- Undisputed Trade receivables - considered good	13,293.58	6,034.77	1,357.03	1,141.75	46.30	531.12	22,404.57
- Undisputed Trade receivables - Credit Impaired		7.27	50.03	38.76	–	829.59	925.65
Less: Impairment allowance for trade receivables		(7.27)	(50.03)	(38.76)	–	(829.59)	(925.65)
TOTAL	13,293.58	6,034.77	1,357.03	1,141.75	46.30	531.12	22,404.57

INR (In Lakhs)

Of the above, trade receivables from:	As at 31 March 2023	As at 31 March 2022
- Related Parties	**1,817.60**	13,437.79
- Others	**1,864.93**	8,966.78
Total	**3,682.53**	22,404.57

INR (In Lakhs)

Of the above, trade receivables from:	As at 31 March 2023	As at 31 March 2022
- At the beginning of year	**925.65**	–
- Provision during the year	**107.98**	925.65
- Less : Provision reversal	**(20.67)**	–
- Less : Allowance provided earlier written off	**(915.32)**	–
At the end of the year	**97.64**	925.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note: 1
No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note: 2

The credit period given to customers range from 30 days to 90 days.For explanations on the Company's credit risk management processes, Refer note 28.

Note: 3

All trade receivables have been pledged (first charge) to secure the current borrowings of the Company (Refer Note 17).

Note: 4

Refer Note 28 - Financial Instruments - for disclosures related to credit risk, allowance for trade receivables under expected credit loss model and other disclosure.

Note: 5
Trade receivables includes certain receivables amounting to Rs. 1,153 lakhs wherein it the risk of collection lies with other group company.

Note No. 13 - Cash and Cash equivalents

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with banks	**5,784.28**	3,967.12
Total Cash and cash equivalents	**5,784.28**	3,967.12
Other Bank Balances		
Fixed deposit with original Maturity greater than 3 months but less than 12 months	**8,556.77**	807.63
Total Other Bank balances	**8,556.77**	807.63

Note No. 14 A - Equity Share Capital

INR (In Lakhs)

Particulars	As at 31 March 2023 No. of Shares	As at 31 March 2023 Value of shares	As at 31 March 2022 No. of Shares	As at 31 March 2022 Value of shares
Authorised:				
Equity shares of Rs 10 each	**500,000,000**	**50,000.00**	20,00,00,000	20,000.00
Issued, Subscribed and Fully Paid up:				
Equity shares of Rs. 10 each	**39,09,23,456**	**39,092.35**	19,54,61,728	19,546.17
Total	**39,09,23,456**	**39,092.35**	19,54,61,728	19,546.17

Note:

1. The Authorised Share Capital of the Company has been increased to 5,000,000,000 (Rupees five Hundred Crores Only) divded into 500,000,000/- (Rupees Fifty Crores Only) Equity Shares of 10/- (Rupees Ten Only) each
2. During the year ended 31 march 2023 , 19,54,61,728 shares of face value of 10 per share were issued as fully paid bonus shares by utilisation from Securities Premium Account.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

INR (In Lakhs)

Particulars	Opening Balance	Shares issued during the year	Closing Balance
Equity Shares			
Year ended 31 March 2023			
No. of Shares	**19,54,61,728**	**19,54,61,728.00**	**39,09,23,456**
Amount (In Lakhs)	**19,546.17**	**19,546.17**	**39,092.35**
Year Ended 31 March 2022			
No. of Shares	19,54,61,728	–	19,54,61,728
Amount (In Lakhs)	19,546.17	–	19,546.17

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Holdings Limited	**27,36,46,420**
2452991 ONTARIO LIMITED	**11,72,77,036**
As at 31 March 2022	
Mahindra Holdings Limited	19,54,61,728

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Holdings Limited	**27,36,46,420**	**70%**	19,54,61,728	100%
2452991 ONTARIO LIMITED	**11,72,77,036**	**30%**		
Total	**39,09,23,456**	**100%**	19,54,61,728	100%

Note:
This includes 2 equity shares held as nominee by an individual on behalf of the holding company.(Mahindra Holdings Limited jointly with Narayan Shankar - 2 equity share)

Note No. 14 B - Other Equity:

INR (In Lakhs)

(i) Securities Premium	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**52,222.42**	52,222.42
Bonus shares issued during the year	**(19,546.17)**	
Balances as at end of the year	**32,676.25**	52,222.42

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.During Current Financial Year, 19,54,61,728 shares of face value of 10 per share were issued as fully paid bonus shares by utilisation from Securities Premium Account.

INR (In Lakhs)

(ii) Other Reserves (ESOP)	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**485.14**	485.14
Utilised during the year	**(485.14)**	
Additional provision due to changes in fair value	**–**	–
Balances as at end of the year	**–**	485.14

Note:
Company has settled ESOP during the year (Refer note 24)

INR (In Lakhs)

(iii) Retained earnings	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**27,513.57**	27,573.96
Profit /(Loss) for the year	**3,435.23**	(49.22)
Other Comprehensive Profit / (loss) for the year	**(2.34)**	(11.18)
Balances as at end of the year	**30,946.45**	27,513.57

Note:
Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 15 - Non-Current Borrowings

INR (In lakhs)

Particulars	As at 31 March 2023 Amount	As at 31 March 2022 Amount
Measured at amortised cost		
A. Secured Borrowings:		
(a) Term Loan from bank		
For Goyalari Project (Repayable in 64 quarterly installments, last installment falling due on Sep 2034)	**20,407.10**	23,489.58
For Seci Raj Project 200 (Repayable in 69 quarterly installments, last installment falling due on Sep 2040)	**42,546.69**	15,046.91
Less : Current maturities of long term borrowings	**(4,449.07)**	(2,596.55)
(b) Buyers Credit	**20,005.34**	46,584.38
For Seci Raj Project 200		
Total Secured Borrowings	**78,510.06**	82,524.32
B. Unsecured Borrowings		
Loans from related parties		29,500.00
Total Unsecured Borrowings	**–**	29,500.00
Total Borrowings	**78,510.06**	1,12,024.32

Note:

a) As at March 31, 2023 the Company has availed Buyers' Credit of INR 20,005 Lakhs (2022: INR 46,585 Lakhs) at libor plus varying premium for SECI RAJ Project.

b) Term loan taken for Goyalari project is secured by creation of charge over the assets of 60 Mwp power plant situated in Goyalari (Rajasthan). Term loan taken for Seci Raj project is secured by 200 Mwp power plant situated in Bikaner (Rajasthan).

c) Term loans were applied for the purpose for which the loans were obtained.

d) There are no defaults in repayment of interest and principal.

Note No. 16 - Provisions

INR (In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
(a) Provision for employee benefits				
(1) Leave Encashment	**40.69**	**101.02**	25.72	236.50
(2) Gratuity	**18.08**	**196.44**	–	88.13
(b) Other Provisions				
(1) Warranty	**1,347.05**	**2,758.04**	4,016.98	3,843.38
Total Provisions	**1,405.82**	**3,055.50**	4,042.70	4,168.01

Details of movement in Other Provisions is as follows:

INR (In Lakhs)

Particulars	Warranty claims
Balance at 1 April 2021	6,920.83
Additional provisions recognised	4,549.09
Amounts used during the year	(3,271.37)
Unused amounts reversed during the year	(445.94)
Unwinding of discount and effect of changes in the discount rate	107.75
Balance at 31 March 2022	**7,860.36**
Balance at 1 April 2022	7,860.36
Additional provisions recognised	65.30
Amounts used during the year	(1,759.52)
Unused amounts reversed during the year	(2,284.17)
Discounting of Warranty liability for current year	(16.06)
Unwinding of discount and effect of changes in the discount rate	239.18
Balance at 31 March 2023	**4,105.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of product provided by company, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a warranty period up to 5 years. It is expected that most of these costs may be incurred in the next five financial years.

Note No. 17 - Current Borrowings

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured Borrowings		
(1) Working capital demand loan from a bank ..	**–**	9,372.42
(2) Short Term loan from a bank (Repayable in Sep'23)	**6,600.00**	2,000.00
(3) Current maturities of long term borrowings (Refer Note 15)	**4,449.07**	2,596.55
Unsecured Borrowings		
Loans from related parties (Refer note 31) ..	**57,500.00**	**28,000.00**
(Repayable at end of 12 Months from date of borrowings,last Payment falling due from Oct 2023 to Mar 2024)		
Total Current Borrowings	**68,549.07**	41,968.97

Note:

a) The Company has various working capital limits from banks. As at March 31, 2023 the Company has drawn NIl (2022 : INR 9,372.42 Lakhs) against various sanctioned funded limits. The interest rate for the said borrowings range from 7.75 % - 8.25% p.a. The said borrowings are secured against the working capital of the Company.

b) Bank returns / stock statements filed by the Company with its bankers are in agreement with books of account.

Note No. 18 - Trade Payables

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2023 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2023
(a) Micro and small enterprises (Undisputed)	**7.96**	**–**	**–**	**–**	**–**	**7.96**
(b) Other than Micro and small enterprises (Undisputed)	**5,401.59**	**990.41**	**492.60**	**241.38**	**695.87**	**7,821.85**
Total trade payables	**5,409.55**	**990.41**	**492.60**	**241.38**	**695.87**	**7,829.81**

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2022 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2022
(b) Other than Micro and small enterprises (Undisputed)	1,309.94	11,365.98	733.68	352.08	489.10	14,250.78
Total trade payables	1,309.94	11,365.98	733.68	352.08	489.10	14,250.78

Note

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises		
– Principal	**7.96**	–
– Interest on the above	**–**	–
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
– Principal paid beyond the appointed date	**–**	–
– Interest paid in terms of Section 16 of the MSMED Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid	**–**	–

Note No. 19 - Other Financial Liabilities

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Creditors for capital goods	**1,100.76**	2,197.87
(b) Interest accrued but not due on borrowings	**3,373.95**	2,294.96
Other Financial Liabilities Measured at Fair value		
(a) Derivative not designated as a hedge instrument	**–**	639.31
Total Other Financial Liabilities	**4,474.71**	5,132.14

Note No. 20 - Other Liabilities

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
a. Advances received from customers	**602.06**	912.84
b. Statutory dues	**167.94**	155.27
c. Employee benefits payable	**–**	116.79
Total Other Liabilities	**770.00**	1,184.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 21 - Revenue from Operations

The following is an analysis of the company's revenue for the year.

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Revenue from EPC Contracts	**9,319.39**	46,619.52
(b) Sale of power	**18,089.75**	10,054.59
(c) Other operating revenue:		
(i) Scrap Sales	**360.70**	387.61
(ii) Income from VCU & Service Exports from India Scheme's Script	**–**	2,040.66
(iii) Shared service income	**244.32**	392.21
Total Revenue from Operations	**28,014.16**	59,494.59

Note:

A. Disaggregated Revenue Information:

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 32

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**1,822.05**	3,548.56
Less: Bill during the year	**(27,743.55)**	(58,400.62)
Add: Revenue recognised during the year	**27,409.14**	56,674.11
At the end of the year	**1,487.64**	1,822.05
Contract Liability		
Advance from customer		
At the beginning of the year	**912.84**	4,212.11
Addition/(Applied) during the year	**(310.78)**	(3,299.27)
At the end of the year	**602.06**	912.84

C. Reconciliation of revenue as per Ind AS 115:

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted prices	**27,409.14**	56,674.11
Less: Deferment of revenue pertaining to free Operation & Maintenance	**–**	
Revenue from contract with customers	**27,409.14**	56,674.11

Note No. 22 – Other Income

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest Income		
(1) On Financial Assets at Amortised Cost	**9,160.93**	6,079.88
(2) On Financial Assets (Unwinding Interest)	**308.90**	96.91
(b) Dividend Income		
(1) Mutual Funds	**25.48**	9.68
(c) *Net gain/(loss) arising on financial assets designated as at FVTPL*	**7.00**	
(d) *Reversal of warranty provision*	**1,890.75**	–
(e) *Other income*	**237.99**	105.18
Total Other Income	**11,631.05**	6,291.65

Note No. 23(a) - Cost of materials consumed

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	**315.86**	1,123.42
Add: Purchases	**8,645.34**	38,934.49
	8,961.20	40,057.91
Less: Closing stock	**67.79**	315.86
Cost of materials consumed	**8,893.41**	39,742.05

Note 23(b) Changes in inventories of work-in-progress

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year:		
Work-in-progress	**–**	–
	–	–
Inventories at the beginning of the year:		
Work-in-progress	**–**	80.19
	–	80.19
Net (increase)/decrease	**–**	80.19

Note No. 24 - Employee Benefits Expense

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Salaries and wages, including bonus	**4,503.10**	5,006.91
(b) Contribution to provident and other funds	**253.65**	239.39
(c) Share based payment transactions expenses	**1,410.18**	
(d) Staff welfare expenses	**45.81**	(5.07)
Total Employee Benefit Expense	**6,212.74**	5,241.23

Note:

During the year ended 31 march 2023,Company has settled ESOP amouting to Rs 1895.33 lakhs.The ESOP reserve amoouting to Rs 485.15 lakhs was utilised for the same.

Movement in Share Options

Particulars	Equity-settled share-based payments Number of Shares	 Weighted average exercise price (in INR)
1. The number and weighted average exercise prices of share options outstanding at the beginning of the period;	**45.49**	3232563 @ 17 771669 @ 35.81 545047 @ 49.27
2. Granted during the year	**–**	Nil
3. Forfeited during the year	**17.00**	2397469 @ 17
4. Exercised during the year	**–**	Nil
5. Expired during the year	**–**	Nil
6. Settled during the Year		835094 @ 17 771669 @ 35.81 545057@ 49.27
7. Outstanding at the end of the year		Nil
8. Exercisable at the end of the year		Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 25 - Finance Cost (Net)

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest expense on borrowings	**10,405.34**	6,034.84
Less: Amounts included in the cost of qualifying assets		(532.72)
(b) Interest expense on lease liablities	**44.87**	0.99
(c) Bank charges	**129.28**	86.33
(d) Unwinding of discount on Financial asset	**1,014.74**	1,078.97
(e) Unwinding of discount on provisions	**239.18**	221.99
Total finance costs	**11,833.41**	6,890.40

Note No. 26 - Other Expenses

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Warranty expenses (net) [refer Note 16]	**65.30**	4,549.09
Legal and other professional services	**2,024.42**	972.60
Rent including lease rentals	**106.14**	125.99
Rates and taxes	**29.03**	15.19
Insurance	**102.81**	154.32
Repairs and maintenance - others	**184.72**	88.07
Advertisement	**14.47**	12.48
Travelling and Conveyance Expenses	**127.05**	65.77
Net loss / (gain) on foreign currency transactions net off derivative gain/loss (other than considered as finance costs)	**926.11**	2,217.52
Auditors remuneration and out-of-pocket expenses (excluding taxes)		
Statutory audit fees	**150.00**	17.50
Certification and other services	**15.94**	18.56
Out of pocket expenses	**1.06**	–
Other expenses		
Communication expenses	**15.45**	22.40
CSR expenses [refer note below]	**191.11**	184.29
Tax audit fees		
Printing and stationarys	**12.11**	3.27
Software expenses	**38.46**	59.67
Training	**46.48**	11.19
Research and development	**6.20**	73.43
Bad debts written off	**915.32**	–
Provision for doubtful debts	**(828.01)**	925.65
Rebate	**375.64**	52.24
GST reversal	**389.20**	–
Miscellaneous expenses	**406.89**	819.36
Total Other Expenses	**5,315.90**	10,388.60

Note: Details of CSR Expenditure

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by Company	**191.11**	184.29
(ii) Amount of expenditure incurred	**191.11**	184.29
(iii) Shortfall at the end of year	**–**	–
(iv) Nature of CSR Activities		
Promoting gender equality, empowering women,	**95.56**	–
Promoting health care including preventive health care and sanitation and disaster management, including relief, rehabilitation and reconstruction activities		68.21
Rural Development	**41.20**	24.93
Promotion of Education, Special education and Education of the girl child	**40.00**	26.56
Ensuring environmental sustainability, ecological balance, protection of flora and fauna	**4.95**	45.41
Healthcare including preventive health care	**4.88**	17.80
Sanitation & contribution to Swacch Bharat Kosh	**4.16**	1.03
Administrative Overheads and Indirect Cost	**0.36**	0.36
Environment conservation other than plantation		

Note No. 27 - Earnings per Share

INR (In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Basic Earnings per share	**0.88**	(0.01)
Diluted Earnings per share	**0.88**	(0.01)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

INR (In Lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) for the year attributable to owners of the Company (Rupees In Lakhs)	**3,435.23**	(49.22)
Weighted average number of equity shares (In Lakhs)	**1,954.62**	1,954.62
Add : Effect of bonus issue (Refer note 14A)	**1,954.62**	1,954.62
Total Weighted average number of equity shares (In Lakhs)	**3,909**	3,909
Basic Earnings per share from operations (Rupees)	**0.88**	(0.01)

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock options for year ended 31 March 2022.Company does not stock options during year ended 31 March 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INR (In Lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) for the year used in the calculation of basic earnings per share (Rupees in Lakhs)	**3,435.25**	(49.22)
Weighted average number of equity shares (In Lakhs)	**3,909.23**	2,000.11
Diluted Earnings per share from operations (Rupees)	**0.88**	(0.01)*

*Diluted EPS considered same as Basic EPS due to loss in current financial year.

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

INR (In Lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average number of equity shares used in the calculation of Basic EPS (In lakhs)	**1,954.62**	1,954.62
Add: ESOPs (In lakhs) (Refer note 24)	**–**	45.49
Add : Effect of bonus issue (Refer note 14A)	**1,954.62**	1,954.62
Weighted average number of equity shares used in the calculation of Diluted EPS (In lakhs)	**3,909.23**	3,954.73

Note No. 28 – Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a periodic basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

	As at 31 March 2023	As At 31 March 2022
Debt (A) (Rupees in Lakhs)	**1,47,059.13**	1,53,993.29
Equity (B) (Rupees in Lakhs)	**1,02,715.05**	99,767.31
Debt Ratio (A / B)	**1.43**	1.54

Note :

1) Debt includes long-term debt (including current & non current) and short term debt as described in note 15 & Note 17.

Categories of financial assets and financial liabilities

As at 31 March 2023
INR (In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**47,510.85**	**–**	**–**	**47,510.85**
Loans	**71,993.59**	**–**	**–**	**71,993.59**
Other Financial Assets				
– Non Derivative Financial Assets	**–**	**–**	**–**	**–**
– Security deposits	**159.51**	**–**	**–**	**159.51**
– Interest accrued on loan	**9,654.78**	**–**	**–**	**9,654.78**
– Fixed deposit with earmarked balance	**900.00**			**900.00**
Other Capital advance	**0.36**	**–**	**–**	**0.36**
Current Assets				
Investments		**1,007.00**	**–**	**1,007.00**
Trade Receivables	**3,682.53**	**–**	**–**	**3,682.53**
Cash and Cash Equivalents	**5,784.28**	**–**	**–**	**5,784.28**
Other Bank Balances	**8,556.77**	**–**	**–**	**8,556.77**
Loans	**1,551.00**	**–**	**–**	**1,551.00**
Other Financial Assets				
– Security deposits	**71.42**		**–**	**71.42**
– Interest accrued on loan	**224.33**			**224.33**
– Unbilled revenue	**1,487.64**	**–**	**–**	**1,487.64**
– Derivative not designated as a hedge instrument	**–**	**244.16**	**–**	**244.16**
Non-current Liabilities				
Secured Borrowings	**78,510.06**	**–**	**–**	**78,510.06**
Lease liabilities	**641.52**			**641.52**
Current Liabilities				
Borrowings	**68,549.07**	**–**	**–**	**68,549.07**
Trade Payables	**7,829.81**	**–**	**–**	**7,829.81**
Lease liabilities	**166.32**			**166.32**
Other Financial Liabilities				
– Interest accrued but not due	**3,373.95**	**–**	**–**	**3,373.95**
– Creditors for capital goods	**1,100.76**			**1,100.76**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

As at 31 March 2022
INR (In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	47,520.85	–	–	47,520.85
Loans	73,749.40	–	–	73,749.40
Other Financial Assets				
– Non Derivative Financial Assets	9,600.59	–	–	9,600.59
Current Assets				
Trade Receivables	22,404.57	–	–	22,404.57
Cash and Cash Equivalents	3,967.12	–	–	3,967.12
Other Bank Balances	3,007.63	–	–	3,007.63
Non Derivative Financial Assets	2,022.70	–	–	2,022.70
Non-current Liabilities				
Secured Borrowings	82,524.32	–	–	82,524.32
Unsecured Borrowings	29,500.00			29,500.00
Lease liabilities	38.75			38.75
Current Liabilities				
Borrowings	41,968.97	–	–	41,968.97
Trade Payables	14,250.78	–	–	14,250.78
Lease liabilities	11.87			11.87
Other Financial Liabilities				
– Interest accrued but not due	2,294.96	–	–	2,294.96
– Creditors for capital goods	2,197.87			2,197.87
– Derivative Financial Liabilities	–	639.31	–	639.31

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of Rs 97.64 lakhs (March 31, 2022 : 925.65 lakhs) in the statement of profit and loss.

The loss allowance provision is determined as follows:

As at 31 March 2023
INR (In Lakhs)

	Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Gross carrying amount	**12,070.08**	**254.72**	**1,334.47**	**13,659.27**
Loss allowance provision	**7.03**	**0.85**	**89.76**	**97.64**
Net	**12,063.05**	**253.87**	**1,244.71**	**13,561.63**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

As at 31 March 2022
INR (In Lakhs)

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	22,745.25	6,042.05	3,994.59	32,781.89
Loss allowance provision	–	7.27	918.38	925.65
Net	**22,745.25**	**6,034.77**	**3,076.21**	**31,856.24**

LIQUIDITY RISK

(i) Liquidity risk management

The management of the Company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non Derivative financial instruments				
As at 31 March 2023				
Trade Payables..............................	**7,829.81**	**–**	**–**	**–**
Creditors for capital goods	**1,100.76**	**–**	**–**	**–**
Interest accrued but not due.............	**3,373.95**			
Lease liabilities	**166.32**	**401.82**	**239.71**	
Lease liabilities - Interest	**57.96**	**70.93**	**12.83**	
Fixed interest rate instruments - Principal	**64,100.00**	**–**		**20,005.34**
Fixed interest rate instruments - Interest.	**7,259.02**			
Variable interest rate instruments - Principal	**4,449.07**	**8,765.92**	**9,396.34**	**44,791.53**
Variable interest rate instruments - Interest...	**7,059.75**	**12,733.51**	**10,883.03**	**25,411.47**
Financial guarantee	**3,074.39**	**19,850.87**	**696.82**	**–**
Total	**98,471.03**	**41,823.05**	**21,228.73**	**90,208.34**
As At 31 March 2022				
Trade Payables..............................	14,250.78	–	–	–
Creditors for capital goods	2,197.87	–	–	–
Interest accrued but not due.............	2,294.96			
Lease liabilities	11.87	27.32	11.43	
Lease liabilities - Interest	4.15	4.87	0.49	
Fixed interest rate instruments - Principal	39,372.42	29,500.00		46,584.38
Fixed interest rate instruments - Interest.	520.58	3,464.23		
Variable interest rate instruments - Principal	2,596.55	6,764.85	7,023.83	22,151.26
Fixed interest rate instruments...........				
Variable interest rate instruments - Interest...	6,585.05	12,218.27	10,440.05	28,519.44
Financial guarantee	1,359.62	40,577.62	5,583.51	–
Total	69,193.85	92,557.16	23,059.31	97,255.08

The following table details the Company's / Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2023				
Net settled:				
– interest rate swaps	**–**	**–**	**–**	**–**
– foreign exchange forward contracts.......	**244.16**	**–**	**–**	**–**
Total	**244.16**	**–**	**–**	**–**
As At 31 March 2022				
Net settled:				
– interest rate swaps	–	–	–	–
– foreign exchange forward contracts.......	639.31	–	–	–
Total	639.31	–	–	–

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

INR (In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured Bank Overdraft facility		
– Expiring within one year.........................	**62,000.00**	74,000.00
– Expiring beyond one year	**–**	–
	62,000.00	74,000.00

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2023				
Investments	**1,007.00**		**–**	**47,510.85**
Trade Receivables	**3,673.32**			
Cash and Cash Equivalents	**5,782.91**			
Other bank balances	**8,556.77**			
Non Derivative Financial Assets				
Fixed interest rate instruments - Principal	**1,551.00**	**1,216.00**	**65.00**	**70,712.59**
Fixed interest rate instruments - Interest	**224.33**	**2,483.83**	**1,625.34**	**5,545.60**
Total	**20,805.91**	**3,699.83**	**1,690.34**	**1,23,769.04**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31 March 2022				
Investments		–	–	47,520.85
Trade Receivables	22,404.57			
Cash and Cash Equivalents	3,967.12			
Other bank balances	3,007.63			
Non Derivative Financial Assets	2,022.70	9,275.24	99.22	226.13
Fixed interest rate instruments - Principal		3,232.50	1,651.00	68,865.90
Fixed interest rate instruments - Interest	759.69	1,205.44	685.69	1,43,970.94
Total	32,161.71	13,713.18	2,435.92	2,60,583.82

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

INR (In Lakhs)

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade Receivables.........................	USD	**–**	242.72
Trade Payables............................	EUR	**–**	4.89
Trade Payables............................	USD	**–**	11.08
Secured Bank Loans	USD	**20,005.34**	46,584.38
Interest on Secured bank Loans	USD	**644.58**	168.19

The Forward exchange contracts entered into by the Company and outstanding are as under:

INR (In Lakhs)

Particulars	No of Contracts	Type	US$ equivalent Million	INR equivalent	MTM gain/ (loss)
As at 31 March 2023	**28**	**Buy**	**25.13**	**20,649.92**	**244.16**
As At 31 March 2022	55	Buy	61.59	46,752.58	(639.31)

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

INR (In Lakhs)

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade Receivables.........................	USD	**–**	242.72
Trade Payables............................	EUR	**–**	4.89
Trade Payables (Refer Note 1)	USD	**–**	11.08
Secured Bank Loans	USD	**–**	

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

	Currency	Change in rate	Effect on profit before tax
31 March 2023	USD	+10%	–
	USD	-10%	–
	Eur	+10%	–
	Eur	-10%	–
31 March 2022	USD	+10%	23.16
	USD	-10%	(23.16)
	Eur	+10%	(0.49)
	Eur	-10%	0.49

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/decrease in basis points	Effect on profit before tax
31 March 2023	**INR**	**+50**	**(314.77)**
	INR	**-50**	**314.77**
31 March 2022	INR	+50	(192.68)
	INR	-50	192.68

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 29 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

INR (In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2023	As at 31 March 2022		
Financial assets				
Investments				
1) Mutual fund investments	**1,007.00**	–	Level 1	Market Value
1) Foreign currency forward contracts	**244.16**	–	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Total financial assets	**1,251.66**	0.50		
Financial liabilities				
Other Financial Liabilities				
1) Foreign currency forward contracts	**–**	639.31	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Total financial liabilities	**–**	639.31		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

INR (In Lakhs)

Financial assets/ financial liabilities carried at amortised cost	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2023	As at 31 March 2022		
Financial assets				
– loans to related parties	**37,435.74**	36,572.37	Level 3	Discounted cashflow method
– Non Derivative Financial Assets	**11,185.07**	10,421.28	Level 3	Discounted cashflow method
Financial liabilities				
– bank loans	**1,15,258.03**	95,613.14	Level 3	Discounted cashflow method
– Loans to related Party	**57,500.00**	57,424.65	Level 3	Discounted cashflow method

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (In Lakhs)

Particulars	**As at 31 March 2023**		As At 31 March 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	**230.93**	**230.93**	349.57	349.57
– loans to related parties	**73,544.59**	**37,435.74**	73,749.40	36,572.37*
– trade and other receivables	**3,682.53**	**3,682.53**	22,404.57	22,404.57
– Cash and Cash Equivalents	**5,784.28**	**5,784.28**	3,967.12	3,967.12
– Other Bank Balances	**8,556.77**	**8,556.77**	3,007.63	3,007.63
– Non Derivative Financial Assets	**12,510.92**	**11,185.07**	11,273.72	10,421.28
– Others				–
Total	**1,04,310.01**	**66,875.32**	1,14,752.01	76,722.54
Financial liabilities				
Financial liabilities held at amortised cost				
– bank loans	**89,559.14**	**1,15,258.03**	96,493.29	95,613.14
– Loans from related Party	**57,500.00**	**57,500.00**	57,500.00	57,424.65
– Lease Liablities	**807.83**	**807.83**	50.62	50.62
– trade and other payables	**12,304.53**	**12,304.53**	18,743.62	18,743.62
Total	**1,60,171.50**	**1,85,870.39**	1,72,787.53	1,71,832.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Fair value hierarchy as at 31 March 2023 INR (In Lakhs)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	–	–	**230.93**	**230.93**
– loans to related parties	–	–	**37,435.74***	**37,435.74**
– trade and other receivables	–	–	**3,682.53**	**3,682.53**
– Cash and Cash Equivalents			**5,784.28**	**5,784.28**
– Other Bank Balances			**8,556.77**	**8,556.77**
– Non Derivative Financial Assets			**11,185.07**	**11,185.07**
Total	–	–	**66,875.32**	**66,875.32**
Financial liabilities				
Financial liabilities held at amortised cost				
– bank loans	–		**1,15,258**	**1,15,258.03**
– Loans to related Party	–		**57,500.00**	**57,500.00**
– Lease Liabilities			**807.83**	**807.83**
– trade and other payables	–	–	**12,304.53**	**12,304.53**
Total	–	–	**1,85,870.39**	**1,85,870.39**

	Fair value hierarchy as at 31 March 2022 INR (In Lakhs)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	–	–	349.57	349.57
– loans to related parties	–	–	36,572.37	36,572.37
– trade and other receivables	–	–	22,404.57	22,404.57
– Cash and Cash Equivalents			3,967.12	3,967.12
– Other Bank Balances			3,007.63	3,007.63
– Non Derivative Financial Assets			10,421.28	10,421.28
Total	–	–	76,722.54	76,722.54
Financial liabilities				
Financial liabilities held at amortised cost				
– bank loans	–		95,613	95,613.14
– Loans to related Party	–		57,424.65	57,424.65
– Lease Liabilities			50.62	50.62
– trade and other payables	–	–	18,743.62	18,743.62
Total	–	–	1,71,832.03	1,71,832.03

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub-ordinated debt along with Interest at end of tenure.

Note No. 30 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 122.02 Lakhs (2022: INR 163.66 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expenses. (Refer note no 24)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	As at 31 March 2023	As at 31 March 2022
Discount rate(s)	**7.30%**	7.25%
Expected rate(s) of salary increase	**8.00%**	8.00%
Attrition rate	**21.50%**	8.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2023

INR (In Lakhs)

Particulars	**Funded Plan**	Funded Plan
	Gratuity	
	2023	2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**55.74**	75.45
Past service cost and (gains)/losses from settlements	**–**	–
Net interest expense	**5.66**	3.59
Components of defined benefit costs recognised in profit or loss	**61.40**	79.04
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**17.47**	4.55
Actuarial (gains) and loss arising form changes in financial assumptions	**(0.49)**	(11.14)
Actuarial (gains) and loss arising form experience adjustments	**(9.08)**	3.35
Actuarial (gains) and loss arising from changes in demographics	**(4.31)**	20.43
Components of defined benefit costs recognised in other comprehensive income	**3.59**	17.19
Total	**64.99**	96.23

INR (In Lakhs)

Particulars	**Funded Plan**	Funded Plan
	Gratuity	
	2023	2022
I. Net Asset/(Liability) recognised in the Balance Sheet as at end of the year		
1. Present value of defined benefit obligation as at end of the year	**269.00**	350.90
2. Fair value of plan assets as at end of the year	**54.48**	262.77
3. Net defined benefit liability / (asset) recognized in balance sheet	**214.52**	88.13
4. Current portion of the above	**18.08**	–
5. Non current portion of the above	**196.44**	88.13
II. Change in the obligation during the year ended end of the year		
1. Present value of defined benefit obligation at the beginning of the year	**350.90**	414.57
2. Add/(Less) on account of Scheme of Arrangement/Business		
Transfer		
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**55.74**	75.45
– Past Service Cost	**–**	–
– Interest Expense (Income)	**24.62**	24.54
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(4.31)**	20.43
ii. Financial Assumptions	**(0.49)**	(11.14)
iii. Experience Adjustments	**(9.08)**	3.35
5. Benefit payments	**(148.38)**	(106.59)
6. Liabilities assumed/(settled)		(69.71)
7. Present value of defined benefit obligation at the end of the year	**269.00**	350.90
III. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**262.77**	352.96
2. Employer Contributions	**–**	–
3. Interest on plan assets	**18.96**	20.95
Remeasurement due to:		
– Actual return on plan assets	**(17.47)**	(4.55)
4. Benefits paid	**(148.38)**	(106.59)
6. Asset acquired/ (*settled)	**(61.39)**	–
5. Fair value of plan assets at the end of the year	**54.49**	262.77
IV. The Major categories of plan assets		
– List the plan assets by category here		
Insured Funds	**LIC investments**	LIC investments
V. Actuarial assumptions		
1. Discount rate	**7.30%**	7.25%
2. Attrition rate	**21.50%**	8.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

INR (In Lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
	2023	**1.00%**	**3.78%**	**3.30%**
Discount rate	2022	1.00%	8.71%	11.24%
	2023	**1.00%**	**-3.52%**	**-3.18%**
Salary growth rate	2022	1.00%	-9.53%	-8.37%

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2023	2022
Within 1 year	**72.56**	22.49
1 – 2 year	**59.70**	24.62
2 – 3 year	**46.21**	25.65
3 – 4 year	**36.23**	26.19
4 – 5 year	**27.37**	27.10
5 – 10 years	**81.04**	138.07
10 years & above	**42.62**	639.00

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 3.64 years (2022: 10.32 years)

INR (In Lakhs)

VIII. Experience Adjustments :	Period Ended **2023**	2022	2021	2020	2019
	Gratuity				
1. Defined Benefit Obligation					
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**–**	–	–	–	–
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**9.08**	(3.35)	89.08	39.85	12.03
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 31 - Related Party Transactions

List of related parties where there is trasactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022) Ontrario Teacher's Pension Plan Board (w.e.f. 22 December 2022)
Joint Venturer	Mahindra Holdings Limited (Intermediate holding Co till 21 December 2022) 2452991 ONTARIO LIMITED (w.e.f. 22 December 2022)
Subsidiaries	1. Mahindra Renewables Pvt Ltd 2. Astra Solren Pvt Ltd 3. Neo Solren Pvt Ltd 4. Mega Surya Urja Pvt Ltd 5. Mahindra Teqo Pvt Ltd (upto 14th December '2022) 6. MSPL International DMCC 7. Martial Solren Pvt Ltd 8. Brightsolar Renewable Energy Private Limited (w.e.f. 19th July 2021) 9. Mahindra Solarize Private Limited (from 6th April'21 to 11th March 2022) 10. MSPE Urja SRL (liquidated on 18th January, 2022) 11. Mahindra Susten Bangladesh Private Limited (liquidated on 15th March, 2022)
Joint venture	Marvel Solren Pvt Ltd Brightsolar Renewable Energy Private Limited (till 18th July '2021)
Key Managerial Persons (KMP)	**Managing Director:** 1. Deepak Thakur (w.e.f. 15th August, 2022) (Additional exeecutive director from 22nd April' 22 to 15th August 2022) 2. Basant Jain (Upto 15th August , 2022) **Non Executive Director:** 1. Parag Shah (Upto 22 April 2022) 2. Ramesh Iyer (Chairman w.e.f 22 March 2023) 3. Amit Raje (upto 22 April 2022) 4. Manoj Bhat (w.e.f. 28 July, 2021) 5. Amit Kumar Sinha (w.e.f. 28 July, 2021) 6. Ami Goda (ceased (w.e.f. 22 December 2022) 7. Zhooben Bhiwandiwala (upto 22nd March, 2022) 8. Chandrasekar Kandasamy (upto 28 July, 2021) 9. Ranjan Pant (upto 24 September, 2021) 10. Sriram Ramachandran (upto 28 July, 2021) 11. Nora Bhatia (upto 28 July, 2021) 12. Debapratim Hajara (w.e.f. 22 December 2022) 13. Bruce Ross Crane (w.e.f. 22 December 2022) **Independent Director** 1. Anup Shah (from November 1, 2022 to February 2023) 2. Anjali Gupta (w.e.f. February 25, 2023) 3. Diwakar Gupta
Venture Group Co (Fellow subsidiaries till 22 December 2022)	1. Mahindra Intratrade Pvt Limited 2. Mahindra Powerol Limited 3. Bristlecone India Pvt Ltd 4. Mahindra Steel Services Centre Ltd 5. Mahindra Engineering & Chemical Products Ltd 6. Mahindra Integrated Business Solutions Pvt Ltd 7. Mahindra Logistics Limited 8. NBS International Ltd 9. Mahindra Holidays & Resorts India Ltd 10. Mahindra & Mahindra Financial Services Ltd 11. Mahindra Defence System Limited 12. Sunrise Initiative Trust 13. Mahindra Solarize Private Limited (w.e.f. 12th March'22) 14. Mahindra Teqo Pvt Ltd (Subsidiary till 14th December '2022) 15. Tech Mahindra (Other Related Parties till 22 December 2022) 16. Mahindra world city Jaipur (Other Related Parties till 22 December 2022) 17. Mahindra Marine Private Limited 18. Emergent Solern Private Limited 19. Mahindra And Mahindra Synergy divison 20. Mahindra Telecom Energy Management Service Pvt Ltd

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Details of transaction between the Company and its related parties are disclosed below:

INR (In Lakhs)

Particulars	For the year ended	Ultimate Holding and Parent Company	Ultimate Joint Venturer	Intermediate Joint Venturer	Subsidiaries	Venture Group Co	Joint venture	KMP of the Company	Fellow Subsidiaries	Other related parties	Total
Nature of transactions with Related Parties											
Sale of goods	**31-Mar-23**	**79.37**	**29.85**	**–**	**6,884.32**	**91.41**		**–**	**25.98**	**–**	**7,110.93**
	31-Mar-22	99.67	–		37,558.62	–	48.60	–			37,706.89
Receiving of services	**31-Mar-23**	**196.15**	**84.84**	**–**	**666.51**	**598.16**	**–**	**–**	**80.94**	**–**	**1,626.60**
	31-Mar-22	4.53			792.02				1,773.05		2,569.60
Lease expenses	**31-Mar-23**		**–**			**–**	**–**	**–**	**–**		**–**
	31-Mar-22					–	–	–	–		–
Interest expense	**31-Mar-23**	**1,807.90**	**633.96**	**–**	**–**	**–**	**–**	**–**	**–**	**187.52**	**2,629.38**
	31-Mar-22	2,023.61							0.99		2,024.60
Loans given	**31-Mar-23**	**–**	**–**	**–**	**3,498.70**	**–**	**–**	**–**	**–**	**–**	**3,498.70**
	31-Mar-22	–	–		35,393.67	–	–	–			35,393.67
Loans given refunded	**31-Mar-23**	**–**	**–**	**–**	**3,603.51**	**100.00**	**–**	**–**	**–**	**–**	**3,703.51**
	31-Mar-22	–	–		3,926.39			–	–		3,926.39
Loans Taken	**31-Mar-23**	**–**	**28,000.00**	**–**	**–**	**–**	**–**	**–**	**–**	**5,000.00**	**33,000.00**
	31-Mar-22	57,500.00							49.63		57,549.63
Loans Repaid	**31-Mar-23**	**28,000.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,000.00**	**33,000.00**
	31-Mar-22	–	–	–	–	–	–	–	–	–	–
Interest income	**31-Mar-23**	**–**	**–**	**–**	**8,610.63**	**13.56**	**–**	**–**	**–**	**–**	**8,624.19**
	31-Mar-22	–	–		5,995.70	–		–	1.48		5,997.18
Consideration on sale of Investment	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,682.96**	**–**	**2,682.96**
	31-Mar-22	–	–	–	–	–	–	–	–	–	–
Equity contribution by the Company	**31-Mar-23**				**–**						**–**
	31-Mar-22	–	–		10,796.73	–		–	–		10,796.73
Commission to non executive director	**31-Mar-23**	**–**			**–**		**–**	**22.62**	**–**		**22.62**
	31-Mar-22	–	–		–	–	–	9.72	–		9.72
Sitting fees to non executive director	**31-Mar-23**	**–**			**–**		**–**	**10.60**	**–**		**10.60**
	31-Mar-22	–	–		–	–	–	8.50	–		8.50
Remuneration to KMP	**31-Mar-23**	**–**	**–**		**–**	**–**	**–**	**582.92**	**–**		**582.92**
	31-Mar-22	–	–		–	–	–	351.74	–		351.74
Post Employement Benefit (PF) to KMP	**31-Mar-23**							**38.53**			**38.53**
	31-Mar-22							5.25			5.25
ESOP's to KMP	**31-Mar-23**							**359.41**			**359.41**
	31-Mar-22							88.29			88.29
Advance to KMP	**31-Mar-23**							**–**			**–**
	31-Mar-22							128.00			128.00
Expenses reimbursement to KMP	**31-Mar-23**										**–**
	31-Mar-22							0.39			0.39
Other transactions	**31-Mar-23**	**200.36**	**69.36**	**–**	**20.14**	**–**	**–**	**–**	**–**	**–**	**289.86**
	31-Mar-22								2.52		2.52

INR (In Lakhs)

Nature of Balances with Related Parties	Balance as on	Ultimate Holding and Parent Company	Ultimate Joint Venturer	Intermediate Joint Venturer	Subsidiaries	Venture Group Co	Joint venture	KMP of the Company	Fellow Subsidiaries	Other related parties	Total
Trade Receivable	**31-Mar-23**	**0.00**	**18.03**	**–**	**0.53**	**1,788.37**	**10.67**	**–**	**–**	**–**	**1,817.60**
	31-Mar-22	15.97	–		13,370.05	–	48.60	–	1.09	2.08	13,437.79
Trade payables	**31-Mar-23**	**–**	**537.15**	**–**	**–**	**1,158.95**	**–**	**–**	**–**	**–**	**1,696.10**
	31-Mar-22	164.58	–		157.65	–	–		259.18		581.41
Loans & advances given	**31-Mar-23**	**–**	**–**	**–**	**73,044.59**	**500.00**	**–**	**–**	**–**	**–**	**73,544.59**
	31-Mar-22	–	–		73,749.40	–	–	128.00			73,877.40
Loans Taken	**31-Mar-23**	**–**	**57,500.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57,500.00**
	31-Mar-22	57,500.00	–			–	–		50.62		57,550.62
Guarantee given	**31-Mar-23**	**–**	**–**		**680.00**	**859.81**					**1,539.81**
	31-Mar-22	–	–		6,807.00	–	–	–		–	6,807.00
Interest Receivable	**31-Mar-23**	**–**	**–**		**10,976.13**	**25.25**	**–**	**–**			**11,001.38**
	31-Mar-22	–	–		10,032.72	–	–	–			10,032.72
Interest Payable	**31-Mar-23**	**–**	**2,387.24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,387.24**
	31-Mar-22	1,821.25							0.99		1,822.24

Notes :
1) All outstanding balances are unsecured.
2) Investment Made to Subsidiaries are disclosed under note 6.
3) Loans given are disclosed under note 7.
4) Loans taken are disclosed under note 15 and note 17.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 32 - Segment Information:

The Company is primarily engaged in the business of Sale of Power and turnkey solution for Engineering, Procurement & Construction projects (EPC) along with sale of solar water pumps. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Sale of Power and EPC. Accordingly, the Company has determined its reportable segments under Ind AS 108 Operating Segments as follows:

– Sale of Power

– EPC & Others

A Segment revenue and profits

Analysis of Company's revenue & result by reportable segment for FY 2022-23

INR (In Lakhs)

	Segment		
	Sale of Power	EPC & Others	Total
Revenue			
External Sales	18,089.75	9,680.09	27,769.84
Inter Segment sales	–	–	–
Total Revenue	**18,089.75**	**9,680.09**	**27,769.84**
Result			
Segment Profit	10,169.91	(2,085.11)	8,084.80
Net Unallocable (Expense)/Income			(2,599.78)
Central administration cost			(5,314.70)
Other Income			14,548.34
Interest Cost			(11,833.42)
Profit/(Loss) before tax			5,485.02
Income tax			(2,049.78)
Profit/(Loss) before tax			**3,435.24**

Analysis of Company's revenue & result by reportable segment for FY 2021-22

INR (In Lakhs)

	Sale of Power	Segment EPC & Others	Total
Revenue			
External Sales	11,700.74	47,401.64	59,102.38
Inter Segment sales	–	–	–
Total Revenue	**11,700.74**	**47,401.64**	**59,102.38**
Result			
Segment Profit	7,532.78	(1,769.02)	5,763.76
Net Unallocable (Expense)/Income			(5,162.39)
Profit/(Loss) before tax			601.37
Income tax			(650.59)
Profit/(Loss) before tax			**(49.22)**

B

INR (In Lakhs)

Segment Assets	As at 31 March 2023	As at 31 March 2022
Sale of Power	**1,09,080.76**	1,13,583.63
EPC & Others	**18,167.05**	24,138.67
Total	**1,27,247.81**	1,37,722.30
Unallocable Assets	**1,45,952.06**	1,48,217.78
Total Assets	**2,73,199.87**	2,85,940.08

C

INR (In Lakhs)

Segment Liability	As at 31 March 2023	As at 31 March 2022
Sale of Power	**1,232.94**	2,197.87
EPC & Others	**12,572.72**	23,296.04
Total	**13,805.66**	25,493.91
Unallowable Liability	**1,56,679.14**	1,60,678.88
Total Liability	**1,70,484.80**	1,86,172.79

D Other Segmental Information's

INR (In Lakhs)

Segment	Depreciation & Amortisation		Capital Expenditure(exclude Advances)	
	2022-23	2021-22	2022-23	2021-22
Sale of Power	**4,302.86**	2,632.13	**878.35**	82,342.32
EPC & Others	**274.83**	210.28		

E Revenue from major products & services:

INR (In Lakhs)

	2022-23	2021-22
EPC Contracts	**9,319.39**	46,619.52
Rendering of services		
Sale of Power	**18,089.75**	10,054.59
Construction contract revenue		
Others	**–**	**2,428.27**
Total	**27,410.14**	59,102.38

F Geographical Information

INR (In Lakhs)

Segment	Revenue from external customer		Non Current Assets	
	2022-23	2021-22	2022-23	2021-22
India	**27,410.14**	59,019.53	**1,07,369.56**	1,11,062.94
Outside India	**–**	82.85		4.58
Total	**27,410.14**	59,102.38	**1,07,369.56**	1,11,067.52

G Information about major customers

Revenue from Three customer of the company is INR 24,180 Lakhs (one customer of the company is INR 32,876 Lakhs for 31 March 2022) which accounts for more than 10% of the company's total revenue for the year ended 31 March 2023

H Segment profit represents the profit before finance cost and tax earned by each segment without allocation of central administration costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of allocation and assessment of segment performance.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 33 Key ratios

Financial ratios **INR (In Lakhs)**

	Numerator	Denominator	Numerator	Denominator	**2022-23**	2021-22	% Variance	Reason for Variance on Change in ratio in excess of 25% compared to preceding year
Current Ratio	Current Asset	Current Liabilities	29,971	83,196	**0.36**	0.56	(36%)	The Intercompany Loan has been reclassified as a current liability in the current financial year, whereas it was previously recorded as part of the borrowing in the previous financial year.
Debt Equity Ratio	Total Debt	Shareholder's Equity	1,47,059	1,02,715	**1.43**	1.54	(7%)	
Debt Service Coverage ratio	Profit before Finance cost, tax and Depreciation; amortisation	Interest expenses relating to Debt plus Principal repayment	21,996	16,209	**1.36**	0.35	289%	Increase profit as higher SOP revenue and reversal of warranty after completion of DLP period
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	3,435	1,01,241	**0.03**	(0.00)	(6,980%)	Increase profit as higher SOP revenue and reversal of warranty after completion of DLP period
Inventory turnover ratio	Cost of goods sold	Average inventory	8,893	192	**46.36**	52.42	(12%)	
Trade receivables turnover ratio	Net Sales	Average Trade Receivable	28,014	13,044	**2.15**	1.79	20%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payable	8,645	11,040	**0.78**	1.85	(58%)	Reduction in COGS as no new project started during current year
Net Capital turnover ratio	Net Sales	Average Working Capital=avg (Current assets - Current Liabilities)	28,014	(41,185)	**(0.68)**	(2.54)	(73%)	Higher short term borrowings during the year which resulted in increase current liabilities.
Net Profit ratio	Net Profit	Net Sales	3,435	28,014	**0.12**	(0.00)	(14,937%)	Increase profit as higher SOP revenue and reversal of warranty after completion of DLP period
Return on capital employed	Earning before Finance cost and Taxes	Capital Employed = Net worth + Total Debt + Lease liability	17,318	2,50,582	**0.07**	0.03	134%	Increase profit as higher SOP revenue and reversal of warranty after completion of DLP period

Note No. 34 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

INR (In Lakhs)

	As at 31 March 2023	As at 31 March 2022
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt......................	**3,550.32**	12,001.44
(b) Performance Bank Guarantees	**23,622.07**	47,520.75

INR (In Lakhs)

	As at 31 March 2023	As at 31 March 2022
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**3.50**	45.42

Note No. 35 - Event during the year

- Company subsidiary "Mahindra Teqo Pvt Ltd" ceased to be a subsidiary company of Mahindra Susten Private Limited (“Susten”) w.e.f. 6th December, 2022, pursuant to the transfer of shares from Susten to Mahindra Telecom Energy Solutions Private Limited (“Telecom”).
- MSPL INTERNATIONAL DMCC (“DMCC”), which is a wholly owned subsidiary of MSPL is under process of liquidation effective 18th January' 2023.

Note No. 36

- During the Year, board has approved for formation of an Infrastructure Investment Trust ("InvIT") with MSPL and Ontario Teachers' as Sponsors, which will own identified operational assets housed in Special Purpose Vehicles.

Note No. 37

The Company had procured land parcel in the Tumkur district in Karnataka admeasuring 66.8 acres in concurrence with ITC Limited, the purposes of acquisition of land was for development of 10 Mega Watts Open Access solar Power project in Karnataka. Since the contract for Engineering, Procurement and Services with ITC Limited has been cancelled, the Company proposes to explore the option of sale of the said land parcel.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 38

The Board of Directors of the Company, at their meeting held on January 18th, 2023 and subsequently on February 24th 2023, has inter alia, approved, the Scheme of Arrangement between Mahindra Susten Private Limited ("Demerged Company") and Emergent Solren Private Limited ("Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme inter alia provides for

(i) the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company on a going concern basis and the consequent issue of equity shares by the Resulting Company; and

(ii) reduction and cancellation of the entire pre-scheme paid-up share capital of the Resulting Company.

The Scheme is inter alia subject to receipt of necessary approvals, sanctions and consents from the National Company Law Tribunal, shareholders and creditors of the companies involved in the Scheme, and such other authorities as may be required under the applicable laws and regulations.

Note No. 39 - Disclosure required under Section 186(4) of the Companies Act, 2013

1) Guarantees given on behalf of subsidiaries		INR (In Lakhs)
	2022-23	2021-22
Mahindra Renewables Pvt. Ltd	**680.00**	2,160.00
Mahindra Teqo Private Limited (Refer note 35)	**–**	172.00
Mega Surya Urja Pvt. Ltd	**–**	4,475.00
	1,180.00	6,807.00

2) Investment Made and Securities provided in connection with loan given to Subsidiaries are disclosed under note 6.

3) Loans given are disclosed under note 7.

Note No. 40 - Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- The Company do not have any transactions with companies struck off.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has made investments in, provided guarantee and granted unsecured loans to Subsidiaries during the year and details of which are given below:

INR (In Lakhs)

Particulars	**Investment**	**Loans**	Guarantee
Aggregate amount granted / provided during the year:	0.00	**3,498.70**	0
Balance outstanding as at balance sheet date in respect of above cases:	0.00	**3,349.39**	0

Note No. 41

Unless otherwise stated, previous period's figures have been re-grouped / re-classified, to the extent necessary, to conform to current period's classifications All the numbers have been rounded off to nearest Lakhs.

Note No. 42

The financial statements for the year ended 31st March 2023 were approved by the Board of Directors and authorised for issue on May 4, 2023.

For and on behalf of the Board of Directors

Ramesh Iyer	**Deepak Thakur**
Chairman & Non-Exective Director	*Managing Director & Chief Executive Officer*
DIN: 00220759	DIN: 06939592
Avinash Bapat	**Mandar Joshi**
Chief Financial Officer	*Company Secretary*
	ACS- 21351

Place : Mumbai
Date : 4th May, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA RENEWABLES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Renewables Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 31(c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 31(d) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 23121513BGXZXL2067)

Place: Mumbai
Date: 2nd May, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Renewables Private Limited of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Renewables Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 23121513BGXZXL2067)

Place: Mumbai
Date: 2nd May, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Renewables Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) As the Company do not hold any intangible assets reporting under clause 3(i) (a)(B) of the Order is not applicable.

(b) The property, plant and equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not have inventory, therefore the provisions of clause 3 (ii) of the order are not applicable to the Company.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of tax deducted at source dues.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of statute	Nature of dues	Forum pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)	Amount unpaid (Rs. in Lakhs)
Income Tax, Act 1961	Income tax	Commissioner of Income Tax (Appeals)	F.Y. 2014-15	20.17	20.17
Income Tax, Act 1961	Income tax	Commissioner of Income Tax (Appeals)	F.Y. 2015-16	386.85	310.82
Building & Other Construction Workers Welfare Cess Act	BOCW Cess	MP High Court	F.Y. 2020-21	1,209.04	1,161.65

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of the subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(f) The company has not raised any loans during the year on the pledge of securities held in subsidiaries.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or its subsidiaries or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the group. There were four CIC forming part of the group as at March 31, 2023.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has, at an aggregate level, net losses during the immediately preceding three financial years and hence it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clauses (xx) (a) and (b) of the Order are not applicable to the Company for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 23121513BGXZXL2067)

Place: Mumbai
Date: 2nd May , 2023

BALANCE SHEET AS AT 31ST MARCH 2023
CIN: U40300MH2010PTC205946

Rupees (In Lakhs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	4	**2,16,265.72**	2,24,353.94
(b) Right of use	5	**5,831.52**	6,098.61
(c) Financial assets			
(i) Investments	6	**15,440.31**	15,440.31
(ii) Other financial assets	10	**13,157.84**	12,304.21
(d) Income tax assets (net)	10A	**326.66**	241.06
(e) Other non-current assets	11	**50.29**	712.94
SUB-TOTAL		**2,51,072.34**	**2,59,151.07**
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	8	**1,147.30**	**1,043.47**
(ii) Cash and cash equivalents	9	**8,778.52**	**6,378.29**
(iii) Other bank balances	9	**6,591.63**	**2,456.12**
(iv) Other financial assets	10	**5,056.40**	**3,810.92**
(b) Other current assets	11	**137.13**	**106.58**
SUB-TOTAL		**21,710.98**	13,795.38
TOTAL ASSETS		**2,72,783.32**	**2,72,946.45**
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	12	**32,163.00**	32,163.00
(b) Other equity	12	**11,202.05**	7,507.26
SUB-TOTAL		**43,365.05**	39,670.26
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**1,90,690.06**	2,00,196.23
(ii) Lease liability	13A	**5,959.85**	6,152.46
(iii) Other financial liabilities	16	**–**	3,534.39
(b) Deferred tax liabilities (net)	7	**1,532.64**	284.48
(c) Other Non-current Liabilities	17	**15,770.02**	11,433.23
SUB-TOTAL		**2,13,952.57**	2,21,600.79
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	**6,214.88**	4,587.08
(ii) Lease liability	13A	**192.61**	179.04
(iii) Trade payables	15		
- Dues of micro enterprises and small enterprises		**–**	–
- Dues of creditors other than micro enterprises and small enterprises		**833.30**	633.49
(iv) Other financial liabilities	16	**7,344.07**	5,619.02
(b) Other current liabilities	17	**880.84**	656.77
SUB-TOTAL		**15,465.70**	11,675.40
TOTAL EQUITY AND LIABILITIES		**2,72,783.32**	**2,72,946.45**

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 2nd May 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director & Chief Executive Officer
DIN: 06939592

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place: Mumbai
Date: 2nd May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Rupees (In Lakhs)

	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I	Revenue from operations	18	**33,328.50**	29,421.27
II	Other Income	19	**1,944.19**	806.47
III	**Total Income (I + II)**		**35,272.69**	**30,227.74**
IV	**Expenses**			
	(a) Finance costs	20	**16,154.37**	14,807.39
	(b) Depreciation and amortisation expense	21	**9,199.06**	8,309.76
	(c) Other expenses	21 A	**4,983.15**	3,202.60
	Total Expenses		**30,336.58**	**26,319.75**
V	**Profit before tax**		**4,936.11**	3,907.99
VI	**Tax Expense**	7		
	(a) Current tax charge relating to earlier years		**(6.84)**	–
	(b) Deferred tax		**1,248.16**	983.64
	Total tax expense		**1,241.32**	**983.64**
VII	**Profit after tax (V-VI)**		**3,694.79**	2,924.35
VIII	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	(b) (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**3,694.79**	**2,924.35**
X	**Earnings per equity share:**			
	(a) Basic	22	**1.15**	0.91
	(b) Diluted	22	**1.15**	0.91

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 2nd May 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director & Chief Executive Officer
DIN: 06939592

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place: Mumbai
Date: 2nd May 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	**4,936.11**	3,907.99
Adjustments for:		
Finance costs	**16,154.37**	14,807.39
Interest Income	**(1,944.19)**	(806.47)
Net loss on foreign currency transactions	**854.14**	186.38
Liabilities no longer required written back	**(22.92)**	–
Depreciation and amortisation expense	**9,199.06**	8,309.76
Operating profit before working capital changes	**24,240.46**	22,497.06
Changes of (increase)/decrease in working capital:		
Trade and other receivables	**(103.83)**	331.92
Other financial assets	**(119.81)**	(14,608.79)
Other assets	**(30.55)**	1,005.18
Trade payable & other liabilities	**4,490.22**	12,271.17
Cash generated from operations	**4,236.03**	(1,000.52)
Income taxes refund	**(71.92)**	(102.19)
Net cash generated from operating activities	**33,340.69**	25,302.34
Cash flows from investing activities		
Loan repaid by subsidiaries	**–**	1,450.00
Loan given to subsidiaries	**–**	(450.00)
Investment in equity instruments of a subsidiary	**–**	(1,073.35)
Changes in earmarked balances and margin account with banks	**(6,071.37)**	–
Interest received	**1,893.90**	787.11
Payments for property, plant and equipment	**(141.83)**	(33,958.61)
Net cash used in investing activities	**(4,319.30)**	(33,244.85)
Cash flows from financing activities		
Proceeds from long term borrowings	**–**	23,725.81
Repayment of long term borrowings	**(7,324.66)**	(6,422.46)
Proceeds from subordinate debt	**–**	65.00
Repayment of subordinate debt	**(1,498.20)**	(1,000.00)
Proceeds from inter corporate deposit	**39.31**	700.00
Repayment of inter corporate deposit	**(39.31)**	(700.00)
Lease liability paid	**(637.20)**	(637.20)
Interest paid	**(17,161.10)**	(12,604.20)
Net cash generated from/(used in) financing activities	**(26,621.16)**	3,126.95
Net increase/ (decrease) in cash and cash equivalents	**2,400.23**	(4,815.56)
Cash and cash equivalents at the beginning of the year	**6,378.29**	11,193.85
Cash and cash equivalents at the end of the year	**8,778.52**	**6,378.29**

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 2nd May 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director & Chief Executive Officer
DIN: 06939592

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place: Mumbai
Date: 2nd May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity Share Capital

(i) As at 31 March 2023

Rupees (In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
32,163.00	–	32,163.00

(i) As at 31 March 2022

Rupees (In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
32,163.00	–	32,163.00

B. Other Equity

(i) As at 31 March 2023

Rupees (In Lakhs)

Particulars	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current year	4,385.07	3,122.19	7,507.26
Total Comprehensive Income for the current year	–	3,694.79	3,694.79
Balance at the end of the current year	**4,385.07**	**6,816.98**	**11,202.05**

(i) As at 31 March 2022

Rupees (In Lakhs)

	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current year	4,385.07	197.84	4,582.91
Total Comprehensive Income for the current year	–	2,924.35	2,924.35
Balance at the end of the current year	**4,385.07**	**3,122.19**	**7,507.26**

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 2nd May 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director & Chief Executive Officer
DIN: 06939592

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place: Mumbai
Date: 2nd May 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. **Corporate information**

Mahindra Renewables Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 2 May ,2023.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company is exempt from preparing a consolidated financial statement (CFS)

a) being a wholly owned intermediate subsidiary;

b) not listed on any stock exchange and;

c) as its ultimate holding company files CFS with the Registrar of Companies which are in compliance with applicable accounting standards.

2. **Recent Accounting Pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1| Presentation of Financial Statements – The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 | Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments.

3. **Significant Accounting Policies and Accounting Judgments and Estimates**

a) Basis of Preparation and presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended, Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilise tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(iii) Impairment losses on investment:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(iv) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(v) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

The accounting policies for the specific revenue streams of the Company is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii. Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

iv. Safeguard duty income:

As per term of power purchase agreement (PPA), the Company has right to claim safeguard duty under change in law clause. Such revenue is recognised over the tenure of the PPA once such claim is agreed by the customers and there is no uncertainty regarding ultimate collection of safeguard duty income.

d) Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on Current and Non- Current Classification. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – freehold	25 Years

The Company recognises right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency. All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

j) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

k) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

m) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable, ECL is presented as as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

n) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

q) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Note No. 4 - Property, Plant and Equipment

Rupees (In Lakhs)

Description of Assets	Land- Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2022	6,313.18	2,39,300.27	2,45,613.45
Additions during the year	843.74	–	843.74
Balance as at 31st March, 2023	**7,156.92**	**2,39,300.27**	**2,46,457.19**
II. Accumulated depreciation			
Balance as at 1st April, 2022	–	21,259.51	21,259.51
Depreciation expense for the year	–	8,931.96	8,931.96
Balance as at 31st March, 2023	**–**	**30,191.47**	**30,191.47**
III. Net carrying amount (I-II)	**7,156.92**	**2,09,108.80**	**2,16,265.72**

Rupees (In Lakhs)

Description of Assets	Land- Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2021	4,661.68	1,30,117.18	1,34,778.86
Additions during the year	1,651.50	**1,09,183.09**	1,10,834.59
Balance as at 31st March, 2022	**6,313.18**	**2,39,300.27**	**2,45,613.45**
II. Accumulated depreciation			
Balance as at 1st April, 2021	–	13,216.84	13,216.84
Depreciation expense for the year	–	8,042.67	8,042.67
Balance as at 31st March, 2022	**–**	**21,259.51**	**21,259.51**
III. Net carrying amount (I-II)	**6,313.18**	**2,18,040.76**	**2,24,353.94**

Note No. 5 - Right of Use (ROU) - Land

Rupees (In Lakhs)

Description of Assets	ROU - Land
I. Gross Carrying Amount	
Balance as at 1st April, 2022	6,677.31
Additions during the year	–
Balance as at 31st March, 2023	6,677.31
II. Accumulated amortisation	
Balance as at 1st April, 2022	578.70
Depreciation expense for the year	267.09
Balance as at 31st March, 2023	**845.79**
III. Net carrying amount (I-II)	**5,831.52**

Rupees (In Lakhs)

Description of Assets	ROU - Land
I. Gross Carrying Amount	
Balance as at 1st April, 2021	6,677.31
Additions during the year	–
Balance as at 31st March, 2022	**6,677.31**
II. Accumulated amortisation	
Balance as at 1st April, 2021	311.61
Depreciation expense for the year	267.09
Balance as at 31st March, 2022	**578.70**
III. Net carrying amount (I-II)	**6,098.61**

Notes:

(1) Freehold land and plant and equipment have been pledged against the borrowings (Refer note no. 13 Non Current Borrowings).

(2) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

(3) During the year ended 31 March 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment is as follows:

Financial Year	Rupees (In Lakhs) (Decrease)/Increase in Depreciation expenses
2021-22	(2,084.88)
2022-23	(2,084.88)
2023-24	(2,084.88)
2024-25	(2,084.88)
2025-26	(2,084.88)
Later Years	16,923.64

Note No. 6 - Investments

Rupees (In Lakhs)

Particular	As at 31st March, 2023		As at 31st March, 2022	
	Numbers of shares	Amounts	Numbers of shares	Amounts
A. Investment in equity instrument measured at cost less impairments, if any Unquoted Investments (fully paid up)				
Wholly owned subsidiaries	2,77,28,600	15,440.31	2,77,28,600	15,440.31
Total		**15,440.31**		**15,440.31**
List of entities				
Wholly Owned subsidiaries				
1. Astra Solren Private Limited (face value of Rs 10 per share)	88,89,600	6,910.77	88,89,600	6,910.77
2. Neo Solren Private Limited (face value of Rs 10 per share)	93,15,000	6,421.45	93,15,000	6,421.45
3. Brightsolar Renewable Energy Private Limited (face value of Rs 10 per share)	95,24,000	2,108.08	95,24,000	2,108.08
		15,440.31		**15,440.31**

Note:

The Company has pledged 30% of its Equity shares held in Astra Solren Private Limited, Neo Solren Private Limited & Bright Renewable Energy Private Limited as collateral for the respective project lenders as per Loan financing arrangements.

Note No. 7 - Current Tax and Deferred Tax

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Tax:		
In respect of prior years	**(6.84)**	–
Deferred Tax:		
In respect of current year	**1,242.88**	983.64
In respect of prior years	**5.28**	–
Total income tax expense	**1,241.32**	983.64

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax	**4,936.11**	3,907.99
Income tax expense calculated at 25.17%	**1,242.42**	983.64
Effect of recognition of deffered tax assets of previous years	**(1.10)**	–
Income tax expense recognised In profit and loss statement	**1,241.32**	983.64

(c) Movement in deferred tax balances

Rupees (In Lakhs)

As at 31st March, 2023

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**31,520.85**	**7,107.05**	**38,627.90**
Safeguard Duty Income & GST refund	**228.06**	**(1,286.71)**	**(1,058.65)**
	31,748.91	**5,820.34**	**37,569.25**
Tax effect of items constituting deferred tax assets			
Unwinding of lease liability	**58.62**	**22.16**	**80.78**
Expenses allowed on payment basis	**–**	**18.58**	**18.58**
Carryforward Tax Losses	**31,405.81**	**4,531.44**	**35,937.25**
	31,464.43	**4,572.18**	**36,036.61**
Net Deferred Tax Liabilities	**284.48**	**1,248.16**	**1,532.64**

Rupees (In Lakhs)

As at 31st March, 2022

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	18,034.20	13,486.65	31,520.85
Safeguard Duty Income	–	228.06	228.06
	18,034.20	13,714.71	31,748.91
Tax effect of items constituting deferred tax assets			
Unwinding of lease liability	33.28	25.34	58.62
Carryforward Tax Losses	18,700.08	12,705.73	31,405.81
	18,733.36	12,731.07	31,464.43
Net Deferred Tax (Asset)/ Liabilities	**(699.16)**	**983.64**	**284.48**

Note No. 8 - Trade Receivables

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables		
Undisputed Trade receivables - considered good	1,147.30	1,043.47
Total Trade Receivables	1,147.30	1,043.47

Note:

All Trade receivable are charged against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

Rupees (In Lakhs)

As at 31st March, 2023

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	1,147.30	–	–	–	–	–	1,147.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rupees (In Lakhs)

As at 31st March, 2022

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
Undisputed Trade receivables — considered good	1,042.00	1.47	–	–	–	–	1,043.47

Note No. 9 - Cash and Cash Equivalents

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
Balances with banks	**740.36**	1,136.61
Fixed deposit with original maturity less than or equal to 3 months	**8,038.16**	5,241.68
Total Cash and cash equivalents	**8,778.52**	6,378.29
Other Bank Balances		
Earmarked Balance with Bank	**6,591.63**	2,456.12
Fixed Deposit with Maturity greater than 3 months	**–**	–
Total Other Bank balances	**6,591.63**	2,456.12

All Cash and cash equivalents are secured against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

Note No. 10 - Other Financial Assets

Rupees (In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current
Financial assets at amortised cost				
a) Interest Accured on Fixed deposit	**74.91**	**–**	31.47	–
b) Unbilled Revenue	**2,742.24**	**–**	2,977.87	–
c) Safeguard duty (SGD) receivable (Refer Note no 32)	**1,323.36**	**11,221.98**	801.58	12,304.21
d) GST receivable	**758.75**	**–**	–	–
e) Fixed deposit with balance maturity more than 12 months	**–**	**1,935.86**	–	–
Financial assets at fair value				
(a) Derivative not designated as a hedge instrument	**157.14**	**–**	**–**	**–**
Total Other Financial Assets	**5,056.40**	**13,157.84**	3,810.92	12,304.21

Note:

All other financial assets are charged against the borrowings. (Refer footnotes to note no. 13 Non Current Borrowings).

Note No. 10A - Income Tax (net)

Rupees (In Lakhs)

Particulars	Amount
Advance Tax & TDS Receivable	326.65
Total	**326.65**

Note No. 11 - Other Assets

Rupees (In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current
(a) Capital advances	**–**	**50.00**	–	712.65
(b) Balances with government authorities (other than income taxes)	**–**	**0.29**	–	0.29
(c) Prepaid expenses	**137.13**	**–**	106.58	–
Total Other Assets	**137.13**	**50.29**	106.58	712.94

Note:

All other assets are secured against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

Note No. 12 - Equity Share Capital

Rupees (In Lakhs)

Particulars	As at 31st March, 2023 No. of shares	As at 31st March, 2023 Share Capital	As at 31st March 2022 No. of shares	As at 31st March 2022 Share Capital
Authorised:				
Equity shares of Rs.10 each with voting rights	**90,00,00,000**	**90,000.00**	90,00,00,000	90,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**32,16,30,000**	**32,163.00**	32,16,30,000	32,163.00
Total Equity Share Capital	**32,16,30,000**	**32,163.00**	32,16,30,000	32,163.00

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Particulars		Opening Balance	Changes during the year	Closing Balance
Equity Shares with Voting rights As at 31 March 2023				
	No. of Shares	32,16,30,000	–	32,16,30,000
	Amount in Rupees	32,163	–	32,163
As at 31 March 2022				
	No. of Shares	32,16,30,000	–	32,16,30,000
	Amount in Rupees	32,163	–	32,163

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Susten Private Limited	**32,16,30,000**
As at 31 March 2022	
Mahindra Susten Private Limited	32,16,30,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at 31st March, 2023** Number of shares held	% holding in that class of shares	As at 31st March, 2022 Number of shares held	% holding in that class of shares
<u>**Equity shares with voting rights**</u>				
Mahindra Susten Private Limited*	**32,16,30,000**	**100%**	32,16,30,000	100%

Promoters:

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year 31st March, 2023
Mahindra Susten Private Limited*	**32,16,30,000**	100%	–

Shares held by promoters as at 31st March, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31st March, 2022
Mahindra Susten Private Limited*	32,16,30,000	100%	–

* Note:- This includes 5000 equity share held as nominee by an individual on behalf of the holding company.

(Mahindra Renewables Private Limited jointly with Miss Brijbala Batwal - 5000 equity share)

Note No. 12 - Other Equity

(i) Securities Premium

Rupees (In Lakhs)

	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**4,385.07**	4,385.07
Movement during the year	**–**	–
Balances as at end of the year	**4,385.07**	**4,385.07**

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained Earnings

Rupees (In Lakhs)

	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**3,122.19**	197.84
Movement during the year	**3,694.79**	2,924.35
Balances as at end of the year	**6,816.98**	**3,122.19**

Note:

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 13 - Non Current Borrowings

Rupees (In Lakhs)

Particulars	Interest Rate	Repayment Terms	As at 31st March, 2023	As at 31st March, 2022
Secured Borrowings				
Term loan from banks	7.45% - 9.30%	Refer note no. 3 & 7	**1,32,929.66**	1,17,817.33
Buyer's credit arrangement in foreign currency from banks	3.02% - 5.16%	Refer note no. 7	**27,981.78**	49,474.28
Less: Current maturities of long term debt			**(6,214.88)**	(4,587.08)
Total Secured Borrowings			**1,54,696.56**	**1,62,704.53**
Unsecured Borrowings				
Subordinated debt from holding company	11.50%	Refer note no. 9	**35,993.50**	37,491.70
Total Unsecured Borrowings			**35,993.50**	**37,491.70**
Total Non-Current Borrowings			**1,90,690.06**	**2,00,196.23**

Notes:

1. Mahindra Renewables Private Limited ("Company/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Unit 1 of Rewa Ultra Mega Solar Park ("RUMS") located at Badwar Village, Tehsil – Gurh, Dist-Rewa, State-Madhya Pradesh, India (**the** "**REWA- Project**"). The entire electricity generated from REWA Project will be supplied to MP Power Management Company Limited ("MPPMCL") and Delhi Metro Rail Corporation Limited (DMRC) in accordance with the Power Purchase Agreement (PPAs) executed amongst Company, DMRC, Rewa Ultra Mega Solar Limited (RUMSL) and MPPMCL.

2. To part finance the REWA-Project, the Company has availed INR denominated ECB aggregating upto INR 20,000 Lakhs from International Finance Corporation ("IFC") and Rupee Term Loan aggregating upto INR 72,775.00 Lakhs from Yes Bank Limited. Subsequently Yes Bank Limited has down sold their exposure of Rs. 30,000.00 Lakhs to Aditya Birla Finance Limited and Rs. 42,775.00 Lakhs to HDFC Bank Limited and subsequently HDFC Bank has down sold their part exposure of Rs.20,000.00 Lakhs to Bank of Maharashtra.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3. The door to door loan tenor is 20 years and applicable ROI for domestic loan is 1-year MCLR + Spread and applicable ROI for IFC loan is three-year rupee fixed base rate + Spread. The IFC loan will repaid in 73 structured quarterly installment starting from 15 October 2019 and Domestic lenders loan will be repaid in 73 structured quarterly installment starting from 31 December 2019.

4. The REWA Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:

   i. first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future.

   ii. a first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents.

   iii. first ranking pari passu pledge over 51% equity shares in the Company to secure the obligation pertaining to the both the facilities (i.e. Rewa-MP and SECI-ISTS-1-RJ Project), collectively.

   iv. first ranking pari passu pledge over all CCD's forming part of the Sponsor Subordinated Debt till the Final Settlement Date

   v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds

5. Mahindra Renewables Private Limited ("Company/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Village Bhivji ka gaon, Tehsil Baap, District Jodhpur, Rajasthan, India (**the "SECI-ISTS-1- Project"**). The entire electricity generated from SECI-ISTS-1- Project will be supplied to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst Company and SECI.

6. To part finance of the project of SECI-ISTS-1- Project, the Company has availed sanctioned of Term Loan aggregating upto INR 40,000.00 lakhs from Indusind Bank Limited, INR 25,000.00 lakhs from HDFC Bank Limited and INR 25,000.00 lakhs from Axis Bank Limited.

7. The HDFC and Indusind Bank, door to door loan tenor is 19.25 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and repayment over 75 quarterly instalments (last repayment on 31 March 2040) and Axis Bank door to door loan tenor is 15 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and 52 structured quarterly Installments starting from quarter ending September 2021 with a bullet payment of 38.40% in last quarter i.e. June 2034.

8. The SECI-ISTS-1- Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:

   i. a first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future;.

   ii. first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents

   iii. first ranking pari passu pledge over 51% equity shares in the Company to secure the obligation pertaining to the both the facilities (i.e. Rewa-MP and SECI-ISTS-1-RJ Project), collectively.

   iv. first ranking pari passu pledge over all CCD's forming part of the Sponsor Subordinated Debt till the Final Settlement Date.

   v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds.

9. The Company has availed an Subordinated debt from Mahindra Susten private limited (the holding Company) aggregating amounting upto INR 37,491.70 lakhs as on March 2022 ; wherein INR 14,426.00 lakhs as part of promoter contribution for Rewa project, INR 23,065.70 Cr as part of promoter contribution for SECI-ISTS-1. During the year the company has repaid subordinate debt of INR 1,498.20 lakhs relating to Rewa project post which the outstanding amount is INR 12,927.80 lakhs.

Note No. 13A- Lease Liability

Rupees (In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current
Lease Liability	**192.61**	**5,959.85**	179.04	6,152.46
Total Lease Liability	**192.61**	**5,959.85**	179.04	6,152.46

Note No. 14 - Short term borrowings

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current maturities of long-term debt (Refer Note no 13)	**6,214.88**	4,587.08
Total Short term borrowings	**6,214.88**	4,587.08

Note No. 15 - Trade Payables

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Micro and small enterprises		–
(b) Other than micro and small enterprises - undisputed	**833.30**	633.49
Total Trade Payables	**833.30**	633.49

Note:

There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

As at 31st March, 2023

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from date of transaction					
Other than micro and small enterprises - undisputed	**707.50**	**125.80**	**–**	**–**	**–**	**833.30**

As at 31st March, 2022

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from date of transaction					
Other than micro and small enterprises - undisputed	560.45	47.60	–	5.72	19.72	633.49

Note No. 16 - Other Financial Liabilities

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Interest accrued but not due on borrowings	**7,271.19**	**–**	5,292.05	3,534.39
(b) Creditors for capital supplies	**72.88**	**–**	33.60	–
Other Financial Liabilities Measured at Fair Value				
Derivative not designated as a hedge instrument	**–**	**–**	293.37	–
Total Other Financial Liabilities	**7,344.07**	**–**	5,619.02	3,534.39

Note No. 17 - Other Liabilities

Rupees (In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current
(a) Safeguard duty (SGD) liability (Refer Note no 32)	**523.84**	**10,909.05**	523.84	11,433.23
(b) Statutory dues	**123.71**	**–**	132.93	–
(C) Goods & service tax (GST) liability (Refer Note no 32)	**233.29**	**4,860.97**	–	–
Total Other Liabilities	**880.84**	**15,770.02**	656.77	11,433.23

Note No. 18 - Revenue from operations

The following is an analysis of the company's revenue for the year.

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Revenue from sale of solar energy	**31,073.36**	25,625.01
(b) **Others Operating income:**		
(i) Verified Carbon Unit - VCU	**780.90**	2,157.26
(ii) Deviation settlement mechanism charges for sale of power	**189.85**	505.82
(iii) Safeguard duty income (Refer Note no 32)	**523.59**	1,133.18
(iv) GST refund income (Refer Note no 32)	**737.88**	–
(v) Liabilities no longer required written back	**22.92**	–
Total Revenue from Operations	**33,328.50**	29,421.27

Note:

A. Disaggregated revenue information:

The Company's revenue is from only sale of solar energy

B. Reconciliation of contract assets & contract liabilities:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Contract assets		
Unbilled receivable		
At the beginning of the year	**2,977.87**	1,474.87
Less: Bill during the year	**(31,308.99)**	(24,122.01)
Add: Revenue recognised during the year	**31,073.36**	25,625.01
At the end of the year	**2,742.24**	2,977.87
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue as per contracted prices	**31,073.36**	25,625.01
Less: Adjustment of pertaining to revenue from sale	**–**	–
Revenue from contract with customers	**31,073.36**	25,625.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 19 - Other Income

Rupees (In Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	Interest income on financial assets at amortised cost	**682.17**	269.47
(b)	Interest on income tax refund	**6.85**	–
(c)	Interest income on safeguard duty receivable (Refer Note no 32)	**1,255.17**	537.00
Total other Income		**1,944.19**	806.47

Note No. 20 - Finance Costs

Rupees (In Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	Interest expense at amortised cost	**15,497.20**	16,823.99
	Less: Amounts included in the cost of qualifying assets	**–**	(2,710.01)
(b)	Interest unwinding on lease liability	**458.16**	470.78
(c)	Bank charges	**199.01**	222.63
Total finance Costs		**16,154.37**	14,807.39

Note:- Foreign exchange loss during the current year is Rs. 1,594.10 lakhs.Out of the total foreign exchange loss, Rs. 90.35 lakhs has been treated as borrowing costs in accordance with paragraph 6(e) of Ind As 23 - Borrowing Costs.

Note No. 21 - Depreciation and Amortisation

Rupees (In Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	Depreciation on property, plant and equipment	**8,931.97**	8,042.67
(b)	Amortisation of Right-in-use assets	**267.09**	267.09
Total depreciation and amortisation		**9,199.06**	8,309.76

Note No. 21 A - Other Expenses

Rupees (In Lakhs)

Particulars			Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	ROC charges, registration charges and stamp duty expenses		**0.65**	5.73
(b)	Repairs and maintenance - machinery		**1,376.45**	1,101.41
(c)	Comprehensive charges (Refer note (a) below)		**643.18**	771.05
(d)	Discounts and rebates		**330.03**	154.45
(e)	Insurance expenses		**520.58**	382.60
(f)	Auditors remuneration and out-of-pocket expenses (including indirect taxes)			
	(i)	As Auditors- statutory audit fees	**11.81**	8.85
	(ii)	For other services	**1.87**	0.48
	(iii)	Out of pocket expense	**0.30**	0.13
(g)	Other expenses			
	(i)	Legal and other professional costs	**302.80**	297.69
	(ii)	State load dispatch centre charges	**22.45**	45.75
	(iii)	Net loss on foreign currency transactions	**1,503.75**	186.38
	(iv)	Statutory Charges	**250.00**	182.66
	(v)	Miscellaneous expenses	**19.27**	65.41
Total other expenses			**4,983.15**	3,202.60

Notes:

(a) Comprehensive charges includes charges for acitivies and services perofmed at Rewa Site by Rewa Ultra Mega Solar Limited including the construction of internal evacuation infrastructure, Admininstration charges and local area development charges at proejct site at Rewa, of Madhya Pradesh state.

(b) Corporate Social Responsibility:

Based on the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with Schedule VII to the Act and the Companies (Corporate SocialResponsibility) Rules, 2014, as amended, the Company has no expenditure obligation towards Corporate Social Responsibility.

Note No. 22 - Earnings per Share

Rupees

Particulars	As at 31st March, 2023 Per Share	As at 31st March, 2022 Per Share
Basic earnings per share	**1.15**	0.91
Total basic earnings per share	**1.15**	0.91
Diluted earnings per share	**1.15**	0.91
Total diluted earnings per share	**1.15**	0.91

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profits used in the calculation of basic and diluted earnings per share (Rupees (In Lakhs) (i)	**3,694.79**	2,924.35
Weighted average number of equity shares (ii)	**32,16,30,000**	32,16,30,000
Earnings per share - Basic & diluted (i/ii)	**1.15**	0.91

Note No. 23 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio:

	31 March 2023	31 March 2022
Debt (A) (Rupees (In Lakhs))	**1,96,904.94**	**2,04,783.31**
Equity (B) (Rupees (In Lakhs))	**43,365.05**	**39,670.26**
Debt Equity Ratio (A / B)	**4.54**	**5.16**

Note:

Debt includes long-term debt (including non current & current) and Sub-Ordinated Debt as described in Note no 13 & Note no 14.

Categories of financial assets and financial liabilities

As at 31st March, 2023 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets					
Investments	15,440.31	–	–	–	15,440.31
Other Financial Assets					
- Non Derivative Financial Assets	–	13,157.84	–	–	13,157.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

As at 31st March, 2023 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	**1,147.30**	–	–	**1,147.30**
Cash and Bank Balances		**15,370.15**	–	–	**15,370.15**
Other Financial Assets					
– Derivative Financial Assets	–	–	**157.14**	–	**157.14**
– Non Derivative Financial Assets	–	**4,899.26**	–	–	**4,899.26**
Non-current Liabilities					
Borrowings from Banks and Financial institutions	–	**1,54,696.56**	–	–	**1,54,696.56**
Borrowings from related party	–	**35,993.50**	–	–	**35,993.50**
Lease Liabilities	–	**5,959.85**	–	–	**5,959.85**
Current Liabilities					
'Current maturities of long-term debt	–	**6,214.88**	–	–	**6,214.88**
Lease Liabilities	–	**192.61**	–	–	**192.61**
Trade Payables	–	**833.30**	–	–	**833.30**
Other Financial Liabilities					
- Non Derivative Financial Liabilities	–	**7,344.07**	–	–	**7,344.07**

As at 31st March, 2022 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets					
Investments	15,440.31	–	–	–	15,440.31
Other Financial Assets					
- Non Derivative Financial Assets	–	12,304.21	–	–	12,304.21
Current Assets					
Trade Receivables	–	1,043.47	–	–	1,043.47
Cash and Bank Balances		8,834.41	–	–	8,834.41
Other Financial Assets					
- Non Derivative Financial Assets	–	3,810.92	–	–	3,810.92
Non-current Liabilities					
Borrowings from Banks and Financial institutions	–	1,62,704.53	–	–	1,62,704.53
Borrowings from a related party	–	37,491.70	–	–	37,491.70
Lease Liabilities	–	6,152.46	–	–	6,152.46
Other Financial Liabilities					
- Non Derivative Financial Liabilities	–	3,534.39	–	–	3,534.39
Current Liabilities					
Current maturities of long-term debt	–	4,587.08	–	–	4,587.08
Lease Liabilities	–	179.04	–	–	179.04
Trade Payables	–	633.49	–	–	633.49
Other Financial Liabilities					
- Derivative Financial Liabilities	–		293.37		293.37
- Non Derivative Financial Liabilities	–	5,325.65	–	–	5,325.65

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rupees (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial liabilities				
Lease Liabilities	**192.61**	**430.13**	**497.83**	**5,031.89**
Trade Payable	**833.30**	–	–	–
Interest accrued but not due	**7,271.19**	–	–	–
Creditors for capital supplies	**72.88**	–	–	–
Variable interest rate instruments	**6,214.88**	**14,343.64**	**16,696.03**	**95,675.11**
Fixed interest rate instruments	–	**27,981.78**	–	**35,993.50**
Total	**14,584.86**	**42,755.55**	**17,193.86**	**1,36,700.50**
31 March 2022				
Non-derivative financial liabilities				
Lease Liabilities	179.04	399.82	462.74	5,289.89
Trade Payable	633.49	–	–	–
Interest accrued but not due	5,292.05	3,534.39	–	–
Creditors for capital supplies	33.60	–	–	–
Variable interest rate instruments	4,587.08	10,616.89	12,632.13	89,981.22
Fixed interest rate instruments	–	49,474.28	–	37,491.70
Derivative financial liabilities				
Foreign exchange forward contracts	293.37	–	–	–
Total	11,018.63	64,025.38	13,094.87	1,32,762.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31 March 2023				
Investments	**–**	**–**	**–**	**15,440.31**
Safeguard duty receivable	**1,323.36**	**2,453.31**	**2,129.94**	**6,638.73**
GST receivable	**758.75**	**–**	**–**	**–**
Trade receivable	**1,147.30**	**–**	**–**	**–**
Unbilled revenue	**2,742.24**	**–**	**–**	**–**
Interest accrued on fixed deposits	**74.91**	**–**	**–**	**–**
Variable interest rate instruments	**740.36**	**–**	**–**	**–**
Fixed interest rate instruments	**14,629.79**	**1,936**	**–**	**–**
Derivative financial assets				
Foreign exchange forward contracts	**157.14**	**–**	**–**	**–**
	21,573.85	**4,389.16**	**2,129.94**	**22,079.04**
31 March 2022				
Investments	–	–	–	15,440.31
Safe guard duty receivable	801.59	1,289.91	1,558.67	9,455.63
Trade receivable	1,043.47	–	–	–
Unbilled revenue	2,977.87	–	–	–
Interest accrued on fixed deposits	31.47	–	–	–
Variable interest rate instruments	1,136.61	–	–	–
Fixed interest rate instruments	7,697.80	–	–	–
	13,688.81	1,289.91	1,558.67	24,895.94

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rupees (In Lakhs)

Particulars	Currency	31-Mar-23	31-Mar-22
Trade Payables	USD	–	9.63
Secured Bank Loans (incl interest)	USD	28,626.33	49,628.61

The Forward exchange contracts entered into by the Company and outstanding are as under:

Particulars	No of Contracts	Type	US$ in lakhs	INR in lakhs	MTM gain/ (loss)
Trade Payables	19	Buy	340.49	28,626.33	157.14
Secured Bank Loans	39	Buy	651.75	49,628.61	(293.37)

Rupees (In Lakhs)

Particulars	Currency	31-Mar-23	31-Mar-22
Trade Payables	USD	–	9.63
Secured Bank Loans	USD	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Rupees (In Lakhs)

	Currency	Change in rate	Effect on profit before tax
31 March 2023	**USD**	**+10%**	–
	USD	**-10%**	–
31 March 2022	USD	+10%	(2.00)
	USD	-10%	2.00

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rupees (In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2023	**INR**	**+100**	**(1,344.40)**
	INR	**(-) 100**	**1,344.40**
31 March 2022	INR	+100	(1,193.93)
	INR	(-) 100	1,193.93

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 24 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rupees (In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-23	31-Mar-22		
Financial liabilities				
Other Financial Liabilities			Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
– Foreign currency forward contracts	**–**	293.37		
Total financial liabilities	**–**	293.37		
Financial assets				
Other Financial assets			Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
– Foreign currency forward contracts	**157.14**	–		
Total financial assets	**157.14**	–		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Rupees (In Lakhs)

	As at 31-Mar-23		31-Mar-22	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– trade receivables	**1,147.30**	**1,147.30**	1,043.47	1,043.47
– cash and bank balances	**15,370.15**	**15,370.15**	8,834.41	8,834.41
– Other financial asses	**18,057.10**	**18,057.10**	16,115.13	16,115.13
Total	**34,574.55**	**34,574.55**	25,993.01	25,993.01
Financial liabilities				
Financial liabilities held at amortised cost				
– borrowing from bank and financial institutions	**1,60,911.44**	**1,66,462.89**	1,67,291.61	1,65,212.58
– loans from a related party	**35,993.50**	*** 20,662.09**	37,491.70	* 19,999.19
– lease liabilities	**6,152.46**	**6,152.46**	6,331.50	6,331.50
– trade payables	**833.30**	**833.30**	633.49	633.49
– interest payable	**7,271.19**	**6,324.53**	8,826.43	8,350.46
– others	**72.88**	**72.88**	33.60	33.60
Total	**2,11,234.77**	**2,00,508.15**	2,20,608.33	2,00,560.82

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rupees (In Lakhs)

Particulars	Fair value hierarchy as at 31st March, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– trade receivables	**–**	**–**	**1,147.30**	**1,147.30**
– cash and bank balances	**–**	**–**	**15,370.15**	**15,370.15**
– Others	**–**	**–**	**18,057.10**	**18,057.10**
Total	**–**	**–**	**34,574.55**	**34,574.55**
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	**–**	**–**	**1,66,462.89**	**1,66,462.89**
– loans from related parties	**–**	**–**	*** 20,662.09**	*** 20,662.09**
– lease liabilities	**–**	**–**	**6,152.46**	**6,152.46**
– trade payables	**–**	**–**	**833.30**	**833.30**
– interest payables	**–**	**–**	**6,324.53**	**6,324.53**
– others	**–**	**–**	**72.88**	**72.88**
Total	**–**	**–**	**2,00,508.15**	**2,00,508.15**

Rupees (In Lakhs)

Particulars	Fair value hierarchy as at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at amortised cost				
– loans to related parties				
– trade receivables	–	–	1,043.47	1,043.47
– cash and bank balances			8,834.41	8,834.41
– Others	–	–	16,115.13	16,115.13
Total	–	–	25,993.01	25,993.01
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	–	–	1,65,212.58	1,65,212.58
– loans from a related party	–	–	* 19,999.19	* 19,999.19
– lease liabilities	–	–	6,331.50	6,331.50
– trade payables	–	–	633.49	633.49
– interest payables	–	–	8,350.46	8,350.46
– others	–	–	33.60	33.60
Total	–	–	2,00,560.82	2,00,560.82

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure.

Note No. 25- Leases

A) The Company has entered into operating lease agreement. The contracts for land used in its operations is for 25 years. Details of amount recognised in profit and loss:

Rupees (In Lakhs)

Amounts recognised in profit and loss	Year Ended 31st March, 2023	Year Ended 31st March, 2022
- Depreciation expense on right-of-use assets	**267.09**	267.09
- Interest expense on lease liabilities	**458.16**	470.78
Total	**725.25**	737.87

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

Rupees (In Lakhs)

Maturity Analysis	As at 31st March, 2023	As at 31st March, 2022
- Less than 1 year	**192.61**	179.04
- 1 year - 3 years	**430.13**	399.82
- 3 years - 5 years	**497.83**	462.74
- 5 years and above	**5,031.89**	5,289.89

C) The total cash outflow for leases during the year amount to Rs. 637.20 Lakhs (FY 2021-22: Rs 637.20 Lakhs)

D) Below are the carrying amount of lease liabilities and the movement during the year

Rupees (In Lakhs)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Opening	**6,331.50**	6,497.92
Additions	**–**	–
Accretion of interest	**458.16**	470.78
Payments	**637.20**	637.20
Closing	**6,152.46**	6,331.50

E) Below is the breakup of Current and Non current lease liabilities:

Rupees (In Lakhs)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Current lease liabilities	**192.61**	179.04
Non current lease liabilities	**5,959.85**	6,152.46
Total	**6,152.46**	6,331.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 26 - Financial ratios **Rupees (In Lakhs)**

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for Variance on Change in ratio in excess of 25% compared to preceding year
Current Ratio	Current Assets	Current Liabilities	1.40	1.18	19%	
Debt Equity Ratio	Borrowings	Shareholder's Equity	4.54	5.16	-12%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation, amortisation and exceptional items	Interest & Principal Payment	1.29	1.27	2%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	8.90%	7.65%	16%	
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	30.43	24.33	25%	The revenue from operations has increased as compared to the previous year. This is on account of the plant being operational only for part of the year during the previous year as compared to it being operational fully during the current year. Further , the average trade receivables have decreased during the current year.
Net Capital turnover ratio	Revenue from operations	Average Working Capital	7.97	* (5.53)	* -244%	Repayment of interest during the current year and payment capital creditors as ISTS plant capitalised during the previous year
Net Profit ratio	Profit after taxes	Revenue from operations	11.09%	9.94%	12%	
Return on capital employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings+ DTL	8.72%	7.65%	14%	

* Net capital turnover ratio is negative on account of excess of current liabilities over current assets as at 31 March 2021

Note No. 27 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Company till 21 December 2022) Ontrario Teacher's Pension Plan Board (w.e.f. 22 December 2022)
Intermediate Joint Venturer	Mahindra Holdings Limited (Intermediate holding Company till 21 December 2022) 2452991 ONTARIO LIMITED (w.e.f. 22 December 2022)
Parent Company	Mahindra Susten Private Limited
Subsidiaries	Astra Solren Private Limited Neo Solren Private Limited Brightsolar Renewable Energy Private Limited (w.e.f 19 August 2021)
Other Related parties:	
Fellow Subsidiaries	Mahindra Teqo Private Limited (till 14 December, 2022) Mega Surya Urja Private Limited MSPL International DMCC (Under liquidation) Martial Solren Private Limited Mahindra Solarize Private Limited (w.e.f 6 April 2021 to 11 March 2022) MSPE Urja S.r.l (liquidated on 18 January 2022) Mahindra Susten Bangladesh Private Limited (liquidated on 15 March 2022)
Joint Venture	Brightsolar Renewable Energy Private Limited (till 18 August 2021)
Joint venture group company	Mahindra Teqo Private Limited (w.e.f. 15 December 2022)
Key Managerial Persons (KMP)	**Executive Director & Chief Executive Officer** Deepak Thakur (w.e.f. 25th July, 2022) (executive director from 17 August 2022 to 16 August 2027) **Chief Financial Officer** Avinash Bapat **Non Executive Director** Basant Jain (until 25 July 2022) Rakesh Singh Sriram Ramachandran Nora Bhatia

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Details of transaction between the Company and its related parties are disclosed below:

Rupees (In Lakhs)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Ultimate Joint Venturer	Parent Company	Subsidiaries	Fellow Subsidiaries	Joint Venture Group Company	Total
Sale of solar energy	31-Mar-23	12.06	4.32	–	–	–	–	16.38
	31-Mar-22	19.07	–	–	–	–	–	19.07
Purchase of property, plant and equipment	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	4,141.37	–	–	–	4,141.37
Receiving of services	31-Mar-23	2.32	2.89	82.31	–	828.55	287.93	1,204.00
	31-Mar-22	5.22	–	167.37	–	1,071.57	–	1,244.16
Reimbursement on behalf of Company	31-Mar-23	–	–	20.14	–	–	–	20.14
	31-Mar-22	–	–	–	–	–	–	–
Investment in equity instruments	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	1,073.35	–	–	1,073.35
Subordinated debts received	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	65.00	1,000.00	–	–	1,065.00
Subordinated debts repaid	31-Mar-23	–	–	1,498.20	–	–	–	1,498.20
	31-Mar-22	–	–	1,000.00	–	–	–	1,000.00
Intercorporate deposit received	31-Mar-23	–	–	39.31	–	–	–	39.31
	31-Mar-22	–	–	700.00	–	–	–	700.00
Intercorporate deposit repaid	31-Mar-23	–	–	39.31	–	–	–	39.31
	31-Mar-22	–	–	700.00	–	–	–	700.00
Intercorporate deposit given	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	450.00	–	–	450.00
Intercorporate deposit recovered	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	450.00	–	–	450.00
Interest income on subordinated debts	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	57.66	–	–	57.66
Interest expense on subordinated debts	31-Mar-23	–	–	4,296.91	–	–	–	4,296.91
	31-Mar-22	–	–	4,362.67	–	–	–	4,362.67
Interest income on inter corporate deposit	31-Mar-23	–	–	–	–	–	–	–
	31-Mar-22	–	–	–	4.48	–	–	4.48
Interest expense on inter corporate deposit	31-Mar-23	–	–	0.06	–	–	–	0.06
	31-Mar-22	–	–	21.05	–	–	–	21.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rupees (In Lakhs)

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Ultimate Joint Venturer	Parent Company	Subsidiaries	Fellow Subsidiaries	Joint Venture Group Company	Total
Interest payable on subordinated debt	31-Mar-23	–	–	6,035.33	–	–	–	6,035.33
	31-Mar-22	–	–	8,197.86	–	–	–	8,197.86
Trade payables	31-Mar-23	–	–	–	–	–	108.79	108.79
	31-Mar-22	–	–	–		0.29	–	0.29
Trade receivable	31-Mar-23	4.32	–	–	–	–	–	4.32
	31-Mar-22		–	3.07	–	–	–	3.07
Subordinate debt payable	31-Mar-23	–	–	35,993.50	–	–	–	35,993.50
	31-Mar-22	–	–	37,491.70	–	–	–	37,491.70

Notes:
1) All outstanding balances are unsecured.
2) Investment made to subsidiaries are disclosed under note 6.
3) Loans taken are disclosed under note 13 and note 14.

Note No. 28 - Contingent liabilities

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Claims against the company not acknowledged as debt	**1,616.06**	386.85

Note:

In addition to above, during the financial year 2019-20 and 2020-21, the company had disposed of 100% of its interest in Cleansolar Renewable Energy Private Limited (CREPL) and Divine Solren Private Limited (DSPL) to CLP India Private Limited.

In accordance with the provisions of the share purchase agreement dated 21 February 2020 executed by MRPL with CLP India Private Limited, Losses arising out of, resulting from or relating to any amount payable on account of below Tax litigations by CREPL and DSPL will be compensated by MRPL to CLP India Private Limited. This indemnity is valid till settlement of below contingent liabilities in respective books of CREPL and DSPL.

Rupees (In Lakhs)

Particulars	Assessment Year	Amount
Cleansolar Renewables Energy Pvt Ltd	2015-16 & 2016-17	2,539.68
Divine Solren Pvt Ltd	2016-17	62.74

Note 29 - Commitments

Rupees (In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	–	–

Note 30 - Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

(b) Information about major customers:
Revenue on sale of electricity from three DISCOMS- M.P. Power Management Company Limited, Delhi Metro Rail Corporation and Solar Energy Corporation of India with which Company has entered into a Power Purchase Agreement, accounts for more than 10% of revenue.

(c) Geographical Information:
The Company's operations is majorly confined within India. Accordingly there are no reportable geographical segments.

Note 31 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(k) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(l) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 32 - Claim under Change in Law

Subsequent to the signing of the power purchase agreement, the Department of Revenue, Government of India, vide its notification dated July 30, 2018 ("Notification") under the Customs Tariff Act, 1975 ("CTA") imposed Safeguard Duty on import of 'solar cells whether or not assembled in modules or panels'. The Safeguard Duty was imposed with effect from the date of Notification. Pursuant to this notification, the Company incurred 19,221.65 Lakhs (including goods and services tax of 6,132.00 Lakhs) in relation to Safeguard Duty on solar modules as of the reporting date.

During the previous years, the Company filed petitions before Central Electricity Regulatory Commission ('CERC') for acknowledgment of these additional cost for SGD as events of "Change in Law". CERC vide its order in January 2021 established such change in law entitlement of the Company. Pursuant to which, during the current year, customers have issued letter agreeing to an amount of Rs.13,089.65 lakhs to be settled in 13 years on monthly payment basis. Such amount carries interest @ SBI MCLR +250 points.

The Company recognized a safeguard duty refund receivables under other financial assets and a corresponding liability as deferred revenue under other liability. The safeguard duty refund receivables is measured at amortised cost. Deferred revenue will be amortised on straight line basis over the period of PPA.

During the year, Customers (Delhi Metro Rail Corporation Limited and M. P. Power Management Company Limited) have admitted Goods & service tax (GST) claims aggregating to Rs. 5,832 Lakhs.Customers have agreed to settle the aforesaid amount in 6 installments and paid 5,073 lakhs until 31 March 2023, the balance installment of Rs. 759 lakhs being receivable.The Company has recognized income from this GST claim of Rs. 738 Lakhs (from the date of commencement of supply under power purchase agreement till March 2023) and balance Rs. 5,094 lakhs has been classified as deferred revenue under other liability.

Note 33

The Company has considered possible effects that may result from the ongoing COVID 19 in the preparation of thesefinancial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Company's financial statements may differ from that estimated as at the date of approval of the same.

Note 34

Unless otherwise stated, previous period's figures have been re-grouped / re-classified, to the extent necessary, to conform to current period's classifications. .All numbers have been rounded off to nearest lakhs.

Note 35

The financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 2 May, 2023.

The accompanying notes 1 to 35 are an integral part of the Financial Statements

For and on behalf of the Board of Directors

Deepak Thakur	**Rakesh Singh**
Director & Chief Executive Officer	Director
DIN: 06939592	DIN: 07319353
Avinash Bapat	**Mandar Joshi**
Chief Financial Officer	Company Secretary
	ACS- 21351

Place: Mumbai
Date: 2nd May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA TEQO PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Teqo Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIZD6768

Place : Mumbai
Date : May 03, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Teqo Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIZD6768

Place : Mumbai
Date : May 03, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of materials which will be used in the projects have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more was noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets during the year. The stock statements filed by the Company with bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues sincluding Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIZD6768

Place : Mumbai
Date : May 03, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

INR In Lakhs

Particulars		Note No.	As at 31 March 2023	As at 31 March 2022
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**1,504.97**	473.77
	(b) Other Intangible Assets	5	**341.52**	446.19
	(c) Intangible Assets under Development	6	**548.00**	–
	(d) Other Non Current Assets	10	**28.94**	–
	SUB-TOTAL		**2,423.43**	919.96
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	7	**4,242.29**	4,262.57
	(ii) Cash and Cash Equivalents	8	**688.27**	887.62
	(iii) Other Financial Assets	9	**900.68**	560.19
	(b) Other Current Assets	10	**210.82**	185.80
	(c) Inventory	11	**1,669.65**	1,006.69
	SUB-TOTAL		**7,711.71**	6,902.87
	TOTAL ASSETS		**10,135.14**	7,822.83
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	12	**10.00**	10.00
	(b) Other Equity		**2,594.98**	1,792.42
	SUB-TOTAL		**2,604.98**	1,802.42
2	**LIABILITIES**			
	NON CURRENT LIABILITIES			
	(a) Deferred Tax Liabilities (Net)	13	**11.25**	4.02
	(b) Provisions	18	**78.63**	119.32
	(c) Other Financial Liabilities	16	**490.63**	–
	SUB-TOTAL		**580.51**	123.34
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	14	**3,000.00**	3,300.00
	(ii) Trade Payables	15	**3,036.96**	1,473.10
	(iii) Other Financial Liabilities	16	**657.43**	778.64
	(b) Provisions	18	**156.98**	78.17
	(c) Other Current Liabilities	17	**98.28**	267.16
	SUB-TOTAL		**6,949.65**	5,897.07
	TOTAL EQUITY AND LIABILITIES		**10,135.14**	7,822.83

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 3rd May 2023

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
(DIN: 06939592)

Ms. Ami Goda
Director
(DIN: 09136149)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 3rd May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

INR In Lakhs

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Revenue from Operations	**19**	**15,888.63**	13,032.84
II	**Total Revenue (I + II)**		**15,888.63**	13,032.84
III	**Expenses**			
	(a) Direct Expenses	**20**	**7,973.02**	6,236.91
	(b) Employee benefit expense	**21**	**5,346.67**	4,488.29
	(c) Finance costs	**22**	**239.22**	244.65
	(d) Depreciation and amortisation expense		**323.42**	174.59
	(e) Other expenses	**23**	**938.98**	609.55
	Total Expenses (IV)		**14,821.31**	11,753.99
IV	**Profit before tax (III-IV)**		**1,067.32**	1,278.85
V	**Tax Expense**			
	(a) Current tax	**12**	**279.75**	309.77
	(b) Deferred tax	**12**	**1.54**	31.15
	Total tax expense		**281.29**	340.92
VI	**Profit after tax from continuing operations (V - VI)**		**786.03**	937.93
VII	**Other comprehensive income**			
	A (i) Items that will not be reclassfied to profit or loss		**22.22**	5.67
	(ii) Income tax relating to items that will not be reclassified to profit or loss	**12**	**(5.69)**	(1.43)
	B (i) Items that will be reclassfied to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
VIII	**Total comprehensive income for the period (VII+VIII)**		**802.56**	942.17
IX	**Earnings per equity share (for continuing operation):**			
	(a) Basic	**25**	**802.56**	942.17
	(b) Diluted	**25**	**802.56**	942.17

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 3rd May 2023

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
(DIN: 06939592)

Ms. Ami Goda
Director
(DIN: 09136149)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 3rd May 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
Profit before tax for the year		**1,067.32**	1,278.85
Adjustments for:			
Depreciation and amortisation expenses		**323.42**	174.59
Finance Cost		**239.22**	244.65
Capital Working in Progess written off		**–**	59.27
		562.64	478.51
		1,629.96	1,757.36
Movements in working Capital			
(Increase)/decrease in trade and other receivables		**20.28**	(1,061.99)
(Increase)/decrease in other assets		**(889.81)**	92.98
Increase in trade and other payables		**1,563.86**	(459.13)
Increase/(decrease) in provisions		**54.66**	24.83
(Decrease)/increase in other liabilities		**(246.14)**	21.12
Cash generated from operations		**502.85**	(1,382.18)
Income taxes paid		**(448.89)**	(316.75)
Net cash (used in)/generated from operating activities		**1,683.92**	58.43
Cash flows from investing activities		**–**	–
Purchase of Tangible Assets		**(796.04)**	(281.20)
Purchase of Intangible Assets		**(0.01)**	(119.49)
Capital Work in Progress		**(548.00)**	–
Net cash (used in) by investing activities		**(1,344.05)**	(400.69)
Cash flows from financing activities			
Proceeds of borrowings			
From Bank		**(200.00)**	850.00
From Parent company		**–**	161.22
From Related Party		**(100.00)**	–
Interest paid			
On Borrowing from Bank		**(169.22)**	(133.83)
On Borrowing from Parent company		**–**	(110.81)
On Borrowing from Related Party		**(61.15)**	–
On Leasing		**(8.85)**	–
Net cash generated from financing activities		**(539.22)**	766.58
Net increase in Cash and Cash Equivalents		**(199.35)**	424.32
Cash and Cash Equivalents at the beginning of the year		**887.62**	463.30
Cash and Cash Equivalents at the end of the year		**688.27**	887.62

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 3rd May 2023

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
(DIN: 06939592)

Ms. Ami Goda
Director
(DIN: 09136149)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 3rd May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity Share Capital

(i) Current reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
10.00	–	**10.00**

(ii) Previous reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
10.00	–	**10.00**

B. Other Equity

(i) Current reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	Total
Balance at the beginning of the current reporting period	4.24	1,788.18	1,792.42
Total Comprehensive Income for the current year	16.53	786.03	802.56
Balance at the end of the current reporting period	**20.77**	**2,574.21**	**2,594.98**

(ii) Previous reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	Total
Balance at the beginning of the previous reporting period	–	850.25	850.25
Total Comprehensive Income for the previous year	4.24	937.93	942.17
Balance at the end of the previous reporting period	**4.24**	**1,788.18**	**1,792.42**

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 3rd May 2023

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
(DIN: 06939592)

Ms. Ami Goda
Director
(DIN: 09136149)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 3rd May 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. Nature of Operations

Mahindra Teqo Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India, having CIN as U40100MH2016PTC271679 and it is a subsidiary of Mahindra Telecom Energy Management Services Private Limited. Its ultimate holding Company is Mahindra and Mahindra Limited. The Company offers turnkey asset management solutions which helps the Renewable Energy asset owners to maximize returns through Performance enhancement services (Operation & Maintenance, Technical due diligence, Remote monitoring and analysis).

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B) Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C) Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/ or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/ or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Management reviews the useful lives and residual values of property, plant and equipment and intangible assets, at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) **Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) **Foreign Exchange Transactions:**

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) **Segment information:**

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Office) of the Company. The Chief Executive Officer is responsible for allocating resources and assessing performances of the operating segments of the Company.

g) **Leases:**

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) **Right-of-use assets:**

The Company recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) **Lease liabilities:**

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

iii) Short term leases and leases of low value of assets:

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are ecognized as expense on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

j) **Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) **Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

l) **Revenue Recognition:**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers,. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

– The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

– The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

m) **Events after reporting date:**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. **Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 4 - Property, Plant and Equipment

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers &EDP	Furniture and Fixtures	Vehicles	Sales & Lease Back	Lease-Plant and Equipment	Lease-Computers &EDP	Lease-Vehicles	Total
I. Gross Carrying Amount										
Balance as at 1 April 2022	471.76	2.29	82.40	14.16	23.71	0.00	0.00	0.00	0.00	594.31
Additions during the year	927.01	4.01	49.00	37.60	56.50	586.88	76.59	46.67	52.56	1,836.82
Transferred to Sales & Lease back	(434.41)	–	(114.02)	(14.16)	(24.30)	0.00	0.00	0.00	0.00	(586.88)
Balance as at 31 March 2023	**964.36**	**6.30**	**17.38**	**37.60**	**55.91**	**586.88**	**76.59**	**46.67**	**52.56**	**1,844.25**
II. Accumulated depreciation and impairment										
Balance as at 1 April 2022	96.50	0.39	18.39	2.12	3.14	0.00	0.00	0.00	0.00	120.54
Depreciation expense for the year	161.94	1.16	28.52	6.43	7.63	132.18	2.15	3.39	7.54	350.92
Transferred to Sales & Lease back	(83.49)		(42.21)	(3.91)	(2.57)	0.00	0.00	0.00	0.00	(132.18)
Balance as at 31 March 2023	**174.95**	**1.55**	**4.71**	**4.64**	**8.19**	**132.18**	**2.15**	**3.39**	**7.54**	**339.28**
III. Net carrying amount (I-II)	**789.41**	**4.75**	**12.67**	**32.96**	**47.71**	**454.70**	**74.44**	**43.28**	**45.03**	**1,504.97**

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers &EDP	Furniture and Fixtures	Vehicles	Sales & Lease Back	Lease-Plant and Equipment	Lease-Computers &EDP	Lease-Vehicles	Total
I. Gross Carrying Amount										
Balance as at 1 April 2021	254.04	0.51	30.31	14.16	14.09	0.00	0.00	0.00	0.00	313.11
Additions during the year	217.71	1.79	52.09	0.00	9.61	0.00	0.00	0.00	0.00	281.20
Transferred to Sales & Lease back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2022	**471.76**	**2.29**	**82.40**	**14.16**	**23.71**	**0.00**	**0.00**	**0.00**	**0.00**	**594.31**
II. Accumulated depreciation and impairment										
Balance as at 1 April 2021	16.22	0.06	1.85	0.33	0.47	0.00	0.00	0.00	0.00	18.93
Depreciation expense for the year	80.28	0.33	16.54	1.78	2.67	0.00	0.00	0.00	0.00	101.61
Balance as at 31 March 2022	**96.50**	**0.39**	**18.39**	**2.12**	**3.14**	**0.00**	**0.00**	**0.00**	**0.00**	**120.54**
III. Net carrying amount (I-II)	**375.26**	**1.90**	**64.01**	**12.04**	**20.57**	**0.00**	**0.00**	**0.00**	**0.00**	**473.77**

Note No. 5 - Other Intangible Assets

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	523.37	523.37
Additions during the year	0.00	0.00
Balance as at 31 March 2023	**523.37**	**523.37**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	77.18	77.18
Depreciation expense for the year	104.67	104.67
Balance as at 31 March 2023	**181.85**	**181.85**
III. Net carrying amount (I-II)	**341.52**	**341.52**

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	43.28	43.28
Additions during the year	480.09	480.09
Balance as at 31 March 2022	**523.37**	**523.37**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	4.20	4.20
Depreciation expense for the year	72.98	72.98
Balance as at 31 March 2022	**77.18**	**77.18**
III. Net carrying amount (I-II)	**446.19**	**446.19**

Note No. 6 - Intangible Assets under Development

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
I. Gross Carrying Amount		
Capital work in progress	548.00	–
Total	**548.00**	–

Capital Work in progress schedule

INR in Lakhs

Particulars	Ageing				
As at 31 March 2023	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Capital Work in Progress	548.00	–	–	–	548.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 7 - Trade receivables

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
(a) Unsecured, undisputed, considered good	**4347.70**	4327.98
Less: Allowance for Credit Losses	**(105.41)**	(65.41)
TOTAL	**4,242.29**	4,262.57
Of the above, Trade Receivable from		
Related Parties	**21.19**	127.97
Others	**4,221.10**	4,134.60
TOTAL	**4,242.29**	4,262.57

Note:
All the Sundry Debtors have been charged against Working Capital Demand Loan (WCDL) taken from Bank

Trade Receivables ageing schedule

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2023	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	3,977.44	235.52	108.05	26.44	0.25	4,347.70

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2022	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	3,960.91	314.76	52.31	0.00	–	4,327.98

Note No. 8 - Cash and Cash Equivalent

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks	688.27	887.62
Total Cash and cash equivalent	688.27	887.62

Note:

All cash and cash equivalents have been charged against WCDL taken from Bank

Note No. 9 - Other Financial Assets

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
(i) Security Deposits for Rent	**69.32**	**–**	28.11	–
(ii) Security Deposit -Mvat Registration	**0.25**	**–**	0.25	–
Tender Deposit	–	–	–	–
(iii) Unbilled Revenue	**672.69**	**–**	371.07	–
(iv) Other advances	**144.69**	**–**	160.76	–
(v) Employee Gratutiy Trust	**13.73**	**–**	–	–
Total Other Financial Assets	**900.68**	**–**	560.19	–

Note:
All Other Financial Assets have been charged against WCDL taken from Bank

Note No. 10 - Other Assets

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
(i) Balances with government authorities (other than income taxes)	**135.75**	–	185.80	–
(ii) Prepaid Insurance	**75.07**	–	–	–
(iii) Provison for Tax (Net)	–	28.94	–	–
Total Other Assets	**210.82**	**28.94**	185.80	**–**

Note:
All Other Assets have been charged agaisnt WCDL taken from Bank

Note No. 11 - Inventories

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Consumables and spares	1,669.65	1,006.69
Total	**1,669.65**	1,006.69

Note:
The inventory is valued at cost or net realisable value whichever is lower
All Inventory have been charged against WCDL taken from Bank

Note No. 12 - Equity Share Capital

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Value of shares	No. of shares	Value of shares
Authorised:				
Equity shares of ₹ INR 10 each with voting rights	**1,00,000**	**10.00**	1,00,000	10.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ INR 10 each with voting rights	**1,00,000**	**10.00**	1,00,000	10.00
Total Equity Share Capital	**1,00,000**	**10.00**	1,00,000	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period;

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
Equity Shares with Voting rights						
Period Ended 31st March 2023						
No. of Shares	1,00,000	–	–	–	–	1,00,000
Amount in INR Lakhs	10.00	–	–	–	–	10.00
Equity Shares with Voting rights						
Period Ended 31st March 2022						
No. of Shares	1,00,000	–	–	–	–	1,00,000
Amount in INR Lakhs	10.00	–	–	–	–	10.00

ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2023	1,00,000	–	–
Mahindra Telecom Energy Management Services Private Limited (Holding Company)			
As at 31 March 2022			
Mahindra Susten Private Limited (Holding Company)	1,00,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Telecom Energy Management Services Private Limited (Holding Company)	1,00,000	100%	0	0%
Mahindra Susten Private Limited (Holding Company)	0	0%	1,00,000	100%

Note:

As at 31 March 2023

It includes 1 equity share held as nominee by an individual on behalf of the Holding Company (Mahindra Telecom Energy Management Services Private Limited holds 1 Equity share with Mr Jignesh Parikh).

As at 31 March 2022

It includes 1 equity share held as nominee by an individual on behalf of the Holding Company (Mahindra Susten Private Limited holds 1 Equity share with Miss Brijbala Batwal).

Shares held by promoters as at 31 March 2023

Promoter Name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra Telecom Energy Management Services Private Limited	1,00,000	100%	100%

Shares held by promoters as at 31 March 2022

Promoter Name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Susten Private Limited	1,00,000	100%	–

Note No. 13 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

INR in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
In respect of current year	**279.75**	309.77
Deferred Tax:		
In respect of current year	**1.54**	31.15
Total income tax expense	**281.29**	340.92

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Profit before tax for the year	**1,067.32**	1,278.85
ii) Corporate tax rate as per Income tax Act, 1961	**25.626%**	25.626%
iii) Tax on accounting profit (iii) = (i) X (ii)	**273.51**	327.72
Effect of expenses that is non-deductible in determining taxable profit	**6.23**	(17.95)
iv) Total effect of Tax adjustment	**279.75**	309.77
v) Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**279.75**	309.77

(c) Movement in deferred tax balances

INR in Lakhs

Particulars	Year ended 31 March 2023			
	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	36.46	–	2.77	39.23
	36.46	–	2.77	39.23
Tax effect of items constituting deferred tax assets				
Other Assets	32.44	(5.69)	1.23	27.98
	32.44	(5.69)	1.23	27.98
Net Deferred Tax (Asset)/Liabilities	4.02	5.69	1.54	11.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Year ended 31 March 2022

Particulars	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	4.78	–	31.68	36.46
	4.78	–	31.68	36.46
Tax effect of items constituting deferred tax assets				
Other Assets	33.34	(1.43)	0.53	32.44
	33.34	(1.43)	0.53	32.44
Net Deferred Tax (Asset)/Liabilities	(28.56)	1.43	31.15	4.02

Note No. 14 - Current Borrowings

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Measured at amortised cost		
A. Secured Borrowings:		
(a) Working Capital Demand Loan (WCDL)	**2,500.00**	2,700.00
Total Secured Borrowings	**2,500.00**	2,700.00
B. Unsecured Borrowings		
(a) Loans from related parties	**500.00**	600.00
Total Unsecured Borrowings	**500.00**	600.00
Total Borrowings	**3,000.00**	3,300.00

Note

1 The Company has WCDL Limits from Bank

As at March 31, 2023 the Company has availed WCDL of INR 2,500 Lakhs (as at March 31, 2022 - INR 2,700 Lakhs). The interest rate for borrowings ranges from 8% p.a. to 8.6% p.a.

2 The WCDL amount is Secured by exclusive charge on all present and future Current Assets of the Company including receivables.

3 The Company has availed Inter Corporate Depost (ICD) at 11% from Parent Compnay for a tenor of 3 years with an option to prepay at any time during the tenor.

Note No. 15 - Trade Payables

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Trade payable - MSME	–	–	–	–
Trade payable - Other than MSME	**3,036.96**	–	1,473.10	–
Total Trade payables	**3,036.96**	**–**	1,473.10	**–**

Notes

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amount due to micro and small enterprises registered the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The identification of suppliers as Micro and small enterprises covered under the "Micro small and Medium enterprises development Act 2006" was done on the basis of the information to the extent provided by the supplier to the Company.

INR in Lakhs

As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	2,391.18	645.78	–	–	3,036.96

INR in Lakhs

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	991.55	481.55	–	–	1,473.10

Note No. 16 - Other Financial Liabilities

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Accrued Expenses	514.51	–	769.01	–
Interest Payable - at amortised cost	20.25	–	9.63	–
Lease Liability	35.44	123.95	–	–
Sales & Lease Back Liability	87.23	366.68	–	–
TOTAL OTHER FINANCIAL LIABILITIES	**657.43**	**490.63**	778.64	**–**

Note No. 17 - Other Liabilities

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
TDS	**35.30**	–	46.25	–
Other Statutory Liabilities	**9.41**	–	9.84	–
Provision for Tax (Net)	**–**	–	35.71	–
Deferred Revenue	**26.02**	–	115.23	–
Other Liabilities	**27.55**	–	60.15	–
TOTAL OTHER LIABILITIES	**98.28**	**–**	267.18	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 18 - Provisions

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
1. Gratutiy Provision (refer note 19)	**0.00**	**48.00**	4.06	71.66
2. Leave Provision	**12.30**	**30.63**	5.52	47.65
3. Provision towards Performance Pay	**144.68**	**–**	68.58	–
Total Provisions	**156.98**	**78.63**	78.16	119.31

Movement In Provision

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2022	68.58	53.18
Additions during the year	144.68	10.25
Deletion during the year	(68.58)	(20.50)
Balance as at 31 March 2023	**144.68**	**42.93**

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2021	44.42	68.42
Additions during the year	68.58	7.38
Deletion during the year	(44.42)	(22.62)
Balance as at 31 March 2022	**68.58**	**53.18**

Note No. 19 – Revenue from Operations

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Revenue from rendering of services	**15,888.63**	13,032.84
(b) Other operating revenue	**–**	–
Total Revenue from Operations	**15,888.63**	13,032.84

Note:

A. Disaggregated Revenue Information:
The Company's revenue is from only one segment i.e Renewable Asset Management

B. Reconciliation of Contract Assets & Contract Liabilities:

INR in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Contract Assets		
Unbilled Revenue		
At the beginning of the year	**371.07**	**879.16**
Less: Bill during the year	**(15,587.01)**	**(13,540.93)**
Add: Revenue recognised during the year	**15,888.63**	**13,032.84**
At the end of the year	**672.69**	371.07

INR in Lakhs

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract Liability		**–**
Deferred Revenue		
At the beginning of the year	**115.23**	**–**
Less: Revenue recognised during the year	**(89.21)**	**–**
Add: Bill During the Year	**–**	**115.23**
At the end of the year	**26.02**	115.23

C. Reconciliation of revenue as per Ind AS 115:

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted prices	**15,888.63**	13,032.84
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**15,888.63**	13,032.84

Note No. 20 - Direct Expense

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Project Expenses for services rendered towards site operations & maintenance	**7,973.02**	6,236.91
Total Direct Expense	**7,973.02**	6,236.91

Note:
The expenses incurred are direct expenses on-site for rendering of site activities as per agreed terms and scope of contract. These services (module cleaning, site security, vegetation treatment, plant maintenance) are sub-contracted to vendors.

Note No. 21- Employee Benefit Expense

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Salaries and wages	**5,129.02**	4,364.07
(b) Contribution to provident and other funds	**117.12**	81.94
(c) Staff welfare expenses	**100.53**	42.27
Total Employee Benefit Expense	**5,346.67**	4,488.28

Note No. 22- Finance Cost

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest expense on WCDL	**169.22**	133.83
(b) *Interest expense on ICDs*	**61.15**	110.82
(c) *Interest on Leasing*	**8.85**	–
Total Finance costs	**239.22**	244.65

Note No. 23 - Other Expenses

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Rent, Rates and taxes	**104.20**	79.59
(b) Corporate social responsibility (CSR) Expenses (refer note below)	**16.02**	7.53
(c) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- statutory audit fees	**2.50**	2.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(ii) Others	**0.50**	0.50
(d) Other expenses		–
(1) Professional & Legal Fees	**186.81**	110.40
(2) Travelling & Conveyance expenses	**81.24**	39.33
(3) Provision for Doubtful Debtors	**40.00**	48.01
(4) Insurance exp	**111.37**	25.06
(5) Software Charges	**279.07**	146.35
(6) Intangible Assets under Development written off	**–**	59.27
(7) Miscellaneous expenses	**117.27**	91.00
Total Other Expenses	**938.98**	609.54

Note 1: Rent, Rates & taxes

The Company had taken premises on lease in Thane & Banglore. Intital arrangements were till September 2021 which has been extended till April 2023 for Thane. The future expected cash outlay are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expected Future Cash Outlflow	**8.45**	55.80

Note 2: Details of CSR Expenditure

INR in Lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i) Amount required to be spent by the company during the year	**16.02**	7.53
ii) Amount of expenditure incurred	**16.02**	7.53
iii) Nature of CSR activities		
Promoting Girls Education	**10.38**	2.53
Aganwadi Development in Rural Area	**1.68**	1.70
Promoting Healthcare	**2.03**	1.70
Installation solar streetlights where no electricity	**1.93**	1.60
iv) Amount paid to related party from CSR	**–**	–

Note No. 24 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 61.83 Lakhs (Previous Year INR 57.32 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at 31 March 2023	Valuation as at 31 March 2022
Discount rate(s)	**7.30%**	7.15%
Expected rate(s) of salary increase	**8.00%**	8.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2023

INR in Lakhs

Particulars	Unfunded Plan Gratuity 2023	Unfunded Plan Gratuity 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**24.71**	19.21
Past service cost and (gains)/losses from settlements	**(0.08)**	–
Net interest expense	**5.23**	4.53
Components of defined benefit costs recognised in profit or loss	**29.86**	23.74
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(0.67)**	–
Actuarial gains and loss arising form changes in financial assumptions	**(0.64)**	0.43
Actuarial gains and loss arising form changes in demographic assumptions	**(12.99)**	(6.29)
Actuarial gains and loss arising form experience adjustments	**(7.92)**	0.20
Others (describe)	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(22.22)**	(5.67)
Total	**7.64**	18.07
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 March		
1. Present value of undefined benefit obligation as at 31 March	**–**	75.72
2. Current portion of the above	**–**	4.06
3. Non current portion of the above	**48.38**	71.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Particulars	Unfunded Plan	Unfunded Plan
	Gratuity	
	2023	2022
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**75.72**	64.05
2. Add/(Less) on account of Scheme of Arrangement/ Business	**–**	–
Transfer		
3. Expenses Recognised in Profit and Loss Account	**–**	–
- Current Service Cost	**24.71**	19.21
- Past Service Cost	**(0.08)**	–
- Interest Expense (Income)	**5.23**	4.53
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(12.99)**	(6.29)
ii. Financial Assumptions	**(0.64)**	0.43
iii. Experience Adjustments	**(7.92)**	0.20
5. Benefit payments	**(15.48)**	(18.87)
6. Liabilities assumed / (settled)	**–**	12.48
7. Present value of defined benefit obligation at the end of the year	**68.55**	75.72
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**34.98**	18.87
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	**–**	–
4. Recognised in Other Comprehensive Income	**–**	–
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	**0.67**	–
- Others (specify)	**–**	–
5. Contributions by employer (including benefit payments recoverable)	**–**	–
6. Benefit payments	**(15.48)**	(18.87)
7. Fair value of plan assets at the end of the year	**20.17**	–
IV. The Major categories of plan assets	**NA**	NA
– List the plan assets by category here		
Insured Funds		
V. Actuarial assumptions		
1. Discount rate	**7.30%**	7.10%
2. Expected rate of return on plan assets	**NA**	NA
3. Attrition rate	**8.00%**	8.00%
4. Medical premium inflation	**NA**	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
	2023	1.00%	(4.42%)	4.84%
Discount rate	2022	1.00%	(10.39%)	12.42%
	2023	1.00%	4.74%	(4.43%)
Salary growth rate	2022	1.00%	11.48%	(10.08%)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2023	2022
Within 1 year	**15.17**	4.06
1 - 2 year	**12.04**	5.41
2 - 3 year	**10.60**	5.64
3 - 4 year	**9.45**	5.74
4 - 5 year	**7.83**	5.97
5 - 10 years	**23.66**	23.11
10 years & above	**24.06**	158.94

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 4.62 years (as at 31 march 2022 - 11.33 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 25- Earnings per Share

INR in Lakhs

Particulars	For the current year ended 31 March 2023	For the current year ended 31 March 2022
Basic Earnings per share	**802.56**	942.17
Total basic earnings per share	**802.56**	942.17
Diluted Earnings per share	**802.56**	942.17
Total diluted earnings per share	**802.56**	942.17

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

INR in Lakhs

Particulars	For the current year ended 31 March 2023	For the current year ended 31 March 2022
Profit for the year	**802.56**	942.17
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share	**802.56**	942.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Particulars	For the current year ended 31 March 2023	For the current year ended 31 March 2022
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations (i)	**802.56**	942.17
Weighted average number of equity shares (ii)	**1,00,000**	1,00,000
Earnings per share from continuing operations - Basic and Diluted	**802.56**	942.17

Note No. 26 - Financial Instruments

Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2023 and 31 March 2022 is as follows:

	31 March 2023	31 March 2022
Debt (A) in INR in Lakhs	**3,000**	3,300
Equity (B) in INR in Lakhs	**2,605**	1,802
Debt Equity Ratio (A / B)	**1.15**	1.83

Categories of financial assets and financial liabilities

As at 31 March 2023

INR in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	4,347.70	–	–	4,347.70
Cash and Bank Balances	688.27	–	–	688.27
Loans	–	–	–	–
Other Financial Assets	900.68	–	–	900.68
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	490.63	–	–	490.63
Current Liabilities				
Borrowings	3,000.00	–	–	3,000.00
Trade Payables	3,036.96	–	–	3,036.96
Other Financial Liabilities	657.43	–	–	657.43

As at 31 March 2022

INR in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	4,327.98	–	–	4,327.98
Cash and Bank Balances	887.62	–	–	887.62
Loans	–	–	–	–
Other Financial Assets	560.19	–	–	560.19
Current Liabilities				
Borrowings	3,300.00	–	–	3,300.00
Lease Liabilities	–	–	–	–
Trade Payables	1,473.10	–	–	1,473.10
Other Financial Liabilities	778.64	–	–	778.64

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit period for Trade receivables ranges from 15 days to 45 days.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of INR 105.41 Lakhs (as at March 31, 2022 : INR 65.41 Lakhs) has been provided in the statement of profit and loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2023				
Non-interest bearing	2,252	–	–	–
Fixed interest rate instruments	3,000	–	–	–
Total	5,252	–	–	–
31 March 2022				
Non-interest bearing	2,252	–	–	–
Fixed interest rate instruments	3,300	–	–	–
Total	5,552	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2023				
Non-interest bearing	5,248	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	5,248	–	–	–
31 March 2022				
Non-interest bearing	4,888	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	4,888	–	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax (INR in Lakhs)
31 March 2023	INR	+100	30.00
	INR	(100)	(30.00)
31 March 2022	INR	+100	33.00
	INR	(100)	(33.00)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR in Lakhs

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	4,347.70	4,347.70	4,327.98	4,327.98
– other financial assets	900.68	900.68	560.19	560.19
Total	5,248.38	5,248.38	4,888.17	4,888.17
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	3,036.96	3,036.96	1,473.10	1,473.10
– other financial liabilities	657.43	657.43	778.64	778.64
– Interest accured on borrowings	20.25	20.25	9.63	9.63
– other Borrowings	3,000.00	3,000.00	3,300.00	3,300.00
Total	6,714.64	6,714.64	5,561.37	5,561.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

INR in Lakhs

Fair value hierarchy as at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	4,347.70	4,347.70
– other financial assets	–	–	900.68	900.68
Total	–	–	5,248.38	5,248.38
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	3,036.96	3,036.96
– other financial liabilities	–	–	637.18	637.18
– Interest accured on borrowings	–	20.25	–	20.25
– other Borrowings	–	3,000.00	–	3,000.00
Total	–	3,020.25	3,674.14	6,694.39

INR in Lakhs

Fair value hierarchy as at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	4,327.98	4,327.98
– other financial assets	–	–	560.19	560.19
Total	–	–	4,888.17	4,888.17
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	1,473.10	1,473.10
– other financial liabilities	–	–	769.01	769.01
– Interest accured on borrowings	–	9.63	–	9.63
– other Borrowings	–	3,300.00	–	3,300.00
Total	–	3,309.63	2,242.11	5,551.74

Note No. 28 Key Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.11	1.17	(5%)	Increase in inventory and unbilled on absolute terms due to business growth in F23
Debt Equity Ratio	Borrowings	Shareholder's Equity	1.15	1.83	(37%)	Borrowing increased by ~44% owing to Revenue gowth of 47% and facilitation of corresponding operating cycle.
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	0.50	0.48	5%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	30.8%	52.3%	(21%)	Contribution Margin on new portfolios (F22) is lower than existing portfolio resulting in overall revenue growth but lower corresponding PAT.
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.78	6.20	(23%)	Efficient tracking and monitoring of inventory across portfolio
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	3.75	3.06	22%	Efficient tracking and monitoring of receivables across portfolio
Trade payables turnover ratio	Purchases	Average Trade Payables	2.93	4.65	(37%)	Timely rotation of payables to ensure smooth functioning of site operations alongwith increase of credit days
Net Captial turnover ratio	Revenue from operations	Total Assets	1.57	1.67	(6%)	
Net Profit ratio	Profit after taxes	Revenue from operations	5.05%	7.23%	(2%)	
Return on Investment	Income from Investments	Average Investments	–	–	–	
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings	23.31%	29.86%	(7%)	EBIT moved slowly in comparison to reduction in borrowings. Still shows a healthy return on funds deployed in business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 29 - Related Party Transactions

Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Intermediate Holding Company	Mahindra Holdings Limited
Name of the Parent Company	Mahindra Susten Private Limited
Name of the fellow subsidiary	Astra Solren Private Limited
Name of the fellow subsidiary	Neo Solren Private Limited
Name of the fellow subsidiary	Mahindra Renewables Private Limited
Name of the fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Name of the fellow subsidiary	Mahindra Solarize Private Limited

Details of transaction between the Company and its related parties are disclosed below:

INR in Lakhs

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiary
Nature of transactions with Related Parties				
ICD Taken	31st Mar 2023	–	–	–
	31st Mar 2022	–	1,650.00	–
ICD Repayment	31st Mar 2023	–	–	–
	31st Mar 2022	–	1,495.46	–
Rendering of services / goods	31st Mar 2023	–	–	2,010.69
	31st Mar 2022	–	998.07	1,320.40
Receiving of services / goods	31st Mar 2023	–	–	43.33
	31st Mar 2022	72.34	721.44	48.97
Interest on ICD	31st Mar 2023	–	–	47.59
	31st Mar 2022	–	110.82	–
Payment of Interest on ICD	31st Mar 2023	–	–	–
	31st Mar 2022	–	101.31	–

INR in Lakhs

Particulars	Balances as on	Ultimate Holding Company	Parent Company	Fellow Subsidiary
Trade Receivables	31st Mar 2023	–	–	21.19
	31st Mar 2022	–	66.98	60.99
Trade Payable	31st Mar 2023	93.15	–	8.34
	31st Mar 2022	46.22	721.44	10.04
ICD Payable	31st Mar 2023	–	500.00	–
	31st Mar 2022	–	600.00	–
Interest on ICD Payable	31st Mar 2023	–	20.25	–
	31st Mar 2022	–	9.63	–

Note No. 30 - Contingent liabilities and commitments

INR in Lakhs

Contingent liabilities (to the extent not provided for)	As at 31 March 2023	As at 31 March 2022
Contingent liabilities		
(a) Bank Guarantees	843.49	620.38

Note 31 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

   (i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 32

COVID-19, a new strain of Coronavirus, has spread globally, including India. The event significantly affects the economic activity worldwide. The impact of the COVID-19 on the Company's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy of the country, among others. The Company will closely monitor any material changes to future economic conditions due to this pandemic.

Note No. 33

The amounts are been mention in INR Lakhs and has been rounded off to the nearest Rupees and previous years amount has been reclassified/regrouped where ever required.

Note No. 34

The financial statements have been approved for issue by Company's Board of Directors on 03 May 2023.

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 3rd May 2023

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
(DIN: 06939592)

Ms. Ami Goda
Director
(DIN: 09136149)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 3rd May 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEO SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Neo Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv)
         (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 23111212BGVIYD8395

Place: Mumbai
Date: April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Neo Solren Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 23111212BGVIYD8395

Place: Mumbai
Date: April 27, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31, 2023, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	5,83,892	FY 2015-16	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYD8395

Place: Mumbai
Date: April 27, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ In Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**23,783.09**	24,496.63
(b) Other Non-current Assets	10	**331.27**	331.27
SUB-TOTAL		**24,114.36**	24,827.90
CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	6	**2,920.58**	5,051.86
(ii) Cash and Cash Equivalents	7	**2,540.82**	27.08
(iii) Other Bank Balance	8	**807.88**	807.88
(iv) Other Financial Assets	9	**81.02**	74.14
(b) Current Tax Assets (Net)	5	**23.77**	–
(c) Other Current Assets	10	**35.19**	37.49
SUB-TOTAL		**6,409.26**	5,998.45
TOTAL ASSETS		**30,523.62**	30,826.35
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	**931.50**	931.50
(b) Other Equity	11(a)	**7,142.88**	6,929.73
SUB-TOTAL		**8,074.38**	7,861.23
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	**20,286.51**	20,672.77
(b) Deferred Tax Liabilities (Net)	5	**161.53**	127.11
SUB-TOTAL		**20,448.04**	20,799.88
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**1,131.18**	1,071.19
(ii) Trade Payables	14		
(A) Dues of micro & small enterprises		**–**	–
(B) Dues to creditors other than Micro & small enterprises		**55.07**	30.00
(iii) Other Financial Liabilities	15	**799.50**	1,006.21
(b) Current Tax Liabilities (Net)		**–**	39.85
(c) Other Current Liabilities	16	**15.45**	17.99
SUB-TOTAL		**2,001.20**	2,165.24
TOTAL EQUITY AND LIABILITIES		**30,523.62**	30,826.35

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Mr. Rakesh Khaitan
Director
DIN : 09671089

Sriram Ramchandran
Director
DIN : 07319032

Place : Mumbai
Date : 27 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

	Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations	17	**3,699.80**	4,053.55
II	Other Income	18	**92.48**	84.29
III	**Total Income (I + II)**		**3,792.28**	4,137.84
IV	**Expenses**			
	(a) Finance costs	19	**2,104.66**	2,212.63
	(b) Depreciation expense	4	**957.09**	943.40
	(c) Other expenses	20	**433.16**	438.58
	Total Expenses		**3,494.91**	3,594.61
V	**Profit before tax (III-IV)**		**297.37**	543.23
VI	**Tax Expense**	5		
	(a) Current tax- (i) Minimum Alternate Tax		**49.64**	90.68
	(ii) Minimum Alternate Tax Credit		**(49.64)**	(90.68)
	(iii) Current Tax charge relating to earlier years		**0.17**	-
	(b) Deferred Tax		**84.05**	151.13
	Total tax expense		**84.22**	151.13
VII	**Profit after tax for the year (V-VI)**		**213.15**	392.10
VIII	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	(b) (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**213.15**	392.10
X	**Earnings per equity share**			
	(a) Basic	21	**2.29**	4.21
	(b) Diluted	21	**2.29**	4.21

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Mr. Rakesh Khaitan
Director
DIN : 09671089

Sriram Ramchandran
Director
DIN : 07319032

Place : Mumbai
Date : 27 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	**297.37**	543.23
Adjustments for:		
Finance costs recognized in profit or loss	**2,104.66**	2,212.63
Investment income recognized in profit or loss	**(92.48)**	(84.29)
Depreciation expense	**957.09**	943.40
Net Gain on foreign currency transactions net off Derivative	**–**	–
Movements in working capital:	**2,969.27**	3,071.74
(Increase)/decrease in Debtors	**2,131.28**	(3,015.68)
(Increase)/decrease in other assets & other financial assets	**3.61**	365.71
(Decrease)/increase in trade and other payables	**25.07**	12.23
(Decrease)/increase in other liabilities	**(2.54)**	4.44
Cash generated from operations	**2,157.42**	(2,633.30)
Income taxes paid	**(113.42)**	(13.20)
Net cash flow from operating activities	**5,310.63**	968.47
Cash flows from investing activities		
Interest received	**84.28**	86.78
Payments for property, plant and equipment	**(417.54)**	(81.87)
Net cash flow from/(used in) investing activities	**(333.26)**	4.91
Cash flows from financing activities		
Proceeds on borrowings from related party	**844.89**	65.00
Repayment of borrowings	**(1,261.68)**	(995.10)
Interest paid	**(2,046.86)**	(1,988.87)
Net cash flows used in financing activities	**(2,463.65)**	(2,918.97)
Net increase/(decrease) in cash and cash equivalents	**2,513.73**	(1,945.59)
Cash and cash equivalents at the beginning of the year	**27.08**	1,972.67
Cash and cash equivalents at the Period end of the year	**2,540.81**	27.08

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Mr. Rakesh Khaitan
Director
DIN : 09671089

Sriram Ramchandran
Director
DIN : 07319032

Place : Mumbai
Date : 27 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

(i) Current reporting period

		(₹ In Lakhs)
Balance at the beginning of the current reporting period	**Changes in Equity Share Capital during current year**	**Balance at the end of the current reporting period**
931.50	**–**	**931.50**

(ii) Previous year reporting period

		(₹ In Lakhs)
Balance at the beginning of the current reporting period	**Changes in Equity Share Capital during current year**	**Balance at the end of the current reporting period**
931.50	**–**	**931.50**

B. Other Equity

(i) Current reporting period

(₹ In Lakhs)

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	5,481.54	1,448.19	6,929.73
Total Comprehensive Income for the current year	–	213.15	213.15
Balance at the end of the current reporting period	**5,481.54**	**1,661.33**	**7,142.88**

(ii) Previous reporting period

(₹ In Lakhs)

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	5,481.54	1,056.08	6,537.62
Total Comprehensive Income for the pervious year	–	392.10	392.10
Balance at the end of the pervious reporting period	**5,481.54**	**1,448.19**	**6,929.73**

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Mr. Rakesh Khaitan
Director
DIN : 09671089

Sriram Ramchandran
Director
DIN : 07319032

Place : Mumbai
Date : 27 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

1. Corporate information

Neo Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The CIN of the company is U74999MH2015PTC266154. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The financial statements were authorized for issue in accordance with a resolution of the board of directors on 27 April 2023.

2. Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3. Significant Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended,Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilize tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(iv) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

iii. Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – Plant	25 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency. All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

k) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below.

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

r) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 4 - Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 01 April 2022.............	**3,511.81**	**26,678.79**	**30,190.60**
Additions during the year	7.55	236.00	243.55
Balance as at 31 March 2023.........	**3,519.36**	**26,914.79**	**30,434.15**
II. Accumulated depreciation			
Balance as at 01 April 2022	**–**	**5,693.97**	**5,693.97**
Depreciation expense for the year	**–**	957.09	957.09
Balance as at 31 March 2023	**–**	**6,651.06**	**6,651.06**
III. Net carrying amount (I-II)	**3,519.36**	**20,263.73**	**23,783.09**

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 01 April 2021.............	**3,495.39**	**26,492.11**	**29,987.50**
Additions during the year	16.42	186.68	203.10
Balance as at 31 March 2022.........	**3,511.81**	**26,678.79**	**30,190.60**
II. Accumulated depreciation			
Balance as at 01 April 2021	**–**	**4,750.57**	**4,750.57**
Depreciation expense for the year	**–**	943.40	943.40
Balance as at 31 March 2022	**–**	**5,693.97**	**5,693.97**
III. Net carrying amount (I-II)	**3,511.81**	**20,984.82**	**24,496.63**

Note:

(1) Plant and Equipment has been charged against the borrowings (Refer Note No. 12 Non Current Borrowings).

(2) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

(₹ In Lakhs)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(4,55,54,374)
2022-23	(4,55,54,374)
2023-24	(4,55,54,374)
2024-25	(4,55,54,374)
2025-26	(4,55,54,374)
Later Years	36,02,32,408

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
Minimum alternate tax for the year..	**49.64**	90.68
Minimum alternate tax credit entitlement	**(49.64)**	(90.68)
Current Tax charge relating to earlier years	**0.17**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences..................	**84.05**	151.13
Total income tax expense	**84.22**	151.13

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Profit before tax for the year	**297.37**	543
ii) Corporate tax rate as per Income tax Act, 1961	**27.82%**	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	**82.73**	151.13
Effect of expenses that is non-deductible in determining taxable profit...	**1.32**	–
iv) Total effect of Tax adjustment	**84.05**	151.13
v) Adjustments recognized in the current year in relation to the current tax of prior years	0.17	–
vi) Tax expense recognized during the year (vi)=(iv)+(v)	**84.22**	151.13

(c) Movement in deferred tax balances

(₹ In Lakhs)

Particulars	Year ended 31 March 2023 Opening Balance	Recognised in profit and Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Property, Plant and Equipment.....	**984.74**	**309.54**	**1,294.28**
	984.74	**309.54**	**1,294.28**
<u>Tax effect of items constituting deferred tax assets</u>			
Unabsorbed Depreciation (UAD) ...	**514.71**	**225.49**	**740.20**
	514.71	**225.49**	**740.20**
Deferred Tax Liabilities..............	**470.04**	**84.05**	**554.09**
Minimum Alternate Tax Credit.......	**342.93**	**49.64**	**392.56**
Net Deferred Tax (Liabilities)	**127.11**	**34.41**	**161.52**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2022 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	678.44	306.30	984.74
	678.44	306.30	984.74
Tax effect of items constituting deferred tax assets			
Unabsorbed Depreciation (UAD)	359.53	155.18	514.71
	359.53	155.18	514.71
Deferred Tax Liabilities	318.91	151.13	470.04
Minimum Alternate Tax Credit	252.25	90.68	342.93
Net Deferred Tax Liabilities	66.66	60.45	127.11

Note No. 6 - Trade receivables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed Trade receivables - considered good	**2,920.58**	5,051.86
Total trade receivables	**2,920.58**	5,051.86
Of the above, trade receivables from:		
– Related Party	–	–
– Others	**2,920.58**	5,051.86
Total	**2,920.58**	5,051.86

Note:

(1) All the trade receivables have been charged against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings).

(2) The credit period given to customers is of 30 days.

(3) The impact of delay in collection of receivables in terms of present value is not considered material.

Trade Receivables ageing schedule

(₹ In Lakhs)

Particulars	**Outstanding for following periods from date of payment**					
As at 31 March 2023	**Less than 6 months**	**6 months 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables - considered good	976.31	1,109.42	834.85	–	–	2,920.58

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2022	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	2,269.60	2,480.69	301.58	–	–	5,051.86

Note No. 7 - Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	**As at 31 March 2023**	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	**60.82**	25.43
(b) Fixed Deposit maturity less then 3 months	**2,480.00**	1.65
Total Cash and Cash Equivalent	**2,540.82**	27.08

Note:

All cash and cash equivalents have been secured against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings).

Note No. 8 - Other Bank Balance

(₹ In Lakhs)

Particulars	**As at 31 March 2023**	As at 31 March 2022
Earmarked Balance with Bank -		
For Debt service Reserve Account	**788.10**	788.10
For Insurance Account	**19.78**	19.78
Total Other Bank Balances	**807.88**	807.88

Notes:

All other bank balance have been charged against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 9 - Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets at amortized cost		
(a) Unbilled revenue	**59.66**	60.97
(b) Interest Accrued on Fixed Deposit	**21.36**	13.17
Total Other Financials Assets	**81.02**	74.14

Note:
All other financial assets have been charged against the borrowings of the Company (Refer Note no. 12- Non Current Borrowings)

Note No. 10 - Other Current Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
(a) Capital advances	**–**	**331.19**	–	331.19
(i) Advances to vendor	**0.29**	**–**	1.92	–
(b) Other Assets				
(i) Income Tax paid under protest FY 2015-16	**–**	**0.08**	–	0.08
(ii) Prepaid expenses	**34.90**	**–**	35.57	–
Total Other Current Assets	**35.19**	**331.27**	37.49	331.27

Note:
All other assets have been charged against the borrowings of the Company. (Refer No. 12- Non current Borrowings).

Note No. 11 - Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Authorised:				
Equity shares of INR. 10 each with voting rights	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of INR. 10 each with voting rights	**93,15,000**	**931.50**	93,15,000	931.50
Total Equity share capital	**93,15,000**	**931.50**	93,15,000	931.50

Notes:

(i) 30% equity share are pedged with banks for security against the bank borrowing (Refer Note no. 12 - Non Current Borrowings).

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(₹ In Lakhs)

Particulars		Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights				
For the year ended 31 January 2023				
	No. of Shares	**93,15,000**	**–**	**93,15,000**
	Amount in ₹ (INR)	**931.50**	**–**	**931.50**
For the year ended 31 March 2022				
	No. of Shares	93,15,000	–	93,15,000
	Amount in ₹ (INR)	931.50	–	931.50

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Renewables Private Limited	**93,15,000**
As at 31 March 2022	
Mahindra Renewables Private Limited	93,15,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Renewables Private Limited	**93,15,000**	**100%**	93,15,000	100%

Note:
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2023

Promoter name	**No. of Shares**	**% of total shares**	**% Change during the year 31 March 2023**
Mahindra Renewables Private Limited	93,15,000	100.00%	–

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	93,15,000	100.00%	–

Note No. 11(a) - Other Equity

(₹ In Lakhs)

(i) Securities Premium	**As at 31 March 2023**	As at 31 March 2022
Balances as at beginning of the year	**5,481.54**	5,481.54
Movement during the year	**–**	–
Balances as at end of the year	**5,481.54**	5,481.54

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ In Lakhs)

(ii) Retained Earnings	**As at 31 March 2023**	As at 31 March 2022
Balances as at beginning of the year	**1,448.19**	1,056.08
Movement during the year	**213.15**	392.11
Balances as at end of the year	**1,661.34**	1,448.19

Note:
Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 12 - Non-Current Borrowings

(₹ In Lakhs)

Particulars	**Rate of Interest**	**Repayment terms**	**As at 31 March 2023**	As at 31 March 2022
Measured at amortised cost				
Secured Borrowings:				
Term loan from Bank	9.25%	Refer note 1 below	**10,553.22**	11,228.96
Term loan from financial institution	9.25%	Refer note 1 below	**7,694.58**	8,190.00
Less: Current maturities of long term debt			**(1,131.18)**	(1,071.19)
Total Secured Borrowings			**17,116.62**	18,347.77
Unsecured Borrowings				
Loan from Related party	11.00%	Refer note 4 below	**3,169.89**	2,325.00
Total Unsecured Borrowings			**3,169.89**	2,325.00
Total Non Current Borrowings			**20,286.51**	20,672.77

Notes:

(1) Neo Solren Private Limited ("Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 42 MW AC/49.92 MW DC Solar PV Power Project at Wadekothapally, Kodkandla Mandal, Warangal District, in the State of Telangana, India ("Project") and has successfully achieved COD on 06th November, 2017.

To finance part of the cost of the Project, Lenders have financed rupee term loans aggregating to INR 268.80 crores from Yes Bank, on the term and conditions of the common loan agreement dated December 29, 2016 ("Common Loan Agreement"). The subsequently Yes Bank has down sold their part exposure amounting to Rs. 100 Crores to Tata cleantech (TCCL).

The tenure of the Borrowings is 19 years, with repayment starting from March-2018 to last repayment date being September-2035 (quarterly Installments).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(2) The loan amount is secured by:

(a) First charge on all present and future tangible / intangible moveable assets, current assets including receivables.

(b) First charge on all present and future immovable properties, both freehold and leasehold.

(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.

(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:

i) Project agreements

ii) the clearances subject to applicable law

iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party

(e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.

(f) Short fall undertaking from sponsor for funding time/cost overruns.

(g) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(h) Non disposal undertaking from Mahindra Susten private limited for its 51% shareholding in Mahindra Renewables Private Limited.

(3) The Company has to maintain a debt service reserve account with a minimum one quarter equal to total amount of schedules interest fees and principal dues.

(4) The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a repayble in 5 years from date of drawdown of each tranche.

Note No. 13 - Short Term borrowings

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term debt (Refer note no 12)	**1,131.18**	1,071.19
Total Short Term Borrowings	**1,131.18**	1,071.19

Note No. 14 - Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro and small enterprises	**–**	–
(b) Other than Micro and small enterprises	**55.07**	30.00
Total Trade Payables	**55.07**	30.00

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ In Lakhs)

As at 31 March 2023

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(b) Other than Micro and small enterprises	55.07	–	–	–	55.07

(₹ In Lakhs)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(b) Other than Micro and small enterprises	29.45	0.55	–	–	30.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 15 - Other Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Financial Liabilities Measured at Amortized Cost		
(a) Interest accrued but not due	**695.02**	727.74
(b) Creditors for capital supplies/ services	**104.48**	278.47
Total other financial liabilities	**799.50**	1,006.21

Note No. 16 - Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues taxes payable (other than income taxes)	**15.45**	17.99
Total Other Current Liabilities	**15.45**	17.99

Note No. 17 - Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from sale of solar power	**3,699.80**	4,053.55
Total Revenue from Operations	**3,699.80**	4,053.55

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power.

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**60.97**	429.64
Less: Bill during the year	**(3,701.11)**	(4,422.22)
Add: Revenue recognised during the year	**3,699.80**	4,053.55
At the end of the year	**59.66**	60.97
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted prices	**3,699.80**	4,053.55
Less: Adjustment of revenue pertaining to Revenue from sale ...	**–**	–
Revenue from contract with customers	**3,699.80**	4,053.55

Note No. 18 - Other Income

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest Income		
On Financial Assets at Amortized Cost	**89.93**	84.29
(b) Interest on Income tax	**2.55**	–
Total Other Income	**92.48**	84.29

Note No. 19 - Finance Cost

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense	**2,103.77**	2,211.73
Bank Charges	**0.89**	0.90
Total Finance Cost	**2,104.66**	2,212.63

Note No. 20 - Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Insurance	**51.80**	52.08
(b) Corporate social responsibility	**4.75**	–
(c) Operation & Maintenance Charges	**208.59**	171.69
(d) Power Consumption charges	**53.60**	46.21
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors - Statutory audit fees	**1.77**	2.07
(ii) For Tax audit fees	**0.71**	0.71
(iii) For Other services	**1.06**	0.32
(f) Other expenses		
(i) Legal and other professional costs	**89.41**	85.40
(ii) QCA (Qualified Coordinating Agency) Fees	**2.39**	2.87
(iii) Statutory Charges	**14.69**	71.51
(iv) Miscellaneous expenses	**4.39**	5.72
Total Other Expenses	**433.16**	438.58

Note: Details of CSR Expenditure

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year	**4.63**	–
(ii) Amount of expenditure incurred	**4.75**	–
(iii) Nature of CSR activities		
Healthcare	**2.00**	–
Activites for Children's Day & Sports Equipment	**0.43**	–
Donation to Nanhi Kali	**2.32**	–
(iv) Amount paid to related party from CSR	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 21 - Earnings per Share

(₹ In Lakhs)

Particulars	Year ended 31 March 2023 Per Share	Year ended 31 March 2022 Per Share
Basic Earnings per share	**2.29**	4.21
Total basic earnings per share	**2.29**	4.21
Diluted Earnings per share	**2.29**	4.21
Total diluted earnings per share	**2.29**	4.21

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profits used in the calculation of basic earnings per share (i)	**213.15**	392.10
Weighted average number of equity shares (ii)	**93,15,000**	93,15,000
Earnings per share - Basic & diluted (i/ii)	**2.29**	4.21

Note No. 22 - Financial Instruments

Capital management

'The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023 and 31 March 2022 is as follows:

(₹ In Lakhs)

	31 March 2023	31 March 2022
Debt (A) (Rupees (In Lakhs))	**21,417.68**	21,743.96
Equity (B) (Rupees (In Lakhs))	**8,074.38**	7,861.23
Debt Equity Ratio (A / B)	**2.65**	2.77

Note:

Debt includes long-term debt (including non current & current) and Inter-corporate deposits (ICD) as described in Note no 12 & Note no 13.

Categories of financial assets and financial liabilities

As at 31 March 2023 (₹ In Lakhs)

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	2,920.58	–	–	2,920.58
Cash and Bank Balances	3,348.69	–	–	3,348.69
Other Financial Assets				
- Non Derivative Financial Assets	81.02	–	–	81.02
Non-current Liabilities				
Borrowings from Banks and Financial institutions	17,116.62	–	–	17,116.62
Borrowings from related party	3,169.89	–	–	3,169.89
Current Liabilities				
Current maturities of long-term debt	1,131.18	–	–	1,131.18
Trade Payables	55.07	–	–	55.07
Other Financial Liabilities				
- Non Derivative Financial Liabilities	799.50	–	–	799.50

As at 31 March 2022 (₹ In Lakhs)

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	5,051.86	–	–	5,051.86
Cash and Bank Balances	834.95	–	–	834.95
Other Financial Assets				
- Non Derivative Financial Assets	74.14	–	–	74.14
Non-current Liabilities				
Borrowings from Banks and Financial institutions	18,347.77	–	–	18,347.77
Borrowings from related party	2,325.00	–	–	2,325.00
Current Liabilities				
Current maturities of long-term debt	1,071.19	–	–	1,071.19
Trade Payables	30.00	–	–	30.00
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,006.21	–	–	1,006.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial liabilities				
Trade Payable	55.07	–	–	–
Interest accrued but not due	695.02	–	–	–
Creditors for capital supplies/services	104.48	–	–	–
Variable interest rate instruments	1,131.18	2,464.22	2,762.25	11,890.15
Fixed interest rate instruments	–	–	–	3,169.89
Total	**1,985.75**	**2,464.22**	**2,762.25**	**15,060.04**
31 March 2022				
Non-derivative financial liabilities				
Trade Payable	30.00	–	–	–
Interest accrued but not due	727.74	–	–	–
Creditors for capital supplies/services	278.47	–	–	–
Variable interest rate instruments	1,071.19	2,333.77	2,607.04	13,406.96
Fixed interest rate instruments	–	–	–	2,325.00
Total	**2,107.40**	**2,333.77**	**2,607.04**	**15,731.96**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31 March 2023				
Trade receivable	2,920.58	–	–	–
Unbilled revenue	59.66	–	–	–
Interest accrued on fixed deposits	21.36	–	–	–
Fixed interest rate instruments	3,287.88	–	–	–
Variable interest rate instruments	60.82	–	–	–
Total	**6,350.30**	**–**	**–**	**–**
31 March 2022				
Trade receivable	5,051.86	–	–	–
Unbilled revenue	60.97	–	–	–
Interest accrued on fixed deposits	13.17	–	–	–
Fixed interest rate instruments	809.53	–	–	–
Variable interest rate instruments	25.43	–	–	–
Total	5,960.96	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2023	INR	+100	(183.16)
	INR	-100	183.16
31 March 2022	INR	+100	(194.96)
	INR	-100	194.96

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 23- Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

(₹ In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March 2023	31 March 2022		
Financial liabilities				
Financial liabilities measured at amortised cost				
– loans from related parties	**3,205.50**	2,153.00	Level 3	Discounted cashflow method
– interest payables	**572.83**	589.69	Level 3	Discounted cashflow method
	3,778.34	2,742.69		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortized Cost				
– Trade receivables	**2,920.58**	**2,920.58**	5,051.86	5,051.86
– Cash and bank balance	**60.82**	**60.82**	25.43	25.43
– Other financial assets	**81.03**	**81.03**	74.14	74.14
	3,062.42	**3,062.42**	5,151.43	5,151.43
Financial liabilities				
Financial liabilities held at amortised cost				
– borrowing from bank and financial institutions	**18,247.79**	**18,247.79**	19,418.96	19,418.96
– loans from related parties	**3,169.89**	**3,205.50**	2,325.00	2,153.00
– trade payables	**55.07**	**55.07**	30.00	30.00
– interest payables	**695.02**	**572.83**	727.74	589.69
– others	**104.48**	**104.48**	278.47	278.47
Total	**22,272.26**	**22,185.68**	22,780.18	22,470.12

Fair value hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Trade receivables	–	–	2,920.58	**2,920.58**
– Cash and bank balance	–	60.82	–	**60.82**
– Other	–	–	81.03	**81.03**
Total	–	60.82	3,001.60	**3,062.42**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Fair value hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from Bank & Financial institution	–	18,247.79	–	**18,247.79**
– Loans from related parties	–	–	3,205.50	**3,205.50**
– Trade payables	–	–	55.07	**55.07**
– Interest payables	–	–	572.83	**572.83**
– Others	–	–	104.48	**104.48**
Total	–	**18,247.79**	**3,937.89**	**22,185.68**

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Trade receivables	–	–	5,051.86	**5,051.86**
– Cash and bank balance	–	25.43		**25.43**
– Other	–	–	74.14	**74.14**
Total	–	25.43	5,126.00	**5,151.43**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Loans from Bank & Financial institution	–	19,418.96	–	**19,418.96**
– Loans from related parties	–	–	2,325.00	**2,325.00**
– Trade payables	–	–	30.00	**30.00**
– Interest payables	–	–	589.69	**589.69**
– Others	–	–	278.47	**278.47**
Total	–	19,418.96	3,223.16	**22,642.12**

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure

Note No. 24 - Key Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.2	2.8	15.61%	
Debt Equity Ratio	Borrowings	Shareholder's Equity	2.7	2.8	-4.10%	
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.0	1.2	-11.18%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	2.68%	5.12%	-48%	Due to decrease in revenue from operations
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–	
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	0.9	1.2	-20%	
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–	–	
Net Captial turnover ratio	Revenue from operations	Average Working Capital	89.79%	105.75%	-15%	
Net Profit ratio	Profit after taxes	Revenue from operations	5.76%	9.67%	-40%	Due to decrease in revenue from operations
Return on Investment	Income from Investments	Average Investments	–	–	–	
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Average Borrowings	8.10%	9.27%	-13%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Note No. 25- Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022) Ontrario Teacher's Pension Plan Board (w.e.f. 22 December 2022)
Intermediate Holding Company	Mahindra Susten Private Limited
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited (Upto 14 December, 2022) Astra Solren Private Limited Mega Surya Urja Private Limited Brightsolar Renewable Energy Private Limited (w.e.f. 19th July 2021) Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022) MSPE Urja S.r.l (liquidated on 18 January 2022) Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022) MSPL International DMCC (Under liquidation) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited (w.e.f. 15 December 2022)
Key Managerial Persons (KMP)	**Non Executive Director** Sriram Ramachandran Rakesh Singh Rakesh Khaitan (w.e.f. 25th July 2022) Basant Jain (Upto 25th July 2022)

Details of transaction between the Company and its related parties are disclosed below:

						(₹ In Lakhs)
Nature of transactions with Related Parties	**For the year ended**	**Ultimate Holding Company**	**Intermediate Holding Company**	**Fellow Subsidiary Company**	**Ultimate Joint Venturer**	**Venturer Group Co**
Availment of EPC services for Capital project.......	**31-Mar-23**	**–**	**200.00**	**–**	**–**	**–**
	31-Mar-22	–	–	–	–	–
Receiving of services	**31-Mar-23**	**2.90**	**18.45**	**113.15**	**1.65**	**44.38**
	31-Mar-22	1.66	167.57	143.68	–	–
Interest paid on ICD..	**31-Mar-23**	**–**	**331.88**	**–**	**–**	**–**
	31-Mar-22	–	248.62	–	–	–
Inter Corporate Deposit Taken..............................	**31-Mar-23**	**–**	**844.89**	**–**	**–**	**–**
	31-Mar-22	–	65.00	–	–	–

						(₹ In Lakhs)
Nature of Balances with Related Parties	**Balance as on**	**Ultimate Holding Company**	**Intermediate Holding Company**	**Fellow Subsidiary Company**	**Ultimate Joint Venturer**	**Venturer Group Co**
	31-Mar-23	**–**	**–**	**14.58**	**–**	**–**
Trade payables..	31-Mar-22	0.45	174.00	13.89	–	–
	31-Mar-23	**–**	**695.02**	**–**	**–**	**–**
Interest on ICD payable.......................................	31-Mar-22	–	727.74	–	–	–
	31-Mar-23	**–**	**3,169.89**	**–**	**–**	**–**
Inter corproate deposit payable	31-Mar-22	–	2,325.00	–	–	–

Note No. 26 - Contingent liabilities and commitments

		(₹ In Lakhs)
Contingent liabilities (to the extent not provided for)	**As at 31 March 2023**	As at 31 March 2022
Contingent liabilities		
a) Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	**5.84**	5.84

Note No. 27 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company. (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 28

The amount has been rounded off to nearest ₹ (INR) lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. 29

The Financial Statements have been approved for issue by Company's Board of Directors on 27 April 2023.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Sriram Ramchandran
Director
DIN : 07319032

Place : Mumbai
Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARVEL SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Marvel Solren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYB5069

Place: Mumbai
Date: April 24, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Marvel Solren Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYB5069

Place: Mumbai
Date: April 24, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYB5069

Place: Mumbai
Date: April 24, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ In Lakhs)

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	**11,345.97**	12,180.55
	(b) Deferred Tax Assets (Net)	5	**30.19**	31.93
	SUB-TOTAL		**11,376.16**	12,212.47
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables	6	**169.86**	218.81
	(ii) Cash and Cash Equivalents	7	**946.52**	457.10
	(iii) Other Bank Balances	7 (a)	**507.83**	510.92
	(iv) Other Financial Assets	8	**190.19**	189.24
	(b) Current Tax Assets (Net)		**38.95**	7.58
	(c) Other Current Assets	9	**4.04**	8.33
	SUB-TOTAL		**1,857.39**	1,391.98
	TOTAL ASSETS		**13,233.55**	13,604.46
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	10	**2,781.60**	2,781.60
	(b) Other Equity	10	**2,607.77**	2,376.73
	SUB-TOTAL		**5,389.37**	5,158.33
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	11	**7,061.89**	7,847.00
	SUB-TOTAL		**7,061.89**	7,847.00
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	12	**617.60**	416.47
	(ii) Trade Payables			
	(a) Total outstanding dues to Micro & small enterprises		**–**	–
	(b) Total outstanding dues to creditors other than Micro & small enterprises	13	**73.63**	92.05
	(iii) Other Financial Liabilities	14	**10.07**	40.02
	(b) Provisions	16	**23.22**	46.35
	(c) Other Current Liabilities	15	**57.77**	4.24
	SUB-TOTAL		**782.29**	599.13
	TOTAL EQUITY AND LIABILITIES		**13,233.55**	13,604.46

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 24th April, 2023

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Mr. Daisuke Nakahara
Director
DIN: 08629558

Mr. Amit Gaikwad
Chief Financial Officer

Ms. Aarti Kothari
Company Secretary
Membership No.: FCS – 10747

Place: Mumbai
Date : 24th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In Lakhs)

	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I	Revenue from operations	17	**2,115.12**	1,887.50
II	Other Income	**18**	**70.07**	31.42
III	**Total Income (I + II)**		**2,185.19**	1,918.92
IV	**Expenses**			
	(a) Employee benefit expense	**19**	**24.54**	37.80
	(b) Finance costs	**20**	**664.29**	566.22
	(c) Depreciation expense	**4**	**835.19**	802.68
	(d) Other expenses	**21**	**355.36**	389.99
	Total Expenses		**1,879.38**	1,796.68
V	**(Loss)/profit before tax (III-IV)**		**305.81**	122.24
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Minimum Alternate Tax		**73.03**	–
	(c) Minimum Alternate Tax (Credit)		**(73.03)**	–
	(d) Deferred tax	5	**74.77**	45.41
	Total tax expense		**74.77**	45.41
VII	**(Loss)/Profit after tax for the year (V - VI)**		**231.04**	76.83
VIII	**Other comprehensive income**		**–**	–
	(a) (i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus		**–**	–
	(b) Remeasurements of the defined benefit liabilities/(asset)		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**231.04**	76.83
X	**Earnings per equity share:**			
	(a) Basic	22	**0.83**	0.28
	(b) Diluted	22	**0.83**	0.28

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 24th April, 2023

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Mr. Daisuke Nakahara
Director
DIN: 08629558

Mr. Amit Gaikwad
Chief Financial Officer

Ms. Aarti Kothari
Company Secretary
Membership No.: FCS – 10747

Place: Mumbai
Date : 24th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Cash flows from operating activities		
(Loss)/Profit before tax for the year	**305.81**	122.24
Adjustments for:		
Finance costs recognised in profit or loss	**664.29**	566.22
Investment income recognised in profit or loss	**(70.07)**	(31.42)
Depreciation expense recognised in profit or loss	**835.19**	802.68
Movements in working capital:		
Increase in trade and other receivables	**48.95**	(162.52)
(Increase)/decrease in financial and other assets	**(71.42)**	73.38
Increase/(Decrease) in trade and other payables	**(41.49)**	(27.73)
(Decrease)/increase in other liabilities	**55.26**	34.94
Cash generated from operations	**1,726.51**	1,377.78
Income taxes paid	**(31.37)**	11.75
Net cash flow generated from operating activities	**1,695.14**	1,389.54
Cash flows from investing activities		
Additions to Earmarked Balance	**3.09**	(211.90)
Interest received	**70.07**	31.42
Payments to acquire PPE	**(30.62)**	(2,665.14)
Net cash flow used in investing activities	**42.54**	(2,845.62)
Cash flows from financing activities		
Proceeds from / (Repayment of) borrowings	**(583.98)**	2,124.44
Interest paid	**(664.29)**	(566.22)
Net cash flow generated from financing activities	**(1,248.27)**	1,558.22
Net Increase/(Decrease) in cash and cash equivalents	**489.42**	102.13
Cash and cash equivalents at the beginning of the year	**457.10**	354.97
Cash and cash equivalents at the end of the year	**946.52**	457.10

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 24th April, 2023

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Mr. Daisuke Nakahara
Director
DIN: 08629558

Mr. Amit Gaikwad
Chief Financial Officer

Ms. Aarti Kothari
Company Secretary
Membership No.: FCS – 10747

Place: Mumbai
Date : 24th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

(i) Current reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
2,781.60	–	2,781.60

(ii) Previous reporting period

(₹ In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during previous year	Balance at the end of the previous reporting period
2,781.60	–	2,781.60

B. Other Equity

(i) Current reporting period

As on 31st March 2023

(₹ In Lakhs)

Particulars	Share application money pending allotment	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	2,521.75	(145.02)	2,376.73
Total Comprehensive Income for the current year	–	–	231.04	231.04
Balance at the end of the current reporting period	**–**	**2,521.75**	**86.01**	**2,607.77**

(ii) Previous year reporting period

As on 31st Mar 2022

(₹ In Lakhs)

Particulars	Share application money pending allotment	Securities Premium	Retained Earnings	Total
Balance at the beginning of the previous reporting period	–	2,521.75	(221.86)	2,299.90
Total Comprehensive Income for the previous year.................	–	–	76.83	76.83
Balance at the end of the previous reporting period	–	2,521.75	(145.02)	2,376.73

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 24th April, 2023

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Mr. Daisuke Nakahara
Director
DIN: 08629558

Mr. Amit Gaikwad
Chief Financial Officer

Ms. Aarti Kothari
Company Secretary
Membership No.: FCS – 10747

Place: Mumbai
Date : 24th April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Nature of Operations

Marvel Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The holding company is Mahindra Susten Private Limited.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

1. Significant Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2023 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilize any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may bedifferent from originally estimated provision.

C. Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit orloss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collectcontractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset

and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/ agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re- measurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses aredetermined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financialliabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financialliability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposureto interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on thesame basis as other property assets, commences when the assets are ready for their intendeduse.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.

Estimated useful life of the assets considered is 10 to 15 years and residual value is considered at 5% of the original cost of the assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or lossarising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with thesale) and the carrying amount of the asset and is recognized in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an assetare capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at eachbalance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in anorderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) Segment information:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

g) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

i) **Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

j) **Government Grant:**

Government grants are recognized where there is reasonable assurance that the grant willbe received and all attached conditions will be complied with. When the grant relates to anexpense item, it is recognized as income on a systematic basis over the periods that therelated costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of therelated asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loanis subsequently measured as per the accounting policy applicable to financial liabilities.

k) **Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

l) **Revenue Recognition:**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step modelas set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is apromise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goodsor services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For acontract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying eachperformance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one ofthe following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls asthe asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue Towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration an account of various discounts and schemes offered by the Company as part of the Contract.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

m) **Events after reporting date:**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of materialsize or nature are only disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

2. Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

Note No. 4 – Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2022	721.75	13,507.01	14,228.76
Additions during the year	–	0.62	0.62
As at 31st March 2023	**721.75**	**13,507.63**	**14,229.38**
II. Accumulated depreciation			
Balance as at 1st April 2022	–	2,048.22	2,048.22
Depreciation expense for the year	–	835.19	835.19
As at 31st March 2023	**–**	**2,883.41**	**2,883.41**
III. Net carrying amount (I–II)	**721.75**	**10,624.22**	**11,345.97**

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2021	721.75	10,566.40	11,288.15
Additions during the year	–	2,940.61	2,940.61
Balance as at 31st March 2022	**721.75**	**13,507.01**	**14,228.76**
II. Accumulated depreciation			
Balance as at 1st April 2021	–	1,245.54	1,245.54
Depreciation expense for the year	–	802.68	802.68
As at 31st March 2022	**–**	**2,048.22**	**2,048.22**
III. Net carrying amount (I–II)	**721.75**	**11,458.79**	**12,180.55**

Note :-

(1) Plant and Equipment have been charged against the borrowings. (Refer Note No. 11 Non Current Borrowings).

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss (₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current Tax:		
Minimum alternate tax for the year	73.03	–
Minimum alternate tax credit entitlement	(73.03)	–
Deferred Tax:		
In respect of current period origination	74.77	45.41
Total Income Tax Expense	**74.77**	**45.41**

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company’s domestic tax rate:

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
i) Profit before tax for the year	305.81	122.24
ii) Corporate tax rate as per Income tax Act, 1961	**26.00%**	25.17%
iii) Tax on accounting profit (iii) =(i) X (ii)	79.51	30.77
Effect of income that is exempt from taxation	–	14.64
Effect of expenses that is non-deductible in determining taxable profit	(4.74)	–
iv) Total effect of Tax adjustment	**74.77**	45.41
v) Adjustments recognised in the current year in relation to the current tax of prior years	–	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	74.77	45.41

Movement in deferred tax balances

(₹ In Lakhs)

Particulars	Year ended 31st March 2023		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	905.07	437.35	1,342.42
	905.07	437.35	1,342.42
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	937.00	362.58	1,299.58
Net Deferred Tax (Asset)/ Liabilities	**31.93**	**(74.77)**	**(42.84)**
MAT Credit	–	73.03	73.03
Net Deferred Tax (Asset)/ Liabilities	**31.93**	**(1.74)**	**30.19**

(₹ In Lakhs)

Particulars	Year ended 31st March 2022		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	521.71	383.36	905.07
	521.71	383.36	905.07
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	599.05	337.95	937.00
	599.05	337.95	937.00
Net Deferred Tax (Asset)/Liabilities	77.33	(45.41)	31.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 6 – Trade receivables

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables		
Undisputed Trade receivables - considered good	**169.86**	218.81
Total Trade Receivables	**169.86**	218.81

Note:

(1) All Trade receivable are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

(2) The credit period given to customers is of 7 days to 15 days.

Trade Receivables ageing schdule
As at 31st March 2023

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
As at 31st March 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	**169.86**	**–**	**–**	**–**	**169.86**

As at 31st March 2022

(₹) in Lakhs

Particulars	Outstanding for following periods from due date of payment				
As at 31st March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	199.38	19.43	–	–	218.81

Note No. 7 – Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balances with banks	**182.00**	307.13
(b) Fixed Deposit with Original Maturity less than or Equal to 3 months	**764.52**	149.97
Total Cash and Cash Equivalents	**946.52**	457.10

Note:

All other Cash and Cash Equivalents are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No.7(a) – Other Bank Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earmarked Balance with Bank - For Debt service Reserve Account	**507.83**	510.92
Total Other Bank balances	**507.83**	510.92

Note:

All other Bank balances are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 8 – Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	**Non–Current**	Current	Non–Current
Financial assets at amortised cost				
a) Unbilled Revenue	**184.47**	**–**	176.02	–
b) Deposit	**5.72**	–	13.22	–
Total Other Financial Assets	**190.19**	**–**	189.24	–

Note No. 9 – Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	**Non–Current**	Current	Non–Current
Prepaid Expenses	**4.04**	**–**	8.33	–
Total Other Current Assets	**4.04**	**–**	8.33	–

Note:

All other Current assets are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 10 – Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	**Share Capital**	No. of shares	Share Capital
Authorised:				
Equity shares of Rs. 10 each with voting rights	**278.16**	**2,781.60**	278.16	2,781.60
Issued, Subscribed and Fully Paid:	**278.16**	**2,781.60**	278.16	2,781.60
Equity shares of Rs. 10 each with voting rights	**278.16**	**2,781.60**	278.16	2,781.60
Total Equity share capital	**278.16**	**2,781.60**	278.16	2,781.60

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights						
Year ended 31st March 2023						
No. of Shares	**278.16**	**–**	**–**	**–**	**–**	**278**
Amount in INR	**2,781.60**	**–**	**–**	**–**	**–**	**2,782**
Year ended 31st March 2022						
No. of Shares	278.16	–	–	–	–	278
Amount in INR	2,781.60	–	–	–	–	2,782

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
Year ended 31st March 2023			
Mahindra Susten Private Limited	141.86	–	–
Mitsui & Co.	136.30	–	–
Year ended at 31st March 2022			
Mahindra Susten Private Limited	141.86	–	–
Mitsui & Co.	136.30		

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2023: Number of shares held	% holding in that class of shares	As at 31st March, 2022: Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mahindra Susten Private Limited	141.86	51%	141.86	51%
Mitsui & Co.	136.30	49%	136.30	49%

Shareholding of Promoters is as under

Shares held by promoters as at 31st March 2023

Promoter name	No. of Shares	%of total shares	% Change of during the year 31st March 2023
Mahindra Susten Private Limited	141.86	51%	–
Mitsui & Co.	136.30	49%	–

Shares held by promoters as at 31st March 2022

Promoter name	No. of Shares	%of total shares	% Change of during the year 31st March 2022
Mahindra Susten Private Limited	141.86	51%	–
Mitsui & Co.	136.30	49%	–

Note-
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

Other Equity	As at 31st March 2023	As at 31st March 2022
(i) Securities Premium	**2,521.75**	2,521.75
(ii) Retained Earnings	**86.01**	(145.02)
Total Revenue from Operations	**2,607.77**	2,376.73

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 11 – Non–Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest	Maturity	As at 31st March 2023	As at 31st March 2022
Measured at amortised cost				
Secured Borrowings:				
Term Loans from Banks (MICR-1 Y is 8.30% and spread is 0.35%)	8.30%	To be repaid by 30/03/2032	**4,150.52**	4,614.12
Term Loans from Banks (MICR-1 Y is 8.55% and spread is 0.95%)	8.55%	To be repaid by 30/09/2033	**713.82**	759.09
Term Loans from Banks (MICR-1 Y is 7.30% and spread is 0.95%)	7.30%	To be repaid by 31/12/2032	**2,197.55**	2,473.78
Total Non – Current Borrowings			**7,061.89**	7,847.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Notes:

(1) The Company is engaged in the business of operating Solar Power project ; The term loan from Bank is repayable.

i) Starting from 30 June 2019 and ending on 30 March 2032.

ii) Starting from 30 December 2019 and ending on 30 September 2033.

iii) Starting from 30 September 2021 and ending on 30 December 2032

(2) The loan amount is secured by:

(a) First charge on all present and future tangible moveable assets, intangible assets, current assets including receivables.

(b) First charge on all present and future immovable properties, both freehold and leasehold.

(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.

(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:

i) Project agreements

ii) the clearances subject to applicable law

iii) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees or warranty

(e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.

(f) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(3) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next quarter.

Note No. 12- Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current maturities of long-term debt	**617.60**	416.47
Total Current Borrowings	**617.60**	416.47

Note No. 13 – Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non–Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current
(a) Micro and small enterprises	**–**	**–**	–	–
(b) Other than Micro and small enterprises	**73.63**	**–**	92.05	–
Total Trade Payables	**73.63**	**–**	92.05	–

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Trade Payable Aging schedule

(₹ In Lakhs)

As at 31st March, 2023

Outstanding for following periods from date of transaction

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	**73.63**	**–**	**–**	**–**	**73.63**

As at 31st March, 2022

Outstanding for following periods from date of transaction

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	92.05	–	–	–	92.05

Note No. 14 – Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued on loan	**0.07**	0.02
(b) Creditors for capital supplies/services	**10.00**	40.00
Total Other Financial Liabilities	**10.07**	40.02

Note No. 15 – Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable		
(a) Other than income taxes	**2.91**	2.81
(b) Employee Recoveries and Employer Contributions	**1.43**	1.44
(c) Income Tax Liabilities	**53.43**	–
Total Other Current Liabilities	**57.77**	4.24

Note No. 16 – Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	**–**	**–**	–	–
(b) Other Provisions				
(1) Other Provisions	**23.21**	**–**	46.35	–
Total Provisions	**23.21**	**–**	46.35	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Movement in Provision

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	**46.35**	83.49
(+) Addition during the year	**22.37**	24.54
(-) Utilization during the year	**45.50**	61.67
Closing Balance	**23.22**	46.35

Note No. 17 – Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from sale of solar power	**2,115.12**	1,887.50
Total Revenue from Operations	**2,115.12**	1,887.50

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power.

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**176.02**	**292.94**
Less: Bill during the year	**2,106.67**	**2,004.42**
Add: Revenue recognised during the year	**2,115.12**	**1,887.50**
At the end of the year	**184.47**	176.02
Contract Liability	**–**	**–**

C. Reconciliation of revenue as per Ind AS 115:

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue as per contracted prices	**2,115.12**	1,887.50
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	**–**
Revenue from contract with customers	**2,115.12**	**1,887.50**

Note No. 18 – Other Income

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest Income	**40.51**	24.56
Other (Sale of i-RECs)	**7.65**	6.85
Other Income - Insurance Claim	**17.90**	–
Interest on Refund-Income Tax	**4.01**	–
Total Other Income	**70.07**	31.42

Note No. 19 – Employee Benefits Expense

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	**24.54**	37.80
Total Employee Benefit Expense	**24.54**	37.80

Note No. 20 – Finance Cost

(₹) in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense	**662.53**	566.22
Interest on Income Tax	**1.76**	-
Total Finance Cost	**664.29**	566.22

Note No. 21 - Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(a) ROC Charges, Registration charges and stamp duty expenses	**0.43**	0.42
(b) Insurance	**26.00**	24.54
(c) Repairs and maintenance – Machinery	**153.95**	177.93
(d) Rent For Officers	**18.38**	30.00
(e) Travelling and Conveyance Expenses	**7.66**	10.10
(f) Auditors remuneration and out–of–pocket expenses		
(i) As Auditors– Statutory audit fees	**1.50**	2.74
(g) Other expenses		
(i) Legal and other professional costs	**140.31**	136.57
(ii) Bank Charges	**0.04**	–
(iii) Miscellaneous expenses	**7.09**	7.68
Total Other Expenses	**355.36**	**389.99**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 22 - Earnings per Share

(₹ In Lakhs)

Particulars	For the Period ended 31st March, 2023	For the year ended 31st March, 2022
	Per Share	**Per Share**
Basic Earnings per share	**0.83**	0.28
Total basic earnings per share	**0.83**	0.28
Diluted Earnings per share	**0.83**	0.28
Total basic earnings per share	**0.83**	0.28

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

(₹ In Lakhs)

Particulars	For the Period ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year attributable to owners of the Company (INR)	**231.04**	76.83
Less: Preference dividend and tax thereon	**–**	**–**
Profit for the year used in the calculation of basic earnings per share (INR)	**231.04**	76.83

(₹ In Lakhs)

Particulars	For the Period ended 31st March, 2023	For the year ended 31st March, 2022
Profits used in the calculation of basic and diluted earnings per share from continuing operations(INR) (i)	**231.04**	76.83
Weighted average number of equity shares (ii)	**278.16**	278.16
Earnings per share from continuing operations - Basic & diluted (i/ii)	**0.83**	0.28

Note No. 23 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March 2023 and 31st March 2022 is as follows:

	31st March 2023	31st March 2022
Debt (A)	**7,679**	8,263
Equity (B)	**5,389**	5,158
Debt Equity Ratio (A / B)	**1.42**	1.60

Categories of financial assets and financial liabilities

As at 31st March 2023 (₹ In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	169.86	–	–	**169.86**
Cash and Bank Balances	–	946.52	–	–	**946.52**
Other Financial Assets					
- Non Derivative Financial Assets	–	698.02	–	–	**698.02**
Non-current Liabilities					
Borrowings from Banks	–	7,061.89	–	–	**7,061.89**
Current Liabilities					
Borrowings from Banks	–	617.60	–	–	**617.60**
Trade Payables	–	73.63	–	–	**73.63**
Other Financial Liabilities	–	10.07	–	–	**10.07**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

As at 31st March 2022 **(₹ In Lakhs)**

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	218.81	–	–	**218.81**
Cash and Bank Balances	–	457.10	–	–	**457.10**
Other Financial Assets					
- Non Derivative Financial Assets	–	700.16	–	–	**700.16**
Non-current Liabilities					
Borrowings from Banks	–	7,847.00	–	–	**7,847.00**
Current Liabilities					
Borrowings from Banks	–	416.47	–	–	**416.47**
Trade Payables	–	92.05	–	–	**92.05**
Other Financial Liabilities	–	40.02	–	–	**40.02**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the various companies in various states and it believes that it is a solvent debt and hence the risk is minimal.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1 Year-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31st March 2023				
Non-derivative financial liabilities	83.70	–	–	–
Non-interest bearing	617.60	1,071.90	1,158.92	4,831.18
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments				
Derivative financial liabilities				
Non-interest bearing	–	–	–	–
Total	**701.30**	**1,071.90**	**1,158.92**	**4,831.18**
31st March 2022				
Non-derivative financial liabilities				
Non-interest bearing	132.07	–	–	–
Variable interest rate instruments	416.47	1,271.90	1,458.92	5,116.18
Fixed interest rate instruments	–	–	–	–
Total	**548.53**	**1,271.90**	**1,458.92**	**5,116.18**

Non-derivative financial liabilities

Non-interest bearing	Year ended 31st March, 2023	Year ended 31st March, 2022
Trade Payables	73.63	92.05
Other Financial Liabilities	10.07	40.02
	83.70	132.07

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1 Year-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31st March 2023				
Non interest beaing	867.88	–	–	–
Variable interest rate instruments	946.52	–	–	–
Fixed interest rate instruments	–	–	–	–
	1,814.40	**–**	**–**	**–**
31st March 2022				
Non interest beaing	918.97	–	–	–
Variable interest rate instruments	457.10	–	–	–
Fixed interest rate instruments	–	–	–	–
	1,376.07	**–**	**4,076.76**	**15,063.55**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Non-derivative financial liabilities

Non interest beaing	Period ended 31st March, 2023	Year ended 31st March, 2021
Trade Receivables	169.86	218.81
Non Derivative Financial Assets	698.02	700.16
	867.88	918.97

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31st March 2023	INR	+100	(70.62)
	INR	(-) 100	70.62
31st March 2022	INR	+100	(78.47)
	INR	(-) 100	78.47

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 23 (a) - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ In Lakhs)

	31st March 2023		31st March 2022	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	**169.86**	**169.86**	218.81	218.81
Cash and Cash Equivalents	**946.52**	**946.52**	457.10	457.10
Other Bank Balances	**507.83**	**507.83**	510.92	510.92
Other Financial Assets	**190.19**	**190.19**	189.24	189.24
Total	**1,814.40**	**1,814.40**	1,376.07	1,376.07
Financial liabilities				
Financial liabilities held at amortised cost				
Non Current Liabilities				
Borrowing from bank	**7,061.89**	**7,061.89**	7,847.00	7,847.00
Current Liabilities				
Borrowing from bank	**617.60**	**617.60**	416.47	416.47
Trade payables	**73.63**	**73.63**	92.05	92.05
Others Financial liabilities	**10.07**	**10.07**	40.02	40.02
Total	**7,763.19**	**7,763.19**	8,395.53	8,395.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In Lakhs)

			Fair value hierarchy as at 31st March 2022	
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	169.86	169.86
Cash and Cash Equivalents	–	946.52	–	946.52
Other Bank Balances	–	507.83	–	507.83
Other Financial Assets	–	–	190.19	190.19
Total	–	1,454.35	360.05	1,814.40
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	7,679.49	–	7,679.49
Trade payables	–	–	73.63	73.63
Other financial liabitilies			10.07	10.07
Total	–	7,679.49	83.70	7,763.19

(₹ In Lakhs)

			Fair value hierarchy as at 31st March 2022	
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	218.81	218.81
Cash and Cash Equivalents	–	457.10	–	457.10
Other Bank Balances	–	510.92	–	510.92
Other Financial Assets	–	–	189.24	189.24
Total	–	968.02	408.05	1,376.07
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	8,263.46	–	8,263.46
Trade payables	–	–	92.05	92.05
Other financial liabitilies	–	–	40.02	40.02
Total	–	8,263.46	132.07	8,395.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 24 – Key Ratios

Sr. No.	Particular	Numerator	Denominator	2021-22	2020-21	Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	2.37	2.32	2%	Payment of Current Liabilities during the year
2	Debt Equity Ratio	Borrowings	Shareholder's Equity	1.42	1.60	–11%	Due to Repayment of Debt.
3	Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.41	1.52	–7%	Revenue and profit accrued from all Projects
4	Return on equity ratio	Profit after taxes	Average Shareholder's Equity	4.29%	1.49%	3%	Revenue and profit accrued from all Projects
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–	–
6	Trade receivable turnover ratio	Revenue from operations	Average Trade Receivable	12.45	8.63	44%	Increase in Receivables due to Increase in Revenue
7	Trade payable turnover ratio	Purchases	Average Trade Payables	–	–	–	–
8	net capital turnover ratio	Revenue from operations	Shareholder's Equity	0.39	0.37	7%	Increase in Revenue leading to Higher Asset turnover
9	Net profit ratio	Profit after taxes	Revenue from operations	14%	6%	8%	–
10	Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	8%	3%	6%	–
11	Return on investment	Income from Investments	Average Investments	–	–	–	No investment held by the company

Note No. 25 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited
	Mahindra Solarize Private Limited
	Mahindra Integrated Business Solutions Private Limited
	Tech Mahindra Limited

Details of transaction between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
<u>Nature of transactions with Related Parties</u>				
Sale of goods	**31–Mar–23**	**578.66**	**–**	**768.40**
	31–Mar–22	396.52	–	871.03
Receiving of services	**31–Mar–23**	**3.38**	**–**	**326.84**
	31–Mar–22	2.91	8.47	244.59

(₹ In Lakhs)

<u>Nature of transactions with Related Parties</u>	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
Trade Receivable	**31-Mar-23**	**–**	**–**	**125.12**
	31-Mar-22	–	–	37.14
Trade payables	**31-Mar-23**	**–**	**–**	**70.64**
	31-Mar-22	–	–	90.92
Other Financial Liabilities	**31-Mar-23**	**–**	**–**	**10.00**
	31-Mar-22	–	–	40.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 26 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 27

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31st March 2023 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 28

The amount has been rounded off to nearest ₹ in Lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. 29

The financial statements have been approved for issue by Company's Board of Directors on 24th April 2023.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Mr. Daisuke Nakahara
Director
DIN: 08629558

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
Date : 24th April, 2023

Mr. Amit Gaikwad
Chief Financial Officer

Place : Mumbai
Date : 24th April, 2023

Ms. Aarti Kothari
Company Secretary
Membership No.: FCS – 10747

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ASTRA SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Astra Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No.: 23111212BGVIYC8452

Place: Mumbai
Date: April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Astra Solren Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No.: 23111212BGVIYC8452

Place: Mumbai
Date: April 27, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. (a) According to the information and explanations given to us, the Company has not provided advance in the nature of loan or stood guarantee or provided security to any other entity. During the year, the Company has granted loans in the form of inter corporate deposits (ICDs) to its fellow subsidiary company Brightsolar Renewable Energy Private Limited (fellow subsidiary company) amounting to Rs. 11,68,00,000. The balance outstanding as at the balance sheet date amounting to Rs. 12,08,55,040 (including interest receivable amounting to Rs. 40,55,040).

(b) According to the information and explanations given to us, the Company has not made any investment, provided guarantee, given security or granted an advance in the nature of loan to any other entity. During the year, the Company has granted loans in the form of ICDs to its fellow subsidiary company. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of loans granted by the Company into its fellow subsidiary company are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us, the fellow subsidiary company has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.

(d) According to the information and explanations given to us, for a loan given to a fellow subsidiary company as mentioned in paragraph (c) above, the Company has regularly received its principal amounts and payments of interest as per the stipulated terms and has not noted any delay.

(e) According to the information and explanations given to us, the loans granted to fellow subsidiary company as mentioned in paragraph (a) above have fallen due during the year but have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same party.

(f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No.: 23111212BGVIYC8452

Place: Mumbai
Date: April 27, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ In Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	28,941.83	30,342.16
(b) Right of Use - Land	4A	5,256.09	5,479.43
(c) Financial Assets			
(i) Loans	8	1,168.00	–
(ii) Other Financial Assets	8A	7.14	7.14
SUB-TOTAL		35,373.07	35,828.73
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	6	1,475.75	1,413.76
(ii) Cash and Cash Equivalents	7	1,384.21	1,434.71
(iii) Other Bank Balance	7A	1,099.15	1,080.94
(iv) Other Financial Assets	8A	614.83	606.19
(b) Current Tax Assets (Net)			
(c) Other Current Assets	9	7.40	7.28
SUB-TOTAL		4,581.34	4,542.88
TOTAL ASSETS		39,954.41	40,371.61
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	10	888.96	888.96
(b) Other Equity	10	8,796.59	7,690.62
SUB-TOTAL		9,685.55	8,579.58
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	24,120.61	25,746.83
(ii) Lease Liabilities	14	130.30	132.26
(b) Deferred Tax Liabilities (Net)	5	508.60	289.59
(c) Other Non-current Liabilities	16	3,346.80	3,443.33
SUB-TOTAL		28,106.31	29,612.01
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	1,644.49	1,559.22
(ii) Lease Liabilities		13.71	13.71
(iii) Trade Payables	13		
– Dues to Micro & small enterprises		–	–
– Dues to other than Micro & small enterprises		111.27	50.33
(iv) Other Financial Liabilities	15	202.05	191.43
(b) Current Tax Liabilities (Net)		10.20	101.22
(c) Other Current Liabilities	16	180.83	264.12
SUB-TOTAL		2,162.55	2,180.03
TOTAL EQUITY AND LIABILITIES		39,954.41	40,371.61

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

	Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations	17	5,893.25	5,801.40
II	Other Income	18	332.06	333.90
III	**Total Income (I + II)**		6,225.31	6,135.31
IV	**Expenses**			
	(a) Finance costs	19	2,282.21	2,394.50
	(b) Depreciation expense	4	1,630.62	1,630.04
	(c) Other expenses	20	719.97	640.11
	Total Expenses		4,632.80	4,664.65
V	**Profit before tax (III-IV)**		1,592.51	1,470.66
VI	**Tax Expense**	5		
	(a) Current tax (i) Minimum alternate Tax		278.24	245.48
	(ii) Minimum alternate tax credit		(278.24)	(245.48)
	(iii) Current Tax charge relating to earlier years		(22.16)	–
	(b) Deferred Tax		470.42	411.92
	Deferred Tax charge relating to earlier years		38.28	
	Total tax expense		486.54	411.92
VII	**Profit after tax for the year (V - VI)**		1,105.97	1,058.74
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that will be reclassified to profit or loss		–	–
	(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX	**Total comprehensive income for the year (VII + VIII)**		1,105.97	1,058.74
X	**Earnings per equity share :**			
	(a) Basic	21	12.44	11.91
	(b) Diluted	21	12.44	11.91

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	**1,592.51**	1,470.66
Adjustments for:		
Finance costs recognized in profit	**2,282.21**	2,394.50
Amortisation of deferred revenue	**(179.88)**	(263.24)
Investment income recognized in profit or loss	**(107.13)**	(70.66)
Depreciation expense	**1,630.62**	1,630.04
	3,625.82	3,690.64
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	**(61.99)**	72.86
Increase in other assets	**(0.10)**	(0.20)
Decrease/(Increase) in trade and other payables	**60.94**	(39.63)
Decrease in other Financial assets	**60.05**	6.98
Decrease/(Increase) in other liabilities	**0.07**	(1.07)
Cash generated from operations	**58.96**	38.94
Income taxes paid	**(358.58)**	(168.65)
Net cash flow from operating activities	**4,918.71**	5,031.58
Cash flows from investing activities		
Paid for Earmarked Balance with Bank	**(18.21)**	(34.34)
Interest received	**38.45**	80.17
Loans to related party	**(1,168.00)**	–
Payments for property, plant and equipment	**(6.96)**	(14.77)
Net cash flow generated from/(used in) investing activities	**(1,154.72)**	31.06
Cash flows from financing activities		
Repayment of borrowings	**(1,619.79)**	(2,450.83)
Lease liability paid	**(13.71)**	(13.71)
Interest paid	**(2,181.00)**	(2,200.19)
Net cash flow generated from/(used in) financing activities	**(3,814.49)**	(4,664.73)
Net increase in Cash and cash equivalents	**(50.50)**	397.91
Cash and cash equivalents at the beginning of the year	**1,434.71**	1,036.80
Cash and cash equivalents at the end of the year	**1,384.21**	1,434.71

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

(i) Current reporting period **(₹ In Lakhs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
888.96	**–**	**888.96**

(ii) Previous year reporting period **(₹ In Lakhs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
888.94	**0.02**	**888.96**

B. Other Equity

(1) Current reporting period

(₹ In Lakhs)

Particulars	**Reserves and Surplus**		
	Securities Premium	**Retained Earnings**	**Total**
Balance at the beginning of the previous reporting period	6,014.90	1,675.72	7,690.62
Total Comprehensive Income for the current year................		1,105.97	1,105.97
Balance at the end of the current reporting period..............	**6,014.90**	**2,781.69**	**8,796.59**

(ii) Previous reporting period

(₹ In Lakhs)

Particulars	**Reserves and Surplus**		
	Securities Premium	**Retained Earnings**	**Total**
Balance at the beginning of the previous reporting period	6,014.90	616.98	6,631.88
Total Comprehensive Income for the previous year	–	1,058.74	1,058.74
Balance at the end of the previous reporting period............	**6,014.90**	**1,675.72**	**7,690.62**

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Astra Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 27 April 2023

2. Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3. Significant Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended, Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilise tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date,the previous year observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(iv) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

The accounting policies for the specific revenue streams of the Company is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

iii. Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – Plant	25 Years

The Company recognises right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
ROU Land	25 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency.All transactions that

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable , ECL is presented as as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

q) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

s) **Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

Note No. 4 - Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Plant and Equipment	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	**39,857.13**	**39,857.13**
Additions during the year	**6.96**	**6.96**
Balance as at 31 March 2023	**39,864.09**	**39,864.09**
II. Accumulated depreciation		
Balance as at 1 April 2022	9,514.97	9,514.97
Depreciation expense for the year	1,407.28	1,407.28
Balance as at 31 March 2023	**10,922.25**	**10,922.25**
III. Net carrying amount (I-II)	**28,941.84**	**28,941.84**

(₹ In Lakhs)

Description of Assets	Plant and Equipment	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	39,842.36	39,842.36
Additions during the year	14.77	14.77
Balance as at 31 March 2022	**39,857.13**	**39,857.13**
II. Accumulated depreciation		
Balance as at 1 April 2021	8,108.26	8,108.26
Depreciation expense for the year	1,406.71	1,406.71
Balance as at 31 March 2022	**9,514.97**	**9,514.97**
III. Net carrying amount (I-II)	30,342.16	30,342.16

Note No. 4 A :- Right of Use - Land

(₹ In Lakhs)

Description of Assets	ROU-Land	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	**6,647.18**	**6,647.18**
Additions during the year	**–**	**–**
Balance as at 31 March 2023	**6,647.18**	**6,647.18**
II. Accumulated depreciation		
Balance as at 1 April 2022	1,167.75	1,167.75
Depreciation expense for the year	223.34	223.34
Balance as at 31 March 2023	**1,391.09**	**1,391.09**
III. Net carrying amount (I-II)	**5,256.09**	**5,256.09**

(₹ In Lakhs)

Description of Assets	ROU-Land	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	6,499.41	6,499.41
Additions during the year	147.77	147.77
Balance as at 31 March 2022	**6,647.18**	**6,647.18**
II. Accumulated depreciation		
Balance as at 1 April 2021	944.41	944.41
Depreciation expense for the year	223.34	223.34
Balance as at 31 March 2022	**1,167.75**	**1,167.75**
III. Net carrying amount (I-II)	5,479.43	5,479.43

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:		
Minimum alternate tax for the year	278.24	245.48
Minimum alternate tax credit entitlement	(278.24)	(245.48)
In respect of prior year	(22.16)	–
Deferred Tax:		
In respect of current year	470.42	411.92
In respect of prior year	38.28	–
Total income tax expense	**486.54**	**411.92**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Profit before tax for the year	**1,592.51**	1,470.66
ii) Corporate tax rate as per Income tax Act, 1961	**29.12%**	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	**463.74**	409.14
iv) Adjustments:		
Effect due to changes in rate	**38.28**	
Effect of expenses that is non-deductible in determining taxable profit	**6.69**	2.78
iv) Total effect of Tax adjustment	**508.70**	411.92
v) Adjustments recognized in the current year in relation to the current tax of prior years	**(22.16)**	–
vi) Tax expense recognized during the year (vi)=(iv)+(v)	**486.54**	411.92

(c) Movement in deferred tax balances (₹ In Lakhs)

Particulars	Year ended 31 March 2023		
	Opening Balance	Recognized in profit and loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	1,614.94	483.51	2,098.46
	1,614.94	**483.51**	**2,098.46**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	728.48	(59.27)	669.21
Other Assets	67.97	34.08	102.05
	796.45	**(25.19)**	**771.26**
Deferred Tax Liabilities	818.50	508.70	1,327.20
Minimum alternate tax Credit	528.90	289.71	818.62
Net Deferred Tax (Asset)/ Liabilities	**289.60**	**218.99**	**508.58**

(₹ In Lakhs)

Particulars	Year ended 31 March 2022		
	Opening Balance	Recognized in profit and loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	1,153.76	461.18	1,614.94
	1,153.76	**461.18**	**1,614.94**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	713.75	14.73	728.48
Other Assets	33.43	34.54	67.97
	747.18	**49.27**	**796.45**
Deferred Tax Liabilities	406.58	411.91	818.49
Minimum alternate tax Credit	283.42	245.48	528.90
Net Deferred Tax (Asset)/ Liabilities	**123.16**	**166.43**	**289.59**

Note No. 6 - Trade Receivables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
(a) Undisputed Trade receivables - considered good	**1,475.75**	1,413.76
Total	**1,475.75**	1,413.76
Of the above, trade receivables from:		
– Related Party		–
– Others	**1,475.75**	1,413.76
Total	**1,475.75**	1,413.76

Note:

1) All the sundry debtors have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings).
2) The credit period given to customers is of 45 days.

Trade Receivables ageing schedule

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2023	**Less than 6 months**	**6 Months – 1 years**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	1,475.75	–	–	–	–	1,475.75

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2022	**Less than 6 months**	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	1,413.76	–	–	–	–	1,413.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 7- Cash and Cash Equivalent

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Balances with banks	**234.21**	204.71
(b) Fixed Deposits with original maturity less than 3 months	**1,150.00**	1,230.00
Total Cash and cash equivalent	**1,384.21**	1,434.71

Note:
(1) All other cash and cash equivalents have been charged against borrowings (Refer Note no.11- Non Current Borrowings).

Note No. 7(a) - Other Bank Balance

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks- For Debt Service Reserve Account	**1,099.15**	1,080.94
Total Other Bank balances	**1,099.15**	1,080.94

Notes:

All other bank balance have been charged against borrowings (Refer Note no.11- Non Current Borrowings).

Note No. 8 - Loans

(₹ In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non-Current	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
Financial assets				
a) Loans to related parties				
– Unsecured, considered good	**–**	**1,168.00**	–	–
Total Loans	**–**	**1,168.00**	–	–

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties

(₹ In Lakhs)

List of entities	Rate of Interest (%)	As at 31 March 2023	As at 31 March 2022
		As at 31 March 2022	
Subsidiaries			
Bright Solar Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	**11.00**	**1,168.00**	–

Note No. 8A - Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Financial assets				
(a) Security deposits	**–**	**7.14**	–	7.14
(b) Interest accrued on deposits	**71.85**	**–**	3.17	–
(c) Unbilled Receivable	**542.99**	**–**	603.02	–
Total Other Financial Assets	**614.83**	**7.14**	606.19	7.14

Notes:

All the other financial assets have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings).

Note No. 9 - Other Current Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**0.90**	**–**	0.90	–
(ii) Prepaid Expenses	**6.50**	**–**	6.38	–
Total Other Assets	**7.40**	**–**	7.28	–

Note:
(1) All the other assets have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings).

Note No. 10 - Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Value of shares	As at 31 March 2022 No. of shares	As at 31 March 2022 Value of shares
Authorised:				
Equity shares of INR.10 each with voting rights	**14,100,000.00**	**1,410.00**	14,100,000.00	1,410.00
Issued, Subscribed and Fully Paid:				
Equity shares of INR.10 each with voting rights	**8,889,600.00**	**888.96**	8,889,600.00	888.96
Total Equity Share Capital	**8,889,600.00**	**888.96**	8,889,600.00	888.96

Notes:

(i) 30% equity share are pedged with banks for security against the bank borrowing (Refer Note no. 11 - Non current borrowing)

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares with Voting rights			
As at 31 March 2023			
No. of Shares	**8,889,600.00**	**–**	**8,889,600.00**
Amount in Rupees	**888.96**	**–**	**888.96**
As at 31 March 2022			
No. of Shares	8,889,600.00	–	8,889,600.00
Amount in Rupees	888.96	–	888.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Renewables Private Limited	**8,889,600.00**
As at 31 March 2022	
Mahindra Renewables Private Limited	8,889,600.00

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31 March 2023 Number of shares held	 % holding in that class of shares	As at 31 March 2022 Number of shares held	 % holding in that class of shares
Equity shares with voting rights				
Mahindra Renewables Private Limited	**8,889,600**	**100.00%**	8,889,600	100.00%

Note:

It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra Renewables Private Limited	**8,889,600**	**100.00%**	**–**

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	8,889,600	100.00%	–

Note No. 10 - Other Equity

(₹ In Lakhs)

(i) Securities Premium	**As at 31 March 2023**	As at 31 March 2022
Balances as at beginning of the year	**6,014.90**	6,014.90
Movement during the year	**–**	–
Balances as at end of the year	**6,014.90**	6,014.90

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ In Lakhs)

(ii) Retained Earnings	**As at 31 March 2023**	As at 31 March 2022
Balances as at beginning of the year	**1,675.72**	616.98
Movement during the year	**1,105.97**	1,058.74
Balances as at end of the year	**2,781.69**	1,675.72

Note:

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end

Note No. 11 - Non-Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest (%)	Repayment terms	As at 31 March 2023	As at 31 March 2022
Measured at amortized cost				
A. Secured Borrowings:				
Term loan from Bank	9.05%	To be repaid by 31/03/2035	25,765.10	27,306.05
Less : Current maturities of long term debt			(1,644.49)	(1,559.22)
Total Non Current Borrowings			**24,120.61**	**25,746.83**

Notes:

(1) The Company is engaged in the business of operating (a) 40MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the “Project 1”) and 25MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the “Project 2”) (Project 1 and Project 2 are hereinafter collectively referred to as the “Project”);

The term loan from Bank is repayable in 60 quarterly structured installment starting from June 2020 and ending on March 2035.

(2) The loan amount is secured by:

- (a) First charge on all present and future tangible moveable assets, current assets including receivables.
- (b) First charge on all present and future immovable properties, both freehold and leasehold.
- (c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.
- (d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:
  - (i) Project agreements
  - (ii) the clearances subject to applicable law
  - (iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party
  - (iv) assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.
- (e) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital and non disposal undertaking for 21% of paid up equity share capital.

(3) During the previous year company had entirely repaid subordinated debt taken from Mahindra Renewables Private Limited at 11.50 % fixed interest per annum.

(4) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedule interest fees and principal due within next quarter.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 12 - Short term borrowings

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term debt (Refer note no 11)	**1,644.49**	1,559.22
Total Short term borrowings	**1,644.49**	1,559.22

Note No. 13 - Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises	**111.27**	50.33
Total Trade Payables	**111.27**	50.33

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2023

(₹ In Lakhs)

Particulars	**Outstanding for following periods from date of transaction**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(b) Other than Micro and small enterprises	**111.27**	**–**	**–**	**–**	**111.27**

As at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	50.33	–	–	–	50.33

Note No. 14 - Lease Liabilities

(₹ In Lakhs)

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non Current**	Current	Non Current
Lease Liability	**13.71**	**130.30**	13.71	132.26
Total Lease Liabilities	**13.71**	**130.30**	13.71	132.26

Note No. 15 - Other Financial Liabilities

(₹ In Lakhs)

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non Current**	Current	Non Current
Other Financial Liabilities Measured at Amortized Cost				
Interest accrued on secured Borrowing	**202.05**	**–**	191.43	–
Total Other Financial Liabilities	**202.05**	**–**	191.43	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 16 - Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Short-term provisions				
(a) Statutory dues taxes payable (other than income taxes)	**0.94**	**–**	0.88	–
(b) Vibality Gap Funding	**179.9**	**3,346.80**	263.24	3,443.33
Total Other Current Liabilities	**180.83**	**3,346.80**	264.12	3,443.33

Notes:

Deferred income of Vibality Gap Funding is to be amortised over the life of the asset.

Note No. 17 - Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from sale of solar power	**5,893.25**	5,801.40
Total Revenue from Operations	**5,893.25**	5,801.40

Notes:

A. **Disaggregated Revenue Information:**

The Company's revenue is only from Sale of Solar Power.

B. **Reconciliation of Contract Assets & Contract Liabilities:**

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**603.03**	610.00
Less: Bill during the year	**(5,953.28)**	(5,808.38)
Add: Revenue recognized during the year	**5,893.25**	5,801.40
At the end of the year	**542.99**	603.02
Contract Liability	**–**	–

C. **Reconciliation of revenue as per Ind AS 115:**

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted prices	**5,893.25**	5,801.40
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**5,893.25**	5,801.40

Note No. 18 - Other Income

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest Income	**107.12**	70.66
(b) Interest on ICD - BREPL	**45.06**	–
(c) Amortisation of deferred income Viablity Gap Funding	**179.88**	263.24
Total other Income	**332.06**	333.90

Note No. 19 - Finance Cost

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest expense	**2,265.95**	2,382.59
(b) Interest unwinding on lease liability	**11.75**	11.90
(c) Interest on Late payment on income tax	**4.46**	–
(d) Bank Charges	**0.05**	0.01
Total Finance cost	**2,282.21**	2,394.50

Note No. 20 - Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Insurance Charges	**73.94**	72.69
(b) Operation and Maintenance Charges	**560.35**	489.44
(c) Corporate social responsibilty (CSR) Expenses (Refer note below)	**18.50**	10.01
(d) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors-statutory audit fees	**1.77**	1.59
(ii) For Tax audit fees	**0.71**	2.07
(iii) For Other services	**1.00**	0.47
(e) Other expenses		
(i) Legal and professional fees	**35.78**	41.56
(ii) Registration and Documentation Charges	**0.13**	0.15
(iii) DSM (Derivation Settlement Mechanism) Charges	**21.66**	16.07
(iv) SLDC (State Load Despatch Centre) Charges	**2.83**	3.39

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(v) QCA (Qualified Coordinating Agency) Fees	**2.76**	2.53
(vi) Miscellaneous expenses	**0.54**	0.14
Total Other Expenses	**719.97**	640.11

Note: Details of CSR Expenditure

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Amount required to be spent by the company during the year	**18.44**	9.98
ii) Amount of expenditure incurred	**18.50**	10.01
iii) Nature of CSR activities		
Healthcare	**8.00**	–
Purchase of Oxygen Concentrator Model	**–**	**9.76**
Activites for Children's Day & Sports Equipment	**1.28**	
Supply of Cloth Mat	**–**	**0.25**
Donation to Nanhi Kali	**9.22**	**–**
(iv) Amount paid to related party from CSR	**–**	**–**

Note No. 21 - Earnings per Share

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Per Share	**Per Share**
Basic Earnings per share	**12.44**	11.91
Total basic earnings per share	**12.44**	11.91
Diluted Earnings per share	**12.44**	11.91
Total diluted earnings per share	**12.44**	11.91

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profits used in the calculation of basic earnings per share (₹ In Lakhs) (i)	**1,105.97**	1,058.74
Weighted average number of equity shares (ii)	**8,889,600**	8,889,600
Earnings per share - Basic and diluted (i/ii)	**12.44**	11.91

Note No. 22- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31 March 2023	31 March 2022
Debt (A) (₹ In Lakhs)	**25,765.10**	27,306.05
Equity (B) (₹ In Lakhs)	**9,685.55**	8,579.58
Debt Equity Ratio (A / B)	**2.66**	3.18

Categories of financial assets and financial liabilities

As at 31 March 2023

(₹ In Lakhs)

	Amortized Costs	FVTPL	FVOCI	Total
Non Current Assets				
Loans	1,168.00	–	–	1,168.00
Other Financial Assets				
– Security Deposits	7.14	–	–	7.14
Current Assets				
Trade Receivables	1,475.75	–	–	1,475.75
Cash and Bank Balances	2,483.36	–	–	2,483.36
Other Financial Assets				–
– Interest accrued on deposits	71.85	–	–	71.85
– Unbilled Receivable	542.99	–	–	542.99
Non-current Liabilities				
Borrowings	24,120.61	–	–	24,120.61
Lease Liabilities	130.30	–	–	130.30
Current Liabilities				
Borrowings	1,644.49	–	–	1,644.49
Lease Liabilities	13.71	–	–	13.71
Trade Payables	111.27	–	–	111.27
Other Financial Liabilities				
– Interest accrued on borrowings	202.05	–	–	202.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

As at 31 March 2022

(₹ In Lakhs)

	Amortized Costs	FVTPL	FVOCI	Total
Non Current Assets				
Other Financial Assets				
– Security Deposits	7.14	–	–	7.14
Current Assets				
Trade Receivables	1,413.76	–	–	1,413.76
Cash and Bank Balances	2,515.65	–	–	2,515.65
Other Financial Assets				
– Interest accrued on deposits	3.17	–	–	3.17
– Unbilled Receivable	603.02	–	–	603.02
Non-current Liabilities				
Borrowings	25,746.83	–	–	25,746.82
Lease Liabilities	132.26	–	–	132.26
Current Liabilities				
Borrowings	1,559.22	–	–	1,559.22
Lease Liabilities	13.71	–	–	13.71
Trade Payables	50.33	–	–	50.33
Other Financial Liabilities				
– Interest accrued on borrowings	191.43	–	–	191.43

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Gujarat and it believes that it is a solvent debt and hence the risk is minimal.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-23				
Lease liabilities	13.71	27.41	27.41	75.48
Trade Payable	111.27	–	–	–
Interest accrued on the borrowing	202.05	–	–	–
Variable interest rate instruments	1,644.49	5,518.19	4,129.51	14,472.92
	1,971.52	**5,545.60**	**4,156.92**	**14,548.40**
31-Mar-22				
Lease liabilities	13.71	27.41	27.41	77.43
Trade Payable	50.33	–	–	–
Interest accrued on the borrowing	191.43	–	–	–
Variable interest rate instruments	1,559.22	3,386.43	3,776.24	18,584.15
	1,814.69	**3,413.84**	**3,803.65**	**18,661.58**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
31-Mar-23				
Loan	–	–	1,168.00	–
Security deposits	–	–	–	7.14
Trade Recievable	1,475.75	–	–	–
Interest accrued on deposits	71.85	–	–	–
Unbilled revenue	542.99	–	–	–
Fixed interest rate instruments	2,249.15	–	–	–
Variable interest rate instruments	234.21	–	–	–
	4,573.95	**–**	**1,168.00**	**7.14**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
31-Mar-22				
Security deposits	–	–	–	7.14
Trade Recievable	1,413.76	–	–	–
Interest accrued on deposits	3.17	–	–	–
Unbilled revenue	603.02	–	–	–
Fixed interest rate instruments	2,310.94	–	–	–
Variable interest bearing	204.71	–	–	–
	4,535.60	**–**	**–**	**7.14**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-23	**INR**	**+100**	**259.10**
	INR	**-100**	**(259.10)**
31-Mar-22	INR	+100	274.69
	INR	-100	(274.69)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 23 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

(₹ In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at 31 March 2023	Fair value as at 31 March 2022	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial Assets measured at amortised cost				
– loans to related parties	**1,117.64**	–	Level 3	Discounted cashflow method
– interest receivable	**–**	–	Level 3	Discounted cashflow method
	1,117.64	–		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ In Lakhs)

Particulars	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortized Cost				
Non Current Assets				
Loan	**1,168.00**	**1,117.64**	–	–
Other Financial Assets				
– Security Deposits	**7.14**	**7.14**	7.14	7.14
Current Assets				
Trade Receivables	**1,475.75**	**1,475.75**	1,413.76	1,413.76
Cash and Bank Balances	**2,483.36**	**2,483.36**	2,515.65	2,515.65
Other Financial Assets				
– Interest accrued on deposits	**71.85**	**71.85**	3.17	3.17
– Unbilled Receivable	**542.99**	**542.99**	603.02	603.02
Total	**5,749.08**	**5,698.72**	4,542.75	4,542.75
Financial liabilities				
Financial liabilities held at amortized cost				
Non Current Liabilities				
Borrowings	**24,120.61**	**24,120.61**	25,746.82	25,746.83
Lease Liabilities	**130.30**	**130.30**	132.26	132.26
Current Liabilities				
Borrowings	**1,644.49**	**1,644.49**	1,559.22	1,559.22
Lease Liabilities	**13.71**	**13.71**	13.71	13.71
Trade Payables	**111.27**	**111.27**	50.33	50.33
Other Financial Liabilities				
– Interest accrued on borrowings	**202.05**	**202.05**	191.43	191.43
Total	**26,222.43**	**26,222.43**	27,693.77	27,693.77

	Fair value hierarchy as at 31 March 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortized Cost				
– Security Deposits	–	–	7.14	**7.14**
– trade and other receivables	–	–	1,475.75	**1,475.75**
– Cash and Bank Balances		2,483.36	–	**2,483.36**
– Other Financial Assets				
- Interest accrued on deposits	–	71.85	–	**71.85**
- Unbilled Receivable	–	–	542.99	**542.99**
Total	**–**	**2,555.21**	**2,025.88**	**4,581.08**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Fair value hierarchy as at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Borrowings	–	25,765.10	–	**25,765.10**
– Lease Liabilities	–	–	144.01	**144.01**
– Trade Payables	–	–	111.27	**111.27**
– Other Financial Liabilities	–	–	–	**–**
- Interest accrued on borrowings	–	202.05	–	**202.05**
Total	**–**	**25,967.15**	**255.28**	**26,222.43**

	Fair value hierarchy as at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Security Deposits	–	–	7.14	**7.14**
– trade and other receivables	–	–	1,413.76	**1,413.76**
– Cash and Bank Balances	–	2,515.65	–	**2,515.65**
– Other Financial Assets				
- Interest accrued on deposits	–	3.17	–	**3.17**
- Unbilled Receivable	–	–	603.02	**603.02**
Total	**–**	**2,518.82**	**2,023.93**	**4,542.75**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Borrowings	–	27,306.03	–	**27,306.03**
– Lease Liabilities	–	–	145.97	**145.97**
– Trade Payables	–	–	50.33	**50.33**
– Other Financial Liabilities				
- Interest accrued on borrowings	–	191.43	–	**191.43**
Total	**–**	**27,497.47**	**196.30**	**27,693.77**

Note No. 24 - Leases

A) The Company has lease contracts for land used in its operations for 25 years. Details of amount recognized in profit and loss:

Amounts recognized in profit and loss	**31 March 2023**	31 March 2022
Depreciation expense on right-of-use assets	**223.34**	223.34
Interest expense on lease liabilities	**11.75**	11.90
Expense relating to short-term leases	**–**	–
Total	**235.09**	235.24

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date

Maturity Analysis	**31 March 2023**	31 March 2022
- Less than 1 years	**13.71**	13.71
- 1 years - 3 years	**27.41**	27.41
- 3 years - 5 years	**27.41**	27.41
- 5 years and above	**75.48**	77.43

C) The total cash outflow for leases amount to Rs. 13,70,721 during the year.

D) Below are the carrying amount of lease liabilities and the movement during the year:

Particulars	**31 March 2023**	31 March 2022
Opening	**145.97**	–
Additions	**–**	147.77
Accretion of interest	**11.75**	11.90
Payments	**13.71**	13.70
Closing	**144.01**	145.97

E) Below is the breakup of Current and Non current lease liabilities

Particulars	**31 March 2023**	31 March 2022
Current lease liabilities	**13.71**	13.71
Non current lease liabilities	**130.30**	132.26
Total	**144.01**	145.97

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 25 - Key Ratios

						(₹ In Lakhs)
Particulars	**Numerator**	**Denominator**	**2022-23**	**2021-22**	**% Variance**	**Reason for Variance on Change in ratio in excess of 25% compared to preceding year**
Current Ratio	Current Assets	Current Liabilities	2.12	2.08	1.7%	
Debt Equity Ratio	Borrowings	Shareholder’s Equity	2.66	3.18	(16.4%)	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.42	1.14	24.6%	
Return on Equity Ratio	Profit after taxes	Average Shareholder’s Equity	12.11%	13.15%	(7.9%)	
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.08	4.00	2.0%	
Net Captial turnover ratio	Revenue from operations	Average Working Capital	246.49%	245.52%	0.4%	
Net Profit ratio	Profit after taxes	Revenue from operations	18.77%	18.25%	2.8%	
Return on capital employed	Earnings before interest and taxes	Shareholder’s Equity + Borrowings + DTL	10.78%	10.68%	0.8%	

Note No. 26 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding Company	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022)
	Ontrario Teacher’s Pension Plan Board (w.e.f. 22 December 2022)
Intermediate Holding Company	Mahindra Susten Private Limited
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited (Till 14 December 2022)
	Neo Solren Private Limited
	Mega Surya Urja Private Limited
	Brightsolar Renewable Energy Private Limited (Converted to subsidary effective 19 July 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC (Under liquidation)
	Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited (w.e.f. 15 December 2022)
Key Managerial Persons (KMP)	Non Executive Director
	Sriram Ramchandran
	Rakesh Singh
	Avinash Bapat (w.e.f. 25th July 2022)
	Basant Jain (Upto 25th July 2022)

Details of transaction between the Company and its related parties are disclosed below:

							(₹ In Lakhs)
Nature of transactions with Related Parties	**For the year ended**	**Ultimate Holding Company**	**Parent Company**	**Fellow Subsidiaries**	**Intermediate Holding Company**	**Ultimate Joint Venturer**	**Venturer Group Co**
Receiving of services	31-Mar-23	2.03		183.39	16.09	0.87	61.13
	31-Mar-22	2.77	–	219.15	14.90	–	–
Subdebt Repaid	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	1,000.00	–	–	–	–
ICD Given	31-Mar-23	–	–	1,168.00	–	–	–
	31-Mar-22	–	–	–	–	–	–
Interest paid on Sub oridinated Debts	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	57.66	–	–	–	–
Interest received on ICD	31-Mar-23	–	–	45.06	–	–	–
	31-Mar-22	–	–		–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Nature of transactions with Related Parties	Balance as on	Ultimate Holding Company	Parent Company	Fellow Subsidiaries	Intermediate Holding Company	Ultimate Joint Venturer	Venturer Group Co
Trade payables...	31-Mar-23	0.06	–	–	0.53	0.06	23.64
	31-Mar-22	–	–	–	–	–	–
Interest Receivable on ICD	31-Mar-23	–	–	40.55	–	–	–
	31-Mar-22	–	–	–	–	–	–
Loans Receivable	31-Mar-23	–	–	–	–	–	–
	31-Mar-23	–	–	1,168.00	–	–	–

Note No 27 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No 28

The amount has been rounded off to nearest ₹ (in Lakhs) and previous years amount has been reclassified/regrouped where ever required.

Note No 29

The Financial Statements have been approved for issue by Company's Board of Directors on 27 April 2023.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

INDEPENDENT AUDITORS' REPORT

To the members of Brightsolar Renewable Energy Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Brightsolar Renewable Energy Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 23111212BGVIYE4996

Place: Mumbai
Date: April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Brightsolar Renewable Energy Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYE4996

Place: Mumbai
Date: April 27, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYE4996

Place: Mumbai
Date: April 27, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ In Lakhs)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	5,301.35	5,586.36
SUB-TOTAL		5,301.35	5,586.36
CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	6	2,150.17	3,291.94
(ii) Cash and Cash Equivalents	7	612.75	119.91
(iii) Other Bank Balances	7(a)	217.00	217.00
(iv) Other Financial Assets	8	109.16	150.31
(b) Current Tax Assets (Net)		19.98	–
(c) Other Current Assets	9	8.88	10.77
SUB-TOTAL		3,117.94	3,789.93
TOTAL ASSETS		8,419.29	9,376.29
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	10	951.79	951.79
(b) Other Equity	10(a)	1,505.97	1,357.11
SUB-TOTAL		2,457.76	2,308.90
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	5,508.69	6,600.03
(b) Deferred Tax Liabilities (Net)	5	60.47	16.37
SUB-TOTAL		5,569.16	6,616.40
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	203.14	178.59
(ii) Trade Payables			
(A) Dues to micro & small enterprises		–	–
(B) Dues to other than micro & small enterprises	13	25.97	52.34
(iii) Other Financial Liabilities	14	151.24	172.54
(b) Current Tax Liabilities (Net)		–	33.94
(c) Other Current Liabilities	15	12.02	13.58
SUB-TOTAL		392.37	450.99
TOTAL EQUITY AND LIABILITIES		8,419.29	9,376.29

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar
Partner
Membership No. 111212

Rakesh Khaitan
Director
DIN : 09671089

Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date : 27 April 2023

Place: Mumbai
Date : 27 April 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31 March, 2023	Year ended 31 March, 2022
Continuining Operations			
I Revenue from operations	16	**1,076.90**	1,314.42
II Other Income	17	**196.46**	13.32
III Total Income (I + II)		**1,273.36**	1,327.74
IV Expenses			
(a) Finance costs	18	**609.86**	660.28
(b) Depreciation expense	4	**256.68**	256.59
(c) Other expenses	19	**198.06**	296.84
Total Expenses		**1,064.60**	1,213.71
V Profit/(loss) before exeptional item (III - IV)		**208.76**	114.02
Exceptional Items		**–**	–
VI Profit/(loss) after exceptional items		**208.76**	114.02
VII Share of profit / (loss) of joint ventures and associates			
Share of profit / (loss) of joint ventures and associated			
V Profit before tax (III-IV)		**208.76**	114.02
VI Tax Expense	5		
(a) Current tax- (i) Minimum Alternate Tax		**13.98**	51.28
(ii) Minimum Alternate Tax Credit		**(13.98)**	(51.28)
(iii) Current Tax charge relating to earlier years		**1.82**	–
(b) Deferred tax		**58.08**	31.72
Total tax expense		**59.90**	31.72
VII Profit after tax for the year (V-VI)		**148.86**	82.30
VIII Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss		**–**	–
(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
(b) (i) Items that may be reclassified to profit or loss		**–**	–
(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX Total comprehensive income for the year (VII + VIII)		**148.86**	82.30
X Earnings per equity share :			
(a) Basic	20	**1.56**	0.86
(b) Diluted	20	**1.56**	0.86

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date : 27 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities		
Profit before tax for the year	208.76	114.02
Adjustments for:		
Finance cost recognised in profit	609.86	660.28
Interest income recognised in profit or loss	(196.46)	(13.32)
Provision for Doubtful Debts	–	193.18
Depreciation expense	256.68	256.59
Provision of loss on impairment of assets	28.33	–
	907.16	1,210.75
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	1,141.77	(1,158.46)
(Increase)/decrease in Other financial assets	42.12	4.98
(Increase)/decrease in other assets	1.89	0.09
(Decrease)/Increase in trade and other payables	(26.37)	(3.43)
(Decrease)/increase in other liabilities	(1.57)	7.44
Cash generated from operations	2,065.00	61.37
Income taxes paid	(69.72)	25.80
Net cash flows from/(used in) operating activities	1,995.28	87.18
Cash flows from investing activities		
Proceeds from Earmarked Balance	–	(114.64)
Payments to acquire PPE	–	(3.47)
Interest received	195.50	5.87
Net cash flows from/ (used in) investing activities	195.50	(112.23)
Cash flows from financing activities		
Proceeds of borrowings from related party	1,278.00	4,037.00
Repayment of borrowings to banks	(278.78)	(2,744.02)
Repayment of borrowings to related party	(2,066.00)	(670.00)
Interest paid	(631.16)	(591.61)
Net cash flows used in financing activities	(1,697.94)	31.37
Net increase/(decrease) in Cash and cash equivalents	492.85	6.32
Cash and cash equivalents at the beginning of the year	119.90	113.58
Cash and cash equivalents at the end of the year	612.75	119.90

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date : 27 April 2023

STATEMENT OF EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity Share Capital

(i) Current reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
951.79	**–**	**951.79**

(ii) Previous year reporting period

(₹ In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
951.79	**–**	**951.79**

B. Other Equity

(i) Current reporting period

(₹ In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period	1,069.60	287.51	1,357.11
Total Comprehensive Income for the current year................	–	148.86	148.86
Balance at the end of the current reporting period..............	**1,069.60**	**436.37**	**1,505.97**

(ii) Previous reporting period

(₹ In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the previous reporting period.....	1,069.60	205.21	1,274.81
Total Comprehensive Income for the previous reporting period	–	82.30	82.30
Balance at the end of the previous reporting period............	**1,069.60**	**287.51**	**1,357.11**

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar
Partner
Membership No. 111212

Rakesh Khaitan
Director
DIN : 09671089

Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date : 27 April 2023

Place: Mumbai
Date : 27 April 2023

Notes to the financial statements for the year ended 31st March, 2023

1. Corporate information

Bright Renewable Energy Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The CIN of the company is U40108MH2013PTC250683. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The financial statements were authorized for issue in accordance with a resolution of the board of directors on 27 April 2023.

2. Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3. Significant Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended,Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilize tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(iv) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

iii. Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions

necessary to obtain such carbon emission reduction.

iv. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – Plant	25 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency. All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,
Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

r) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

Note No. 4 - Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2022	376.25	7,867.67	8,243.93
Additions during the year	–	–	–
Impairment during the year	–	(28.33)	(28.33)
As at 31 March 2023	**376.25**	**7,839.35**	**8,215.60**
II. Accumulated depreciation			
Balance as at 1st April 2022	–	2,657.57	2,657.57
Depreciation expense for the year	–	256.68	256.68
As at 31 March 2023	**–**	**2,914.25**	**2,914.25**
III. Net carrying amount (I-II)	**376.25**	**4,925.10**	**5,301.35**

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2021	376.25	7,864.20	8,240.46
Additions during the year	–	3.47	3.47
As at 31 March 2022	**376.25**	**7,867.67**	**8,243.93**
II. Accumulated depreciation and impairment			
Balance as at 1st April 2021	–	2,400.98	**2,400.98**
Depreciation expense for the year	–	256.59	**256.59**
As at 31 March 2022	**–**	**2,657.57**	**2,657.57**
III. Net carrying amount (I-II)	**376.25**	**5,210.10**	**5,586.36**

Note:

(1) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings)

(2) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

(₹ In Lakhs)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(2,01,93,702)
2022-23	(2,01,93,702)
2023-24	(2,01,93,702)
2024-25	(2,01,93,702)
2025-26	(2,01,93,702)
Later Years	14,02,89,533

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Current Tax:		
Minimum alternate tax for the year	**13.98**	51.28
Minimum alternate tax credit entitlement	**(13.98)**	(51.28)
Current Tax charge relating to earlier years	**1.82**	–
Deferred Tax:		
In respect of current period origination	**58.08**	31.72
Total Income Tax Expense	**59.90**	31.72

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Profit before tax for the year	**208.76**	114.02
ii) Corporate tax rate as per Income tax Act, 1961	**27.82%**	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	**58.08**	31.72
iv) Total effect of Tax adjustment	**58.08**	31.72
v) Adjustments recognised in the current year in relation to the current tax of prior years	**1.82**	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**59.90**	31.72

(c) Movement in deferred tax balances

(₹ In Lakhs)

	Year ended 31 March 2023		
Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Property, Plant and Equipment	**270.04**	**96.84**	**366.87**
	270.04	**96.84**	**366.87**
<u>Tax effect of items constituting deferred tax assets</u>			
Unabsorbed Depreciation	**70.97**	**73.54**	**144.52**
Provision for doubtful debts	**53.74**	**(42.67)**	**11.08**
Loss on impairment of asset	**–**	**7.88**	**7.88**
	124.72	**38.76**	**163.47**
Deferred Tax Liabilities	**145.32**	**58.08**	**203.40**
Minimum alternate tax Credit	**128.95**	**13.98**	**142.92**
Net Deferred Tax Liabilities	**16.37**	**44.10**	**60.47**

(₹ In Lakhs)

	Year ended 31 March 2022		
Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Property, Plant and Equipment	173.10	96.93	270.04
	173.10	96.93	270.04
<u>Tax effect of items constituting deferred tax assets</u>			
Unabsorbed Depreciation	59.50	11.47	70.97
Provision for doubtful debts	–	53.74	53.74
	59.50	65.21	124.72
Deferred Tax Liabilities	113.60	31.72	145.32
Minimum alternate tax Credit	77.67	51.28	128.95
Net Deferred Tax Liabilities	35.93	(19.56)	16.37

Note No. 6 - Trade Receivables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
(a) Undisputed Trade receivables - Considered good	**2,150.17**	3,291.94
(b) Undisputed Trade receivables - Which has significant increase in credit risk	**39.82**	193.18
(c) Undisputed Trade receivables - Credit Impaired	**(39.82)**	(193.18)
Total Trade Receivable	**2,150.17**	3,291.94
Of the above, trade receivables from:		
- Related Party	**–**	–
- Others	**2,150.17**	3,291.94

Note:

(1) All the trade receivables have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings).

(2) The credit period given to customers is of 30 days.

Trade Receivables ageing schedule

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2023	**Less than 6 months**	**6 Months – 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables — considered good	**537.02**	**707.74**	**905.41**	**–**	**–**	**2,150.17**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**39.82**	**–**	**–**	**39.82**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**–**	**(39.82)**	**–**		**(39.82)**
Total	**537.02**	**707.74**	**905.41**	**–**	**–**	**2,150.17**

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2022	**Less than 6 months**	**6 Months – 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables — considered good	606.33	624.38	859.84	1,201.39	–	3,291.94
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	21.37	44.64	61.71	65.46	–	193.18
(iii) Undisputed Trade Receivables — credit impaired	(21.37)	(44.64)	(61.71)	(65.46)	–	(193.18)
Total	606.33	624.38	859.84	1,201.39	–	3,291.94

Note No. 7 - Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with banks	**57.75**	119.91
Fixed Depost with maturity- less then 3 month	**555.00**	–
Total Cash and cash equivalent	**612.75**	119.91

Note:
All the cash and cash equivalent have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings).

Note No. 7(a) - Other Bank Balance

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Bank Balances		
Earmarked balances with banks- For Debt Service Reserve Account	**217.00**	217.00
Total Other Bank balances	**217.00**	217.00

Notes:
All the other Bank balance have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings).

Note No. 8 - Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
a) Interest accrued on Fixed Deposit	**8.41**	7.45
b) Deposits	**3.03**	3.03
c) Unbilled Receivable	**97.72**	139.83
Total Other Financials Assets	**109.16**	150.31

Note:
All the other financial assets have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings)

Note No. 9 - Other Current Assets

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expense	**8.88**	10.77
Total Other Current Assets	**8.88**	10.77

Note No. 10 - Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**Value of Shares**	**No. of shares**	**Value of Shares**
Authorised:				
Equity shares of INR.10 each with voting rights	**1,00,00,000**	**10,00,00,000**	1,00,00,000	10,00,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of INR.10 each with voting rights	**95,24,000**	**9,52,40,000**	95,24,000	9,52,40,000
Total Equity Share Capital	**95,24,000**	**9,52,40,000**	95,24,000	9,52,40,000

Notes:

(i) 30% of the equity share held by shareholders are pledge with banks for security against the bank borrowing (Refer Note no. 11 - Non current Borrowings)

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP/ other changes	Closing Balance
Equity Shares with Voting rights					
Year Ended 31st March 2023					
No. of Shares	**95,24,000**	**–**	**–**	**–**	**95,24,000**
Amount in Rupees	**9,52,40,000**	**–**	**–**	**–**	**9,52,40,000**
Year Ended 31st March 2022					
No. of Shares	95,24,000	–	–	–	95,24,000
Amount in Rupees	9,52,40,000	–	–	–	9,52,40,000

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Renewables Private Limited	95,24,000
As at 31 March 2022	
Mahindra Renewables Private Limited	95,24,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Renewables Private Limited	**95,24,000**	**100%**	95,24,000	100%

Note :

It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra Renewables Private Limited	**95,24,000**	**100%**	**–**

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	95,24,000	100%	49%
Trina Solar (Singapore) Third Private Limited	0	0.00%	(49%)

Note No. 10(a) - Other Equity

(₹ In Lakhs)

(i) Securities Premium	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**1,069.60**	1,069.60
Movement during the year	**–**	–
Balances as at end of the year	**1,069.60**	1,069.60

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ In Lakhs)

(ii) Retained Earnings	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**287.51**	205.21
Movement during the year	**148.86**	82.30
Balances as at end of the year	**436.37**	287.51

Note:

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end

Note No. 11 - Non-Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest	Repayment terms	As at 31 March 2023	As at 31 March 2022
Measured at amortised cost				
A. Secured Borrowings:				
Term loan from financial institution	9.20%	Refer note 1 below	**2,043.83**	2,322.62
Current maturities of long-term debt			**(203.14)**	(178.59)
B. Unsecured Borrowings				
Loan from Related parties	10.20% - 11.00%	Refer note 3 below	**3,668.00**	4,456.00
Total Non Current Borrowings			**5,508.69**	6,600.03

Notes:

(1) The loan availed from financial institution is repayable in 51monthsly structured installment starting from September 2019 and ending on March 2032. During the year company has prepaid loan amounting Rs 25 crore.

(2) The loan amount is secured by:

(a) First charge on all present and future tangible moveable assets, intangible assets, current assets including receivables.

(b) First charge on all present and future immovable properties.

(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.

(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:

i) Project agreements

ii) the clearances subject to applicable law

iii) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees or warranty provided by any party.

(e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.

(f) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(g) Non disposal undertaking from Mahindra Susten private limited for its 51% shareholding in Mahindra Renewables Private Limited.

(3) The Company has taken long term unsecured loan of Rs 25 crore in previous year from Mahindra Susten Private Limited for repayment of its borrowing form Kotak Infrastructed Debt Fund (KIDF). It is availed at actual interest rate on KIDF loan + 100 bps i.e at 10.20% p.a and repayable in 20 years from date of drawdown of

each tranche. Also, the Company has taken unsecured loan in current year from Astra Solren Private Limited amounting Rs 11.68 crore at 11.00% p.a repayable in 5 years from date of drawdown of each tranche. During the year Company has repaid it entire unsecured loan amounting to Rs 19.56 cr to Mahindra Susten Private Limited during the year.

(4) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within nextmonths.

Note No. 12 - Short term borrowings

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term debt (Refer note no 11)	**203.14**	178.59
Total Short term borrowings	**203.14**	178.59

Note No. 13 - Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro and small enterprises	**–**	–
(b) Other than Micro and small enterprises	**25.97**	52.34
Total Trade Payables	**25.97**	52.34

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2023

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of transaction Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	**25.97**		**–**	**–**	**25.97**

As at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from date of transaction Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	52.34	–	–	–	52.34

Note No. 14 - Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Financial Liabilities Measured at Amortised Cost		
Interest accrued but not due	**151.24**	172.54
Total Other Financial Liabilities	**151.24**	172.54

Note No. 15 - Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues taxes payable (other than income taxes)	**12.02**	13.58
Total Other Current Liabilities	**12.02**	13.58

Note No. 16 - Revenue from Operations

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year ended 31 March 2022
Revenue from sale of solar power	**1,076.90**	1,314.42
Total Revenue from Operations	**1,076.90**	1,314.42

Note:

A. Disaggregated Revenue Information:

The Company's revenue is only from sale of solar power.

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**139.83**	144.82
Less: Bill during the year	**(1,119.01)**	(1,319.40)
Add: Revenue recognised during the year	**1,076.90**	1,314.42
At the end of the year	**97.72**	139.83
Contract Liability	–	–

C. Reconciliation of revenue as per Ind AS 115:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted prices	**1,076.90**	1,314.42
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**1,076.90**	1,314.42

Note No. 17 - Other Income

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year ended 31 March 2022
(a) Interest income On Financial Assets at Amortised Cost	**18.10**	10.39
(b) Interest on Income Tax refund	**–**	2.93
(c) Insurance proceeds	**25.00**	–
(d) Provision on bad debts written back	**153.36**	–
Total Other Income	**196.46**	13.32

Note No. 18 - Finance Cost

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year ended 31 March 2022
(a) Interest on borrowing	**605.31**	660.28
(b) Interest on income tax	**4.55**	–
Total Finance Cost	**609.86**	660.28

Note No. 19 - Other Expenses

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year ended 31 March 2022
(a) Insurance Charges	**14.50**	15.36
(b) Operation & Maintenance Charges	**78.86**	58.52
(d) Power Consumption Charges	**12.56**	4.18
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- Statutory audit fees	**1.77**	2.07
(ii) For Tax audit Fees	**0.71**	1.59
(iii) For Other services/connection with the assessment	**0.91**	0.32
(f) Other expenses		
(i) Legal and other professional fees	**56.10**	15.35
(ii) DSM (Derivation Settlement Mechanism) Charges	**0.44**	0.48
(iii) Provision of bad debts	**–**	193.18
(iv) Provision of loss on impairment of assets	**28.33**	–
(v) Miscellaneous expenses	**3.88**	5.79
Total Other Expenses	**198.06**	296.84

Note No. 20 - Earnings per Share

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023 Per Share	Year ended 31 March 2022 Per Share
Basic Earnings per share	**1.56**	0.86
Total basic earnings per share	**1.56**	**0.86**
Diluted Earnings per share	**1.56**	0.86
Total diluted earnings per share	**1.56**	**0.86**

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(₹ In Lakhs)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Profits used in the calculation of basic earnings per share (i)	**148.86**	82.30
Weighted average number of equity shares (ii)	**9,524,000**	9,524,000
Earnings per share - Basic and Diluted (i/ii)	**1.56**	0.86

Note No. 21 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate Financial Statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023 and 31 March 2022 is as follows:

	31 March 2023	31 March 2022
Debt (A) (₹ In Lakhs)	**5,711.83**	6,778.62
Equity (B) (₹ In Lakhs)	**2,457.76**	2,308.90
Debt/ Equity Ratio (A / B)	**2.32**	2.94

Note:

Debt includes long-term debt (including non current & current) and Sub-Ordinated Debt as described in Note no 11 & Note no 12

Categories of financial assets and financial liabilities

As at 31 March 2023

(₹ In Lakhs)

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	**2,150.17**	**–**	**–**	**2,150.17**
Cash and Bank Balances	**829.75**	**–**	**–**	**829.75**
Other Financial Assets				
- Non Derivative Financial Assets	**109.16**	**–**	**–**	**109.16**
Non Current Liabilities				
Borrowings from Banks	**1,840.69**	**–**	**–**	**1,840.69**
Borrowings from Related Party	**3,668.00**	**–**	**–**	**3,668.00**
Current Liabilities				
Borrowings from Banks	**203.14**	**–**	**–**	**203.14**
Trade Payables	**25.97**	**–**	**–**	**25.97**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**151.24**	**–**	**–**	**151.24**

As at 31st March 2022

(₹ In Lakhs)

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	3,291.94	–	–	**3,291.94**
Cash and Bank Balances	336.91	–	–	**336.91**
Other Financial Assets				
- Non Derivative Financial Assets	150.31	–	–	**150.31**
Non Current Liabilities				
Borrowings from Banks	2,144.03	–	–	**2,144.03**
Borrowings from Related Party	4,456.00	–	–	**4,456.00**
Current Liabilities				
Borrowings from Banks	178.59	–	–	**178.59**
Trade Payables	52.34	–	–	**52.34**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	172.54	–	–	**172.54**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Andhra Pradesh and it believes that it is a solvent debt and hence the risk is minimal.

Trade receivables consist of receivable from the state DISCOM of Andhra Pradesh.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

The loss allowance provision is determined as follows:

As at 31 March 2023
(₹ In Lakhs)

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0.00%**	**0.00%**	**4.40%**	**1.85%**
Gross carrying amount	**537.02**	**707.74**	**905.41**	**2,150.17**
Loss allowance provision	**–**	**–**	**39.82**	**39.82**

Losses recognised in the year based on 12 month expected credit loss is Rs.39.82 Lakhs (credit loss as at 31 March 2022 : Rs 193.18 lakhs).

As at 31 March 2022
(₹ In Lakhs)

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0.00%	3.52%	6.40%	5.87%
Gross carrying amount	0.00	606.33	2,685.61	3,291.94
Loss allowance provision	–	21.37	171.81	193.18

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the managment of the company, who have established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial liabilities				
Trade Payable	**25.97**	**–**	**–**	**–**
Interest accrued but not due	**151.24**	**–**	**–**	**–**
Variable interest rate instruments	**203.14**	**466.28**	**533.81**	**3,340.59**
Fixed interest rate instruments	**–**	**–**	**–**	**1,168.00**
Total	**380.35**	**466.28**	**533.81**	**4,508.59**
31 March 2022				
Non-derivative financial liabilities				
Trade Payable	52.34	–	–	–
Interest accrued but not due	173	–	–	–
Variable interest rate instruments	178.59	428.61	521.26	3,694.16
Fixed interest rate instruments	–	–	–	1,956.00
Total	403.46	428.61	521.26	5,650.16

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial assets				
Trade receivable	**2,150.17**	**–**	**–**	**–**
Unbilled revenue	**97.72**	**–**	**–**	**–**
Deposits	**–**	**–**	**–**	**3.03**
Interest accrued on fixed deposits	**8.41**	**–**	**–**	**–**
Fixed interest rate instruments	**772.00**			
Variable interest rate instruments	**57.75**	**–**	**–**	**–**
Total	**3,086.05**	**–**	**–**	**3.03**
31 March 2022				
Non-derivative financial assets				
Trade receivable	3,291.94	–	–	–
Unbilled revenue	139.83	–	–	–
Deposits	–	–	–	3.03
Interest accrued on fixed deposits	7.45	–	–	–
Fixed interest rate instruments	217.00			
Variable interest rate instruments	119.91	–	–	–
Total	3,776.12	–	–	3.03

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

"Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-23	**INR**	**100**	(45.60)
	INR	**-100**	45.60
31-Mar-22	**INR**	**100**	(48.42)
	INR	**-100**	48.42

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 22- Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

(₹ In Lakhs)

Financial assets/ financial liabilities measured at Fair value	**Fair value as at 31 March 2023**	**31 March 2022**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Financial liabilities measured at amortised cost				
– loans from related parties	**1,423.82**	3,105.56	Level 3	Discounted cashflow method
– interest payables	**–**	88.75	Level 3	Discounted cashflow method
	1,423.82	3,194.31		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ In Lakhs)

	As at 31 March 2023		**As at 31 March 2022**	
Particulars	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Financial assets carried at Amortised Cost				
– trade receivables	**2,150.17**	**2,150.17**	3,291.94	3,291.94
– cash and bank balances	**829.75**	**829.75**	336.91	336.91
– Other financial assets	**109.16**	**109.16**	150.31	150.31
	3,089.08	**3,089.08**	3,779.15	3,779.15
Financial liabilities				
Financial liabilities held at amortised cost				
– borrowing from bank and financial institutions	**2,043.83**	**2,043.83**	2,322.62	2,322.62
– loans from related parties	**3,668.00**	**1,423.82**	4,456.00	3,105.56
– trade payables	**25.97**	**25.97**	52.34	52.34
– interest payables	**151.24**	**151.24**	172.54	88.75
Total	**5,889.04**	**3,644.85**	7,003.50	5,569.26

(₹ In Lakhs)

	Fair value hierarchy as at 31 March 2023			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at amortised cost				
– trade receivables	**–**	**–**	**2,150.17**	**2,150.17**
– cash and bank balances	**–**	**829.75**	**–**	**829.75**
– others	**–**	**–**	**109.16**	**109.16**

(₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at 31 March 2023			
Total	–	**829.75**	**2,259.33**	**3,089.08**
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	**–**	**–**	**2,043.83**	**2,043.83**
– loans from related parties	**–**	**–**	**1,423.82**	**1,423.82**
– trade payables	**–**	**–**	**25.97**	**25.97**
– interest payables			**151.24**	**151.24**
Total	**–**	**–**	**3,644.85**	**3,644.85**

(₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at 31 March 2022			
Financial assets				
Financial assets carried at amortised cost				
– trade receivables	–	–	3,291.94	3,291.94
– cash and bank balances	–	–	336.91	336.91
– Others	–	–	150.31	150.31
Total	–	–	3,779.15	3,779.15
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	–	–	2,322.62	2,322.62
– loans from related parties	–	–	4,456.00	4,456.00
– trade payables	–	–	52.34	52.34
– interest payables			88.75	88.75
Total	–	–	6,919.70	6,919.70

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure

Note No. 23 - Key Ratios

(₹ In Lakhs)

Particulars	**Numerator**	**Denominator**	**2022-23**	**2021-22**	**% Variance**	**Reason for Variance on Change in ratio in excess of 25% compared to preceding year**
Current Ratio	Current Assets	Current Liabilities	7.95	8.40	-5%	
Debt Equity Ratio	Borrowings	Shareholder's Equity	2.47	2.94	-16%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	0.36	0.25	44%	Improvement in collection (including old outstanding) resulted in reversal of excess provision done in previous FY.
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	6.25%	3.62%	73%	Improvement in collection (including old outstanding) resulted in reversal of excess provision done in previous FY.
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	0.40	0.47	-15%	
Net Capital turnover ratio	Revenue from operations	Average Working Capital	35.51%	39.37%	-10%	
Net Profit ratio	Profit after taxes	Revenue from operations	13.82%	6.26%	121%	Improvement in collection (including old outstanding) resulted in reversal of excess provision done in previous FY.
Return on capital employed	Earnings before interest and taxes	Shareholder’s Equity + Borrowings + DTL	9.95%	8.51%	17%	

Note No. 24 Related Party Transactions

Relationships:	Name:
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022) Ontrario Teacher's Pension Plan Board (w.e.f. 22 December 2022)
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra teqo Private Limited (Upto 14 December, 2022) Astra Solren Private Limited Neo Solren Private Limited Mega Surya Urja Private Limited Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022) Martial Solren Private Limited MSPL International DMCC (Under liquidation) MSPE Urja S.r.l (liquidated on 18 January 2022) Mahindra Susten Bangladesh Private Limited (liquidated on 15 March 2022)
Venturer Group Co	Mahindra Teqo Private Limited (w.e.f.15 December 2022)
Key Managerial Persons (KMP)	**Non Executive Directors** Sriram Ramchandran Rakesh Singh Rajesh Sehgal (Upto 19 August 2021) Avinash Bapat (w.e.f. 19th August, 2021) Rakesh Khaitan (w.e.f. 19th July 2022) Basant Jain (Upto 19th July, 2022)

Details of transaction between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	Year ended	Parent Company	Intermediate Parent Company	Ultimate Holding Company	Fellow Subsidiaries	Ultimate Joint Venturer	Venturer Group Co
Receiving of services	31-Mar-23	**–**	**3.43**	**1.36**	**39.71**	**1.49**	**13.24**
	31-Mar-22	–	3.27	2.71	49.19	–	–
Interest paid on loan	31-Mar-23	**–**	**367.37**	**–**	**45.06**	**–**	**–**
	31-Mar-22	4.48	220.92	–	–	–	–
Loan taken	31-Mar-23	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	–	2,500.00	–	–	–	–
Inter Corporate Deposit taken	31-Mar-23	**–**	**110.00**	**–**	**1,168.00**	**–**	**–**
	31-Mar-22	450.00	1,087.00	–		–	–
Inter Corporate Deposit Repaid	31-Mar-23	**–**	**2,066.00**	**–**		**–**	**–**
	31-Mar-22	450.00	220.00	–		–	–

(₹ In Lakhs)

Particulars	Balances as at	Parent Company	Intermediate Parent Company	Ultimate Holding Company	Fellow Subsidiaries	Ultimate Joint Venturer	Venturer Group Co
Trade payables	31–Mar–23	**–**	**–**	**–**	**–**	**–**	**5.12**
	31–Mar–22	–	–	–	43.87	–	–
Interest Payable on loan & inter corporate deposit	31–Mar–23	**–**	**110.69**	**–**	**40.55**	**–**	**–**
	31–Mar–22	–	172.54	–	–	–	–
Loan Outstanding	31–Mar–23	**–**	**2,500.00**	**–**	**–**	**–**	**–**
	31–Mar–22	–	2,500.00	–	–	–	–
Inter Corporate Deposit Payable	31–Mar–23	**–**	**–**	**–**	**1,168.00**	**–**	**–**
	31–Mar–22	–	1,956.00	–	–	–	–

Note No. 25 - Other Statutory Information's

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(k) The corporate social responsibility (CSR) u/s 135 of Companies Act, 2013 is not appilcable.

Note No. 26

The amount has been rounded off to nearest ₹ in Lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. 27

The Financial Statements have been approved for issue by Company's Board of Directors on 27 April 2023.

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

Mega Suryaurja Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mega Suryaurja Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXX9755

Place: Mumbai
Date: April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mega Suryaurja Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXX9755

Place: Mumbai
Date: April 27, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the current financial year. The company had incurred cash losses of Rs. 16.66 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXX9755

Place: Mumbai
Date: April 27, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ In Lakhs)

	Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	**1,28,571.03**	3,840.89
	(b) Capital Work-in-Progress	5	**–**	1,17,656.41
	(c) Other Non-current Assets	9	**–**	471.48
	(d) Deferred Tax Assets (Net)	6	**374.34**	3.02
	SUB-TOTAL		**1,28,945.37**	1,21,971.80
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables			
	(ii) Cash and Cash Equivalents	7	**1,830.30**	11,585.78
	(iii) Other Bank Balances	7 (a)	**3,000.00**	–
	(iv) Other Financial Assets	8	**1,972.77**	4.25
	(b) Current Tax Assets (Net)		**29.11**	8.72
	(c) Other Current Assets	9	**37.49**	–
	SUB-TOTAL		**6,869.67**	11,598.74
	TOTAL ASSETS		**1,35,815.04**	1,33,570.54
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	10	**865.00**	865.00
	(b) Other Equity	10A	**6,515.96**	7,621.04
	SUB-TOTAL		**7,380.96**	8,486.04
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	11	**1,18,320.04**	67,202.01
	(ii) Other Financial Liabilities	14	**4,134.47**	924.81
	(b) Other Non Current Liabilities	15	**336.00**	350.00
	SUB-TOTAL		**1,22,790.51**	68,476.82
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	**4,175.24**	–
	(ii) Trade Payables	13		
	Dues to micro & small enterprises		**–**	–
	Dues to other than micro & small enterprises		**324.17**	1.94
	(b) Other Financial Liabilities	14	**1,053.98**	56,401.47
	(c) Other Current Liabilities	15	**90.18**	204.28
	SUB-TOTAL		**5,643.57**	56,607.69
	TOTAL EQUITY AND LIABILITIES		**1,35,815.04**	1,33,570.55

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN :09671089

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

	Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	**Revenue from operations**	16	**11,666.02**	–
II	Other Income	17	**140.62**	–
III	**Total Income (I + II)**		**11,806.64**	–
IV	**Expenses**			
	(a) Finance costs	18	**6,901.55**	0.09
	(b) Depreciation and amortisation expense	4	**4,104.78**	–
	(b) Other expenses	19	**2,276.71**	16.57
	Total Expenses (IV)		**13,283.04**	16.66
V	**Loss before tax (III-IV)**		**(1,476.40)**	(16.66)
VI	**Tax Expense**	6		
	(a) Current tax			
	(i) Minimum alternate Tax		**–**	–
	(ii) Minimum alternate tax credit		**–**	–
	(iii) Current Tax charge relating to earlier years			
	(b) Deferred tax Income		**(371.61)**	(1.55)
	Deferred tax relating to prior years due to change in ETR		**0.29**	–
	Total tax expense		**(371.32)**	(1.55)
VII	**Loss after tax for the year (V - VI)**		**(1,105.08)**	(15.12)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	B (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**(1,105.08)**	(15.12)
X	**Earnings per equity share (Face Value of Rs. 10/- each)**			
	(a) Basic	20	**(12.78)**	(0.62)
	(b) Diluted	20	**(12.78)**	(0.62)

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN :09671089

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Loss before tax for the year	**(1,476.40)**	(16.66)
Adjustments for:		
Depreciation and amortisation	**4,104.78**	
Unrealised Exchange gain/(loss)	**1,303.21**	
Finance costs	**6,901.55**	–
Interest income	**(140.62)**	–
Movements in working capital:		
Increase/(Decrease) in trade and other payables	**322.23**	0.85
(Increase)/decrease in other assets	**(1,375.89)**	0.02
Increase in other liabilities	**(128.09)**	554.00
Cash generated from operations	**10,987.17**	554.87
Income taxes paid	**20.39**	(8.72)
Net cash flow from operating activities	**9,490.39**	529.49
Cash flows from investing activities		
Interest received	**150.24**	21.45
Payments for property, plant and equipment	**(92,063.89)**	(40,209.73)
Net cash flow from investing activities	**(94,913.65)**	(40,188.29)
Cash flows from financing activities		
Proceeds from issue of equity shares	**–**	8,500.00
Proceeds from borrowings	**78,767.09**	14,221.20
Proceeds from related party	**2,500.00**	28,730.00
Repayment of borrowings	**(1,867.21)**	–
Interest Paid	**3732.10**	(217.10)
Net cash flow from financing activities	**75,667.78**	51,234.10
Net increase in Cash and cash equivalents	**(9,755.48)**	11,575.30
Cash and cash equivalents at the beginning of the year	**11,585.78**	10.47
Cash and cash equivalents at the end of the year	**1,830.30**	11,585.78

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN :09671089

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. EQUITY SHARE CAPITAL

(i) Current reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
865.00	**–**	**865.00**

(ii) Previous reporting period

(₹ In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during previous year	Balance at the end of the previous reporting period
15.00	850.00	865.00

B. Other Equity

(i) Current reporting period

(₹ In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period	7,650.00	(28.96)	7,621.04
Total Comprehensive Income for the current year	–	(1,105.08)	(1,105.08)
Addition during the year	–	–	–
Balance at the end of the current reporting period	**7,650.00**	**(1,134.04)**	**6,515.96**

(ii) Previous reporting period

(₹ In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the previous reporting period	–	(13.85)	(13.85)
Total Comprehensive Income for the previous year	–	(15.11)	(15.11)
Addition during the year	7,650.00	–	7,650.00
Balance at the end of the pervious reporting period	**7,650.00**	**(28.96)**	**7,621.04**

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN :09671089

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Mega Surya Urja Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The CIN of the Company is U40103MH2012PTC226016. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The financial statements were authorized for issue in accordance with a resolution of the board of directors on 27 April 2023.

2. Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3. Significant Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(as amended,Ind AS compliant Schedule III), as applicable to the Financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilize tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(iv) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

iii. Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

iv. GST income:

As per term of power purchase agreeement (PPA), the Company has right to claim GST under change in law clause. Such revenue is recognised over the tenure of the PPA once such claim is agreed by the customers and there is no uncertainity regarding ultimate collection of GST income.

v. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle; or

(ii) it is due to be settled within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	**Useful life**
Plant and equipment – Plant	25 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency. All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

I) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

w) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 4 - Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April 2022	3,840.89	–	3,840.89
Additions during the year	972.39	1,27,862.54	1,28,834.93
Balance as at 31 March 2023	**4,813.28**	**1,27,862.54**	**1,32,675.82**
II. Accumulated depreciation			
Balance as at 1 April 2022	–	–	–
Depreciation expense for the year	–	4,104.78	4,104.78
Balance as at 31 March 2023	–	4,104.78	4,104.78
III. Net carrying amount (I-II)	**4,813.28**	**–**	**1,28,571.03**

(₹ In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021	–	–	–
Additions during the year	3,840.89	–	3,840.89
Balance as at 31 March 2022	**3,840.89**	**–**	**3,840.89**
II. Accumulated depreciation			
Balance as at 1 April 2021	–	–	–
Depreciation expense for the year	–	–	–
Balance as at 31 March 2022	–	–	–
III. Net carrying amount (I-II)	**3,840.89**	**–**	**3,840.89**

Note:

(i) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings).

(ii) Previous year figures are 'Nil'.

Note No. 5 - Capital Work-in-Progress

(₹ In Lakhs)

	Amount in CWIP as on 31 March 2023				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress - ISTS - II 250 MW Plant	–	–	–	–	–

	Amount in CWIP as on 31 March 2022				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress - ISTS - II 250 MW Plant	1,17,108.03	548.39	–	–	1,17,656.41

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current Tax:	**–**	–
Deferred Tax:		
In respect of current year	**(371.61)**	(1.55)
In respect of prior year	**0.29**	–
Total income tax expense on continuing operations	**(371.32)**	(1.55)

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ In Lakhs)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i)	**Profit before tax for the year**	**(1,476.40)**	(16.66)
ii)	Corporate tax rate as per Income tax Act, 1961	**25.17%**	27.82%
iii)	Tax on accounting profit (iii) = (i) X (ii)	**(371.61)**	(4.64)
	Effect of expenses that is non-deductible in determining taxable profit	**–**	3.09
iv)	**Total effect of Tax adjustment**	**(371.61)**	(1.55)
v)	Adjustments recognised in the current year in relation to the current tax of prior years	**0.29**	–
vi)	**Tax expense recognised during the year (vi)=(iv)+(v)**	**(371.32)**	(1.55)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(c) Movement in deferred tax balances

(₹ In Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
	Year ended 31 March 2023		
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	–	11,718.35	11,718.35
	–	11,718.35	11,718.35
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	3.02	12,089.67	12,092.69
	3.02	12,089.67	12,092.69
Net Deferred Tax Asset	(3.02)	(371.32)	(374.34)

(₹ In Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
	Year ended 31 March 2022		
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	–	–	–
	–	–	–
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	1.47	1.55	3.02
	1.47	1.55	3.02
Net Deferred Tax Asset	(1.47)	(1.55)	(3.02)

Note No. 7 - Cash and Cash Equivalent

(₹ In Lakhs)

Particulars	**As at 31 March 2023**	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks in current account	**600.30**	5,585.78
(b) Fixed Deposit maturity less then 3 months	**1,230.00**	6,000.00
Total Cash and Cash Equivalent	**1,830.30**	11,585.78

Note :

All the Cash and Cash Equivalent have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings).

Particulars	**As at 31 March 2023**	As at 31 March 2022
Other Bank Balances		
Earmarked Balance with Bank	**3,000.00**	–
Total Other Bank balances	**3,000.00**	–

Note :

All the other Bank balance have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings).

Note No. 8 - Other Financial Assets

(₹ In Lakhs)

Particulars	**As at 31 March 2023**	As at 31 March 2022
(a) Interest Accrued on Fixed Deposit	**10.81**	4.25
(b) Unbilled revenue	**1,338.41**	–
(c) Forward contract derivative	**623.55**	–
Total Other Assets	**1,972.77**	4.25

Note No. 9 - Other Non-current Assets

(₹ In Lakhs)

	As at 31 March 2023		As at 31 March 2022	
Particulars	**Current**	**Non Current**	Current	Non Current
(a) Capital advances	**–**	**–**	–	471.48
(b) Prepaid Expenses	**37.49**	**–**	–	–
Total Other Non-current Assets	**37.49**	**–**	–	471.48

Note No. 10 - Equity Share Capital

(₹ In Lakhs)

	As at 31 March 2023		As at 31 March 2022	
Particulars	**No. of shares**	**Amount**	No. of shares	Amount
Authorised:				
1,50,000 equity shares of INR 10 each	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of INR 10 each with voting rights	**86,50,000**	**865.00**	86,50,000	865.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	**Opening Balance**	**Fresh Issue**	**Closing Balance**
Equity Shares with voting rights			
For the year Ended 31 March 2023			
No. of Shares	**86,50,000**	–	86,50,000
Amount in Rupees	**865.00**	–	865.00
For the year Ended 31 March 2022			
No. of Shares	**1,50,000**	85,00,000	86,50,000
Amount in Rupees	**15.00**	850.00	865.00

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

	No. of Shares		
Particulars	**Equity Shares with Voting rights**	**Equity Shares with Differential Voting rights**	**Others**
Balance at 31 March 2023			
Mahindra Susten Private Limited	**86,50,000**	–	–
Balance at 31 March 2022			
Mahindra Susten Private Limited	**86,50,000**	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2023		**As at 31 March 2022**	
Class of shares / Name of shareholder	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Equity shares with voting rights				
Mahindra Susten Private Limited	**86,50,000**	**100%**	86,50,000	100%

Note:
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2023

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year 31 March 2023**
Mahindra Susten Private Limited	**86,50,000**	100%	–

Shares held by promoters as at 31 March 2022

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year 31 March 2022**
Mahindra Susten Private Limited	**86,50,000**	100%	5667%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 10A - Other Equity

(₹ In Lakhs)

(i) Securities Premium	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	7,650.00	–
Movement during the year	–	7,650.00
Balances as at end of the year	**7,650.00**	**7,650.00**

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ In Lakhs)

(ii) Retained Earnings	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	(28.96)	(13.85)
Addition during the year	(1,105.08)	(15.11)
Balances as at end of the year	**(1,134.04)**	**(28.96)**

Note No. 11 - Non Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest	Repayment Terms	As at 31 March 2023	As at 31 March 2022
Measured at amortised cost				
Secured Borrowings				
Term loan from Bank	8.40% - 9.00%	Refer Note 3	**50,867.36**	14,221.20
Buyer's credit arrangement in foreign currency	2.85% to 5.87%		**40,253.72**	24,106.61
Less: Current maturities of long term debt			**(4,175.24)**	
Total Secured Borrowings			**86,945.84**	38,327.81
Unsecured Borrowings				
Subordinated debt from related party	11.5%	Refer Note 5	**31,374.20**	28,874.20
Total Unsecured Borrowings			**31,374.20**	28,874.20
Total Non-Current Borrowings			**1,18,320.04**	67,202.01

Notes:

1 MEGA SURYAURJA PRIVATE LIMITED, (as the Borrower) is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at village Daddu Ka Gaon & Seora, Tehsil Kolayat, District Bikaner, in the state of Rajasthan, India (the "ISTS-2 Project"). The entire electricity generated from ISTS-2 Project will be supplying to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst Company and SECI.

2 To part finance of the project of ISTS-2- Project, the Company has availed sanctioned of Term Loan aggregating upto INR 640,00,00,000 from HDFC Bank Limited and INR 300,00,00,000 from Axis Bank Limited.

3 The Borrower shall repay the Loans to the Lenders in 52 (fifty two) & 78 (seventy eight) structured quarterly instalments, starting from December 31, 2022 with last repayment on September 30, 2036 & on March 31, 2042 consisting bullet payment of 34.38% of availed loan amount. ROI for RTL is 1-year MCLR + spread.

4 The ISTS-2 Project loans obligations has been secured with following securities of Borrower and charges has been created in favour of the Security Trustee acting for the benefit of the all Lenders until Final Settlement Date.

i. first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future;

ii. first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents;

iii first ranking pari passu pledged over 51% equity shares of the Borrower;

iv. Charge and equitable assignment by way of power of attorney over all Subordinate Loans extended by Promoter to Borrower, and over NCDs/

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

compulsory convertible debentures/optionally convertible debentures (as applicable) of Borrower subscribed to by Promoter (subject to Applicable Laws);

v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds and project documents.

5 The Company has availed during the year sub-debt of INR 2,500 lakhs from Mahindra Susten Private Limited aggregating upto INR 31,374.20 as part of promoter contribution for the ISTS 2 project.

6 The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next months.

Note No. 12- Short Term Borrowings

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term debt (Refer note no 11)	4,175.24	–
	4,175.24	–

Note No. 13 - Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises	**324.17**	1.94
Total Trade Payables	**324.17**	1.94

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(b) Other than Micro and small enterprises	324.17	–	–	–	324.17

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(b) Other than Micro and small enterprises	1.94	–	–	–	1.94

Note No. 14 - Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non Current**	Current	Non Current
(a) Interest accrued but not due	**991.45**	**4,134.47**	89.48	924.81
(b) Creditors for capital project	**62.53**	**–**	55,646.47	–
(c) Forward contract derivative	**–**	**–**	665.52	–
Other Financial Liabilities	**1,053.98**	**4,134.47**	56,401.47	924.81

Note No. 15 - Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non Current**	Current	Non Current
(a) Statutory dues taxes payable (other than income taxes)	**90.18**	**–**	204.28	–
(b) Deferred Liability - Multi Circuit Tower	**–**	**336.00**	–	350.00
Total Other Current Liabilities	**90.18**	**336.00**	204.28	350.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 16 - Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from sale of solar energy	**11,666.02**	–
Total Revenue from Operations	**11,666.02**	–

A. Disaggregated Revenue Information:

The Company's revenue is only from Sale of Solar Power.

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**–**	–
Less: Bill during the year	**(10,327.61)**	–
Add: Revenue recognised during the year	**11,666.02**	–
At the end of the year	**1,338.41**	–
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted prices	**11,666.02**	–
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**11,666.02**	–

Note No. 17 - Other income

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest Income	**77.38**	–
Amortisation of deferred income -Multi Circuit Tower	**14.00**	–
Insurance proceeds	**49.24**	
Total Other Income	**140.62**	–

Note No. 18 - Finance Cost

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense at amortised cost	**7,822.37**	–
Less: Amounts included in the cost of qualifying assets	**(942.18)**	–
Bank charges	**21.36**	0.09
Total Finance Cost	**6,901.55**	0.09

Note No. 19 - Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Insurance	**248.17**	–
(b) Operation & Maintenance Charges	**286.99**	–
Commission, discounts and rebates	**238.78**	–
(c) Auditors remuneration and out-of-pocket expenses		
(i) As statutory auditors - audit fees	**1.45**	1.48
(ii) For Taxation matters	**0.59**	
(iii) For Other services	**0.28**	
(d) Other expenses		
(i) Legal and Professional fees	**140.14**	3.78
(ii) Share issue expenses- Stamp duty paid on increase in Authorised capital	**–**	11.10
(iii) SLDC & NRLDC Charges	**12.92**	–
(iv) Foreign Exchange Gain/Loss	**1,095.29**	–
(v) Statutory Charges	**241.13**	–
(vi) Miscellaneous expenses	**10.97**	0.21
Total Other Expenses	**2,276.71**	16.57

Note No. 20- Basic And Diluted Earning per share

Basic earnings per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss for the year	**(1,105.08)**	(15.12)
Weighted average number of equity shares	**86,50,000**	24,32,192
Basic Earnings per share	**(12.78)**	(0.62)

Diluted earnings per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss for the year	**(1,105.08)**	(15.12)
Weighted average number of equity shares	**86,50,000**	24,32,192
Diluted Earnings per share	**(12.78)**	(0.62)

Note No. 21 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ In Lakhs)
	31 March 2023	31 March 2022
Debt (A) (Rupees (In Lakhs)	**1,22,495.28**	67,202.01
Equity (B) (Rupees (In Lakhs)	**7,380.96**	8,486.04
Debt Equity Ratio (A / B)	**16.60**	7.92

Note:
Debt includes long-term debt (including non current & current) and Sub-Ordinated Debt as described in Note no 11

Categories of financial assets and financial liabilities

As at 31 March 2023 (₹ In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets	–	–	–	–
Current Assets				
Cash and Bank Balances	**4,830.30**	–	–	**4,830.30**
Other Financial Assets				
– Derivative Financial Assets	–	**623.56**	–	**623.56**
– Non Derivative Financial Assets	**1,349.21**	–	–	**1,349.21**
Non-current Liabilities				
Borrowings from Banks and Financial institutions	**86,945.83**	–	–	**86,945.83**
Borrowings from related party	**31,374.20**	–	–	**31,374.20**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**4,134.47**	–	–	**4,134.47**
Current Liabilities				
'Current maturities of long-term debt	**4,175.25**	–	–	**4,175.25**
Trade Payables	**324.17**	–	–	**324.17**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**1,053.97**	–	–	**1,053.97**

As at 31 March 2022 (₹ In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	11,585.78	–	–	11,585.78
Other Financial Assets				–
– Non Derivative Financial Assets	4.25	–	–	4.25
Non-current Liabilities				
Borrowings from Banks and Financial institutions	38,327.81	–	–	38,327.81
Borrowings from related party	28,874.20	–	–	28,874.20
Other Financial Liabilities				
– Non Derivative Financial Liabilities	924.81	–	–	924.81
Current Liabilities				
'Current maturities of long-term debt	–	–	–	–
Trade Payables	1.94	–	–	1.94
Other Financial Liabilities				
– Derivative Financial Liabilities		665.52		665.52
– Non Derivative Financial Liabilities	55,735.95	–	–	55,735.95

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31 March 2023				
Non-derivative financial liabilities				
Trade Payable	324.17	–	–	–
Interest accrued but not due	991.44	4,134.47	–	–
Creditors for capital project	62.53	–	–	–
Variable interest rate instruments	4,175.25	11,041.21	8,072.15	27,578.76
Fixed interest rate instruments		40,253.72	–	31,374.20
Total	**5,553.39**	**55,429.40**	**8,072.15**	**58,952.96**
31 March 2022				
Non-derivative financial liabilities				
Trade Payable	1.94	–	–	–
Interest accrued but not due	89.48	924.81	–	–
Creditors for capital project	55,646.47	–	–	–
Variable interest rate instruments	2,318.08	4,752.13	1,228.13	5,922.88
Fixed interest rate instruments		24,106.61	–	28,874.20
Derivative financial liabilities				
Foreign exchange forward contracts	665.52	–	–	–
Total	**58,721.50**	**29,783.54**	**1,228.12**	**34,797.07**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31 March 2023				
Unbilled revenue	**1,338.41**	**–**	**–**	**–**
Interest accrued on fixed deposits	**10.81**	**–**	**–**	**–**
Variable interest rate instruments	**600.30**	**–**	**–**	**–**
Fixed interest rate instruments	**4,230.00**	**–**	**–**	**–**
Derivative financial assets				
Foreign exchange forward contracts	**623.56**	**–**	**–**	**–**
	6,803.07	**–**	**–**	**–**
31 March 2022				
Interest accrued on fixed deposits	4.25	–	–	–
Variable interest rate instruments	11,585.78	–	–	–
Fixed interest rate instruments	–	–	–	–
	11,590.03	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ In Lakhs)

Particulars	Currency	31 March 2023	31 March 2022
Trade Payables	USD	**–**	42,058.19
Secured Bank loans (incl.interest)	USD	**41,174.15**	24,106.61

The Forward exchange contracts entered into by the Company and outstanding are as under:

(₹ In Lakhs)

Particulars	No of Contracts	Type	US$ in lakhs	INR in lakhs	MTM gain/ (loss)
31 March 2023	19	**Buy**	503.76	**41,174.15**	623.56
31 March 2022	25	**Buy**	727.75	**66,164.80**	(665.53)

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(₹ In Lakhs)

Particulars	Currency	31 March 2023	31 March 2022
Trade Payables	USD	**–**	–
Secured Bank Loans	USD	**3.96**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ In Lakhs)

	Currency	Change in rate	Effect on profit before tax
31 March 2023	USD	+10%	–
	USD	-10%	–
31 March 2022	USD	+10%	–
	USD	-10%	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2023			
	INR	+100	(516.86)
	INR	(-) 100	516.86
31 March 2022	INR	+100	(150.00)
	INR	(-) 100	150.00

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 22- Fair Value Measurement
Fair Valuation Techiques and Inputs used - recurring Items

(₹ In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at 31 March 2023	Fair value as at 31 March 2022	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial liabilities				
Other Financial Liabilities				
- Foreign currency forward contracts	–	665.52	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Total Financial liabilities	–	665.52		
Financial liabilities measured at amortised cost				
– loans from related parties	**11,702.81**	10,786.46	Level 3	Discounted cashflow method
– interest payables	**2,696.55**	800.27	Level 3	Discounted cashflow method
	14,399.37	11,586.73		
Financial assets				
Other Financial assets				
- Foreign currency forward contracts	**623.55**	–	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Total Financial assets	**623.55**	–		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ In Lakhs)

Particulars	As at 31 March 2023 Carrying amount	As at 31 March 2023 Fair value	As at 31 March 2022 Carrying amount	As at 31 March 2022 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash and bank balances	**600.30**	**600.30**	11,585.78	11,585.78
– Other financial assets	**1,972.77**	**1,972.77**	4.25	4.25
	2,573.07	**2,573.07**	11,590.02	11,590.02
Financial liabilities				
Financial liabilities held at amortised cost				
– borrowing from bank and financial institutions	**1,22,495.28**	**1,22,495.28**	67,202.01	67,202.01
– loans from related parties	**31,374.20**	**11,702.81**	28,874.20	10,786.46
– trade payables	**324.17**	**324.17**	1.94	1.94
– interest payable	**5,125.91**	**2,696.55**	1,014.29	800.27
– others	**62.53**	**62.53**	55,646.47	55,646.47
Total	**1,59,382.10**	**1,37,281.35**	1,52,738.91	1,34,437.15

(₹ In Lakhs)

Fair value hierarchy as at 31 March 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at amortised cost				
– cash and bank balances	–	–	**600.30**	**600.30**
– others	–	–	**1,972.77**	**1,972.77**
Total	–	–	**2,573.07**	**2,573.07**
Financial liabilities				
Financial liabilities held at amortised cost				–
– loans from Bank & Financial institution	–	91,121.08	31,374	1,22,495.28
– loans from related parties	–	–	11,703	11,702.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

– trade payables	–	–	324.17	324.17
– interest payable	–	–	2,696.55	2,696.55
– others	–	–	62.53	62.53
Total	**–**	**91,121.08**	**46,160.27**	**1,37,281.35**

(₹ In Lakhs)
Fair value hierarchy as at 31 March 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at amortised cost				
– cash and bank balances			11,585.78	11,585.78
- Others	–	–	4.25	4.25
Total	–	–	**11,590.02**	**11,590.02**
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	–	38,327.81	28,874.20	67,202.01
– loans from related parties	–	–	10,786.46	10,786.46
– trade payables	–	–	1.94	1.94
– interest payable	–	–	800.27	800.27
– others	–	–	55,646.47	55,646.47
Total	–	38,327.81	96,109.34	1,34,437.14

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure

Note No. 23 - Key Ratios

(₹ In Lakhs)

Particulars	**Numerator**	**Denominator**	**2022-23**	**2021-22**	**% Variance**	**Reason for Variance on Change in ratio in excess of 25% compared to preceding year**
Current Ratio	Current Assets	Current Liabilities	1.22	0.20	494%	Due to repayment of capital creditors financed through long term borrowing
Debt Equity Ratio	Borrowings	Shareholder's Equity	16.60	7.92	110%	Due to availment of borrowing for completion of development of 250 AC MW ISTS 2 project
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	0.98	–	100%	Due to completion of development of 250 AC MW ISTS 2 project in current year
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	–13.93%	–0.20%	6994%	Due to expense charged to profit and loss on completion of development of 250 AC MW ISTS 2 project in current year
Net Captial turnover ratio	Revenue from operations	Average Working Capital	–0.53	–	100%	Due to completion of development of 250 AC MW ISTS 2 project in current year
Net Profit ratio	Profit after taxes	Revenue from operations	–0.09	–	100%	Due to completion of development of 250 AC MW ISTS 2 project in current year
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	–1.33%	–0.01%	12277%	Due to completion of development of 250 AC MW ISTS 2 project in current year

Note :

* The company has capitalised 250MW AC Solar Photo Voltaic Power plant in the current year. Accordingly all Revenue and related expenses have been recognised from current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 24 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022)
	Ontrario Teacher's Pension Plan Board (w.e.f. 22 December 2022)
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Renewables Private Limited
	Astra Solren Private Limited
	Neo Solren Private Limited
	MSPL International DMCC (Under liquidation)
	Mahindra Teqo Private Limited (Till 14 December 2022)
	Brightsolar Renewable Energy Private Limited (w.e.f. 19th July 2021)
	(Converted to subsidary effective 19 August 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)

Relationships:	**Name:**
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC (Under liquidation)
	Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited (w.e.f.15 December 2023)
Key Managerial Persons (KMP)	**Non Executive Directors**
	Sriram Ramachandran
	Rakesh Singh
	Rakesh Khaitan (w.e.f. 19th July 2022)
	Basant Jain (Upto 19th July 2022)

Details of transactions between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	**For the year ended**	**Parent Company**	**Fellow Subsidiaries**	**Ultimate Holding Company**	**Ultimate Joint Venturer**	**Venturer Group Co**
Receiving of services	31-Mar-23	124.47	138.54	1.25	1.60	104.68
	31-Mar-22	–	–	1.66	–	–
Availment of EPC services for Capital project	31-Mar-23	6,258.04	–	–	–	–
	31-Mar-22	33,064.96	–	–	–	–
Advance given for Capital project	31-Mar-23	–	–	–	–	–
	31-Mar-22	4,170.00	–	–	–	–
Interest on loan	31-Mar-23	3,566.29	–	–	–	–
	31-Mar-22	1,024.06	–	–	–	–
Issue of Equity	31-Mar-23	–	–	–	–	–
	31-Mar-22	8,500.00	–	–	–	–
Subordinate debt received	31-Mar-23	2,500.00	–	–	–	–
	31-Mar-22	28,730.00	–	–	–	–

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Fellow Subsidiaries**	**Ultimate Holding Company**	**Ultimate Joint Venturer**	**Venturer Group Co**
Trade & Other payables	31-Mar-23	–	–	–	–	40.47
	31-Mar-22	12,933.40	–	–	–	–
Advance outstanding for Capital projects	31-Mar-23	–	–	–	–	–
	31-Mar-22	471.48	–	–	–	–
Interest on loan payable	31-Mar-23	4,134.47	–	–	–	–
	31-Mar-22	924.81	–	–	–	–
Subordinate debt outstanding	31-Mar-23	31,374.20	–	–	–	–
	31-Mar-22	28,874.20	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 25 - Commitments

(₹ In Lakhs)

Particulars	**As at 31 March, 2023**	As at 31 March 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	–	10,903.99

Note No. 26 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by any bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 27 -

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2023 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 28 -

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No. 29 -

The financial statements have been approved for issue by Company's Board of Directors on 27 April 2023

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN :09671089

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

INDEPENDENT AUDITORS' REPORT

To the members of Martial Solren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Martial Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXY2771

Place: Mumbai,
Date: April 27, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Martial Solren Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXY2771

Place: Mumbai,
Date: April 27, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS’ REPORT

[Referred to in Clause 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees’ State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees’ State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. ________ during the current financial year and Rs. 3,20,976 in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIXY2771

Place: Mumbai,
Date: April 27, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ In Lakhs)

	Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
I	**ASSETS**			
	1 NON-CURRENT ASSETS		**–**	–
	2 CURRENT ASSETS			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	**4**	**0.47**	0.08
	SUB-TOTAL		**0.47**	0.08
	TOTAL ASSETS		**0.47**	0.08
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	**5**	**1.00**	1.00
	(b) Other Equity	**5(a)**	**(8.80)**	(5.61)
	SUB-TOTAL		**(7.80)**	(4.61)
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	**6**	**–**	2.50
	(ii) Other Financial Liabilities	**7**	**–**	0.14
			–	2.64
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	**8**	**7.00**	–
	(ii) Trade Payables	**9**		
	(A) Dues to Micro & small enterprises		**–**	–
	(B) Dues to creditors other than Micro & small enterprises		**0.54**	1.87
	(b) Other Financial Liabilities	**7**	**0.62**	–
	(c) Other Current Liabilities	**10**	**0.11**	0.18
	SUB-TOTAL		**8.27**	2.05
	TOTAL EQUITY AND LIABILITIES		**0.47**	0.08

The accompanying notes 1 to 20 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars		Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Income (I + II)**		–	–
IV	**Expenses**			
	(a) Finance costs	**11**	**0.53**	0.16
	(b) Other expenses	**12**	**2.66**	3.05
	Total Expenses (IV)		**3.19**	3.21
V	**Loss before tax (IV - III)**		**(3.19)**	(3.21)
VI	**Tax Expense**			
	(a) Current tax		–	–
	(b) Deferred tax		–	–
	Total tax expense		–	–
VII	**Loss after tax (V - VI)**		**(3.19)**	(3.21)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that may be reclassified to profit or loss		–	–
	(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX	**Total comprehensive income for the year**		**(3.19)**	(3.21)
X	**Earnings per equity share**			
	(a) Basic	**13**	**(31.86)**	(32.10)
	(b) Diluted	**13**	**(31.86)**	(32.10)

The accompanying notes 1 to 20 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Loss before tax for the year	**(3.19)**	(3.21)
Adjustments for:		
Finance costs recognised in profit or loss	**0.53**	0.16
Movements in working capital:		
(Decrease)/Increase in trade and other payables	**(1.40)**	0.49
Cash generated from operations	**(4.06)**	(2.56)
Income taxes paid	**–**	–
Net cash flow used in operating activities	**(4.06)**	(2.56)
Net cash flow from investing activities	**–**	–
Cash flows from financing activities		
Proceeds of borrowings from related party	**4.50**	2.50
Interest Paid	**(0.05)**	(0.02)
Net cash flow from financing activities	**4.45**	2.48
Net increase/(decrease) in cash and cash equivalents	**0.39**	(0.08)
Cash and cash equivalents at the beginning of the year	**0.08**	0.17
Cash and cash equivalents at the end of the year	**0.47**	0.08

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The accompanying notes 1 to 20 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

(i) Current reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	–	**1.00**

(ii) Previous reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	–	**1.00**

B. Other Equity

(1) Current reporting period

(₹ In Lakhs)

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	(5.61)	(5.61)
Total Comprehensive Income for the current year	(3.19)	(3.19)
Balance at the end of the current reporting period	**(8.80)**	**(8.80)**

(ii) Previous reporting period

(₹ In Lakhs)

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
Balance at the beginning of the previous reporting period	(2.40)	(2.40)
Total Comprehensive Income for the previous year	(3.21)	(3.21)
Balance at the end of the previous reporting period	**(5.61)**	**(5.61)**

The accompanying notes 1 to 20 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. **Nature of Operations**

Martial Solren Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The CIN of the company is U40108MH2020PTC344712.

The financial statements were authorized for issue in accordance with a resolution of the board of directors on 27 April 2023.

Statement of compliance
The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. **Significant Accounting Policies and Accounting Judgments and Estimates**

A. **Basis of Preparation of Financial Statements**
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B. **Use of estimates and judgments**
The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

(i) **Recoverability of deferred tax assets :**
In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) **Impairment losses on financial assets :**
The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) **Estimation of provisions and contingencies :**
Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. **Other Significant Accounting Policies:**

a) **Current versus Non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) **Financial Assets and Financial Liabilities**
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(i) **Financial assets**

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e) Taxes on Income:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

f) Provisions and Contingent Liabilities :

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

g) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

h) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

i) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

j) **Rounding of amounts**
All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR as per the requirement of Schedule III, unless otherwise stated.

k) **Recent Accounting Pronouncements**
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

Note No. 4 – Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	**0.47**	0.08
Total Cash and Cash Equivalents	**0.47**	0.08

Note No. 5 – Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Authorised:				
Equity shares of INR 10 each with voting rights	**10,000**	**1.00**	10,000	1.00
Issued and Subscribed:				
Equity shares of INR 10 each with voting rights	**10,000**	**1.00**	10,000	1.00
Total Equity share capital	**10,000**	**1.00**	10,000	1.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
For as at 31 March 2023			
No. of Shares	**10,000**	**–**	**10,000**
Amount (₹ In Lakhs)	**1.00**	**–**	**1.00**
Year Ended 31 March 2022			
No. of Shares	**10,000**	**–**	**10,000**
Amount (₹ In Lakhs)	**1.00**	**–**	**1.00**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Susten Private Limited	**10,000**
As at 31 March 2022	
Mahindra Susten Private Limited	**10,000**

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra Susten Private Limited	**10,000**	**100%**	10,000	100%

Note :- It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2023.

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra Susten Private Limited	**10,000**	**100%**	**–**

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Susten Private Limited	**10,000**	**100%**	**–**

Note No. 5(a) - Other Equity

(₹ In Lakhs)

Retained Earnings	As at 31 March 2023	As at 31 March 2022
Balances as at beginning of the year	**(5.61)**	(2.40)
Movement during the year	**(3.19)**	(3.21)
Balances as at end of the year	**(8.79)**	(5.61)

Note:

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 6 - Non-Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest (%)	Repayment terms	As at 31 March 2023	As at 31 March 2022
A. Unsecured Borrowings:				
Loan from related party (Refer note below)	11.00%	Refer Note. 1 below	–	2.50
Total Non Current Borrowings			**–**	2.50

Notes:

1) The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a. The amount is to be repayed after 2 years from the date of drawdown of each tranche.

Note No. 7 – Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non current**	Current	Non current
Other Financial Liabilities Measured at Amortised Cost				
Interest accrued but not due	**0.62**	**–**	–	0.14
Total Other Financial Liabilities	**0.62**	**–**	**–**	0.14

Note No. 8 - Short Term Borrowings

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities - Loan from related party	**7.00**	–
	7.00	**–**

Note No. 9 – Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro and small enterprises	**–**	–
(b) Other than Micro and small enterprises	**0.54**	1.87
Total Trade Payables	**0.54**	**1.87**

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ In Lakhs)

As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(b) Other than Micro and small enterprises	**0.54**	**–**	**–**	**–**	**0.54**

(₹ In Lakhs)

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	1.87	–	–	–	1.87

Note No. 10 – Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues		
Statutory dues - TDS payable	**0.11**	0.18
Total Other Current Liabilities	**0.11**	0.18

Note No. 11 – Finance Cost

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense	**0.53**	0.16
Bank Charges	**0.00**	0.00
Total Finance Cost	**0.53**	0.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 12 – Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) Statutory Audit Fees	**0.59**	0.89
(b) Legal and other professional costs	**2.05**	2.11
(c) Registration and Documentation Charges	**0.02**	0.03
(d) Miscellaneous expenses	**–**	0.03
Total Other Expenses	**2.66**	3.05

Note No. 13 – Earnings per Share

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total basic earnings per share	**(31.86)**	(32.10)
Total diluted earnings per share	**(31.86)**	(32.10)

Basic And Diluted Earning per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

(₹ In Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss used in the calculation of basic earnings per share (₹ In Lakhs) (i)	**(3.19)**	(3.21)
Weighted average number of equity shares (ii)	**10,000**	10,000
Earnings per share - Basic and Diluted ((i)/(ii))	**(31.86)**	(32.10)

Note No. 14 – Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023 and 31 March 2022 is as follows:

	31 March 2023	31 March 2022
Debt (A) in Rupees (₹ In Lakhs)	**7.62**	2.64
Equity (B) in Rupees (₹ In Lakhs)	**(7.80)**	(4.61)
Debt Equity Ratio (A / B)	**(0.98)**	(0.57)

Note:

Debt includes Inter coporate deposits (ICD) as described in Note no 6.

Categories of financial assets and financial liabilities

As at 31 March 2023 (₹ In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets	–	–	–	**–**
Current Assets				
Cash and Bank Balances	0.47	–	–	**0.47**
Non-current Liabilities				
Borrowings from related party	–	–	–	**–**
Other Financial Liabilities	–	–	–	**–**
Current Liabilities				
Borrowings from related party	7.00	–	–	7.00
Other Financial Liabilities	0.62	–	–	0.62
Trade Payables	0.54	–	–	0.54

As at 31 March 2022 (₹ In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets	–	–	–	**–**
Current Assets				
Cash and Bank Balances	0.08	–	–	0.08
Non-current Liabilities				
Borrowings from related party	2.50	–	–	2.50
Other Financial Liabilities	0.14	–	–	0.14
Current Liabilities				
Trade Payables	1.87	–	–	1.87

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial liabilities				
Trade Payable	**0.54**	**–**	**–**	**–**
Interest accrued but not due	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
	0.54	**–**	**–**	**–**
31 March 2022				
Non-derivative financial assets				
Trade Payable	1.87	–	–	–
Interest accrued but not due	0.14	–	–	–
Fixed interest rate instruments	–	–	–	2.50
	2.01	–	–	2.50

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
31 March 2023				
Non-derivative financial assets				
Variable interest rate instruments	**0.47**	**–**	**–**	**–**
	0.47	**–**	**–**	**–**
31 March 2022				
Non-derivative financial assets				
Variable interest rate instruments	0.08	–	–	–
	0.08	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

Not applicable since no variable interest bearing Financial liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 15 – Fair Value Measurement

(₹ In Lakhs)

Particulars	31 March 2023 Carrying amount	31 March 2023 Fair value	31 March 2022 Carrying amount	31 March 2022 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	**0.47**	**0.47**	0.08	0.08
Total	**0.47**	**0.47**	0.08	0.08
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related party	**7.00**	**7.00**	2.50	2.50
– interest payable	**0.62**	**0.62**	0.14	0.14
– Trade payables	**0.54**	**0.54**	1.87	1.87
Total	**8.16**	**8.16**	4.51	4.51

(₹ In Lakhs)

			Fair value hierarchy as at 31 March 2023	
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	–	0.47	–	0.47
Total	–	0.47	–	0.47
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related parties	–	–	7.00	7.00
– Interest payable	–	–	0.62	0.62
– Trade payables	–	–	0.54	0.54
Total	–	–	**8.16**	**8.16**

(₹ In Lakhs)

			Fair value hierarchy as at 31 March 2022	
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	–	0.08	–	0.08
Total	**–**	**0.08**	**–**	**0.08**
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related parties	–	–	2.50	2.50
– Interest payable	–	–	0.14	0.14
– Trade payables	–	–	1.87	1.87
Total	**–**	**–**	**4.51**	**4.51**

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of ICD along with Interest at end of tenure

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 16 – Key Ratios

(₹ In Lakhs)

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for Variance on Change in ratio in excess of 25% compared to preceding year
Current Ratio	Current Assets	Current Liabilities	0.1	0.0	40%	Due to funds lying in the bank on account of receipt of Inter Corporate Deposit Form Related Party
Debt Equity Ratio	Borrowings	Shareholder's Equity	-0.9	-0.5	-65%	Due to receipt of Inter Corporate Deposit Form Related Party
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	-5.0	-19.5	75%	Due to reduction other expense
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	51%	107%	-52%	Due to increase in accumalated loss
Return on capital employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	332%	145%	129%	Due to increase in borrowings and accumulated losses

Note : * The Company is yet to commence its operation hence reasons for variances for movement in ratios are not applicable.

Note No. 17 – Related Party Transactions

Relationships:	Name:
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 December 2022)
	Ontrario Teacher’s Pension Plan Board (w.e.f. 22 December 2022)
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Renewables Private Limited
	Astra Solren Private Limited
	Neo Solren Private Limited
	Mahindra Teqo Private Limited (Till 14 December 2022)
	Mega Surya Urja Private Limited
	Brightsolar Renewable Energy Private Limited (w.e.f. 19th July 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC (Under Liquidation)
Venturer Group Co	Mahindra Teqo Private Limited (w.e.f.15 December 2022)
Key Managerial Persons (KMP)	**Non Executive Director**
	Sriram Ramachandran
	Rakesh Singh
	Avinash Bapat (w.e.f. 25th July 2022)
	Basant Jain (Upto 25th July 2022)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Details of transaction between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	For the year ended	Parent Company	Ultimate Holding Company	Ultimate Joint Venturer
ICD taken	31-Mar-23	4.50	–	–
	31-Mar-22	2.50	–	–
Interest on ICD	31-Mar-23	0.53	–	–
	31-Mar-22	0.16	–	–
Receiving of services	31-Mar-23	–	0.70	0.47
	31-Mar-22	–	1.09	–

(₹ In Lakhs)

Nature of Balances with Related Parties	Balance as on	Parent Company	Ultimate Holding Company	Ultimate Joint Venturer
Trade payables	31-Mar-23	–	–	–
	31-Mar-22	–	0.25	–
Interest on ICD payable	31-Mar-23	0.62	–	–
	31-Mar-22	0.14	–	–
ICD payable	31-Mar-23	7.00	–	–
	31-Mar-22	2.50	–	–

Note No.18 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off entity.

(i) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(j) The Corporate social responsibility (CSR) u/s 135 of Companies Act, 2013 is not applicable.

Note No. – 19

The amount has been rounded off to nearest INR (₹) in lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. – 20

The financial statements have been approved for issue by Company's Board of Directors on 27 April 2023.

The accompanying notes 1 to 20 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27 April 2023

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Sriram Ramchandran
Director
DIN : 07319032

Place: Mumbai
Date: 27 April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Mahindra Solarize Private Limited** ("the Company), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act. 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2023. its profit, total comprehensive income. changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act. 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies: making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing. as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements. whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. as fraud may involve collusion, forgery, intentional omissions, misrepresentations. or the override of internal control
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists. we are required to draw attention in our auditor's report to the related disclosures

in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation. structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and **4** of the Order.

(ii) As required by section 143 (3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion. the aforesaid Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

(e) On the basis of written representations received from the directors as on March 31, 2023. taken on record by the Board of Directors. none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us. the provisions of said section are not applicable to the Company for the year ended March 31, 2023;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements to the extend determinable / ascertainable (Refer note No. 34).

The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity. including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee. security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"). with the understanding. whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee. security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e). as provided under (a) and (b) above, contain any material misstatement.

(v) No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS Financial Statements on April 25, 2022. Our opinion is not modified in respect of this matter.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 23111383BGTWGX2567
Mumbai, May 2, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

i. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly. reporting under this Clause is not applicable.

(b) According to information and explanations given to us, Property, Plant and Equipment of the Company are being physically verified every year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, during the year no material discrepancies to the extent reconciled with the records available in this respect were noticed on such verifications.

(c) According to information and explanations given to us. the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 30)(c) of the Order is not applicable.

(d) The company has not revalued any of its Property. Plant and Equipment (including Right of Use assets) during the year.

(e) No any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) As per the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals. According to the information and explanation provided to us coverage and procedure of physical verification of inventories by the management is appropriate. As informed to us, the discrepancies noticed on verification to the extent reconciled with the records available in this respect between the physical stocks and the book records were not material and have been appropriately dealt with.

(b) Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans secured and unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly reporting under clause iii(a) (A and B) of the order are not appliable to the Company.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, investment made are not prejudicial to the company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(d) , 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted and Investments made.

v. As informed. the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act. 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

vi. According to information and explanations given to us. the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

vii. a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund. Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty. Excise Duty, Value Added Tax, Cess. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance. Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which were due for more than six months from the date they become payable as at the year end.

b) According to the records examined by us and as per the information and explanations given to us. there are no statutory dues outstanding as at March 31, 2023 which have not been deposited on account of disputes.

viii. According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not defaulted in repayment of dues of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

(d) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not utilised funds raised on short term basis for long term purposes.

(e) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

x. (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has made allotment of shares to the Parent company during the year. The relevant provisions of the Companies Act, 2013 have been complied with and the funds raised have been used for the purpose for which the funds were raised.

Nature of Securities	Type of Issue	Amount involved	Nature of non-compliance
Equity shares	Issuance of equity shares to Parent	Rs.738.52 Lakhs	NA

xi. (a) Best upon the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

xii. In our opinion and according to the information and explanation given to us. the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

xiii. According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

xiv. According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable for the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

xvi. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India At, 1934. Accordingly, provisions of Clause 3 (xvi) (a) and (b) of the Order are not applicable to the Company.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.

(c) In Our opinion and according to the information and explanation given to us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has four CIC which are not required to be registered with the Reserve Bank of India.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not incurred cash losses during the financial year and in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the company during the year. The outgoing auditors have not raised any issues, objection or concerns in their resignation letter.

xix. According to the information and explanation given to us and on the basis of financial the ratios, aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. will get discharged by the company as and when they fall due.

xx. The Provision of Section 135 of the Companies Act, 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 23111383BGTWGX2567
Mumbai, May 2, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls with reference to Ind AS Financial Statements of Mahindra Solarize Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by 'The Institute of Chartered Accountants of India" (ICAO. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets. the prevention and detection of frauds and errors. the accuracy and completeness of the accounting records. and the timely preparation of reliable financial information, as required under the Companies Act. 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS Financial Statements. assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company: (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company: and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also. projections of any evaluation of the internal financial controls with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements may become inadequate because of changes in conditions. or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 23111383BGTWGX2567
Mumbai, May 2, 2023

BALANCE SHEET AS AT 31 MARCH 2023

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**49.80**	58.25
(b) Capital Work-in-Progress		–	–
(c) Investment Property		–	–
(d) Goodwill		–	–
(e) Other Intangible Assent		–	–
(f) Intangible Assets Under Development		–	–
(g) Bilogical Assets other than bearer plants		–	–
(h) Financial Assets			
(i) Investments	4	**738.52**	–
(ii) Trade Receivables		–	–
(iii) Loans		–	–
(iv) Others (to be specified)		–	–
(i) Deferred Tax Assets (Net)	5	**70.48**	74.11
(j) Other Non-current Assets		**–**	–
SUB-TOTAL		**858.80**	132.36
2 CURRENT ASSETS			
(a) Inventories	6	**1,351.50**	276.60
(b) Financial Assets			
(i) Investments		**–**	–
(ii) Trade Receivables	7	**9,029.46**	9,700.72
(iii) Cash and Cash Equivalents	8	**0.25**	527.79
(iv) Bank balance other than (iii) above	8	**–**	1,500.00
(v) Loans		**–**	–
(vi) Other Financial Assets	9	**15.13**	10.34
(c) Current Tax Assets (Net)		**120.91**	–
(d) Other Current Assets	10	**941.69**	399.06
SUB-TOTAL		**11,458.94**	12,414.52
TOTAL ASSETS		**12,317.74**	12,546.88
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	**3,538.52**	2,800.00
(b) Other Equity	12	**486.48**	267.60
SUB-TOTAL		**4,025.00**	3,067.60
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(ia) Lease Liabilities	13	**33.86**	44.68
(ii) Trade Payables:		**–**	–
(A) Total outstanding dues to Micro & small enterprises		**–**	–
(B) Total outstanding dues to creditors other than Micro & small enterprises		**–**	–
(iii) Other Financial Liability		**–**	–
(b) Provisions	14	**42.65**	33.17
(c) Deferred Tax Liabilities (Net)		**–**	–
(d) Other Non-current Liabilities		**–**	–
SUB-TOTAL		**76.51**	77.85
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	**3,746.88**	–
(ia) Lease Liabilities	13	**11.15**	10.44
(ii) Trade Payables:		**–**	–
(A) Total outstanding dues to Micro & small enterprises	16	**417.16**	82.46
(B) Total outstanding dues to creditors other than Micro & small enterprises	16	**2,472.02**	7,344.13
(iii) Other Financial Liability	17	**90.00**	75.00
(b) Other Current Liabilities	18	**33.26**	273.40
(c) Provisions	14	**1,445.77**	1,467.98
(d) Current Tax Liabilities (Net)	5	–	148.02
SUB-TOTAL		**8,216.24**	9,401.43
TOTAL EQUITY AND LIABILITIES		**12,317.74**	12,546.88

The accompanying notes on account form an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Mr Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjan Singh Girvardan
Chief Financial Officer

Ms Vidhi Salot (ACS 47123)
Company Secretary

Place: Mumbai
Date: May 02, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
I	Revenue from operations	19	**17,571.31**	16,017.60
II	Other Income	20	**144.64**	265.67
III	**Total Income (I + II)**		**17,715.95**	16,283.26
IV	**Expenses**			
	(a) Cost of materials consumed			
	(b) Purchase of stock in trade	21	**16,837.87**	14,466.47
	(c) Changes in inventories of finished goods	22	**(1,074.90)**	(276.60)
	(d) Employee benefit expense	23	**1,137.34**	998.98
	(e) Finance costs	24	**97.37**	96.35
	(f) Depreciation and amortization expense	3A	**18.66**	6.20
	(g) Other expenses	25	**520.53**	612.10
	Total Expenses		**17,536.87**	15,903.49
V	**Profit/(loss) before exceptional (III-IV)**		**179.09**	379.77
VI	**Exceptional Items**		**–**	–
VII	**Profit/(loss) before tax (V-VI)**		**179.09**	379.77
VIII	**Tax Expense**	5		
	(1) Current tax		**8.28**	169.69
	(2) Deferred tax		**3.33**	(69.94)
	(3) Income Tax adjustment for earlier year		**(50.52)**	–
	Total tax expense		**(38.91)**	99.76
IX	**Profit/(loss) for the year of continuing operation (VII-VIII)**		**218.00**	280.02
X	**Profit/(loss) from discontinued operations**		**–**	–
XI	**Tax expense for discontinued operation**		**–**	–
XII	**Profit/(loss) from discontinued operations(after tax) (X-XI)**		**–**	–
XIII	**Profit/(loss) for the year (IX+XII)**		**218.00**	280.02
XIV	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**1.18**	(16.59)
	(ii) Income tax relating to items		**(0.30)**	4.17
	B (i) that will not be reclassified to profit or loss			
	(ii) Items that will be reclassified to profit or loss income tax relating to items that will be reclassified to profit or loss			
XV	**Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit (Loss) and other comprehensive in-come for the period)**		**218.88**	267.60
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	26	**0.77**	11.55
	(2) Diluted	26	**0.77**	11.55
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic			
	(2) Diluted			
XVIII	Earnings per equity share (for discontinued and continuing operations			
	(1) Basic			
	(2) Diluted			

The accompanying notes on account form an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Mr Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjan Singh Girvardan
Chief Financial Officer

Ms Vidhi Salot (ACS 47123)
Company Secretary

Place: Mumbai
Date: May 02, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	**179.09**	379.77
Adjustments for:		
Finance costs recognised in profit or loss	**97.37**	96.35
Depreciation expense recognised in Profit & Loss	**18.66**	6.20
Cash flow from Operating activities before working capital changes	**295.12**	482.32
Movements in working capital:		
(Increase) in trade receivables	**671.26**	(9,700.72)
(Increase) in inventories	**(1,074.90)**	(276.60)
(Increase) in other current assets	**(542.63)**	(399.06)
(Increase) in other financial assets	**(4.78)**	(10.34)
(Decrease)/Increase in trade payables	**(4,537.40)**	7,426.59
(Decrease)/Increase in provisions	**(11.56)**	1,484.57
(Decrease)/increase in other current liabilities	**(225.14)**	348.42
Cash generated from operations	**(5,725.16)**	(1,127.15)
Income taxes paid	**(226.68)**	(21.67)
Net cash used in operating activities	**(5,656.72)**	(666.51)
Cash flows from investing activities		
Payments for property, plant and equipment	**(10.21)**	(7.75)
Fixed Deposits created	–	(1,500.00)
Investments in subsidiary	**(738.52)**	
Fixed Deposits encashed	**1,500.00**	–
Net cash used in investing activities	**751.27**	(1,507.75)
Cash flows from financing activities		
Issue of share capital	**738.52**	2,800.00
ICD received	**600.00**	6,600.00
ICD repaid	–	(6,600.00)
Borrowing received	**3,146.88**	–
Payment towards lease liabilities (net)	**(10.12)**	(2.51)
Interest paid	**(97.37)**	(95.43)
Net cash from financing activities	**4,377.91**	2,702.06
Net increase/(decrease) in cash and cash equivalents	**(527.54)**	527.80
Cash and cash equivalents at the beginning of the year	**527.79**	–
Cash and cash equivalents at the end of the year	**0.25**	527.80

The accompanying notes on account form an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Mr Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjan Singh Girvardan
Chief Financial Officer

Ms Vidhi Salot (ACS 47123)
Company Secretary

Place: Mumbai
Date: May 02, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(A) Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Issued, Subscribed And Paid Up Capital		
Balance as at the begining of the year	**2,800.00**	–
Change in Equity share capital due to prior period error.		
Restated Balance	**2,800.00**	–
Changes in equity share capital during the year	738.52	2,800.00
Balance as at the end of the year	**3,538.52**	2,800.00

(B) Other Equity

(₹ in Lakh)

	Retained Earnings	Items of other comprehensive income	Total
As at 1st April, 2021	–		–
Profit for the year	280.02		280.02
Other comprehensive income (net of tax)	–	(12.42)	(12.42)
Transfer to retained earnings	(12.42)	12.42	–
As at 31st March, 2022	267.60	–	267.60

	Retained Earnings	Items of other comprehensive income	Total
As at 1st April, 2022	267.60	–	267.60
Profit for the year	218.00	–	218.00
Other comprehensive income (net of tax)	–	0.89	0.89
Transfer to retained earnings	0.89	(0.89)	–
As at 31st March, 2023	**486.48**	–	**486.48**

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Mr Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjan Singh Girvardan
Chief Financial Officer

Ms Vidhi Salot (ACS 47123)
Company Secretary

Place: Mumbai
Date: May 02, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Company Overview and Significant Accounting Policies

1. Company Overview

Mahindra Solarize Private Limited (the 'company') is domiciled in India and is a subsidiary of Mahindra Holdings Limited. The Company has been incorporated under the provisions of the Companies Act, 2013.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

2. Basis of Preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The financial statements of the Company for the year ended 31st March 2023 were approved for issue in accordance with the resolution of the Board of Directors on 2nd May 2023.

2.1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.2. Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.3. Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

Operating Cycle

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2.5. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.6. Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is possible that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets.

Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

2.7. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method.

2.8. Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.9. Inventories

Construction material, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

2.10. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.12. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.14. Revenue recognition

EPC Contract

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period of time. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Sale of Goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.15. Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2.16. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period .

2.17. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18. Employee Benefits

Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss.

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

2.19. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.20. Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are measured at the lower of carrying amount at designation and fair value less costs to sell.

2.21. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22. Ind AS amendments which will be effective from 1st April 2023

On 31st March 2023, Ministry of Corporate Affairs notified amendments to certain Ind AS. These amendments will be effective from April 1,2023 and will not have material impact on Company's financial statements for the financial year 2022-23. The following is a summary of the amendments:

1. In Ind AS 101: - Relating to the exceptions to retrospective application of Ind AS on first time adoption.
2. In Ind As 102: - Relating to the fair value of the equity instruments not being possible to be estimated reliably.
3. In Ind AS 103: - Relating to the date on which the transferee obtains control of the transferor.
4. In Ind AS 107: - Relating to disclosure of material accounting policy information about the measurement basis (or bases) for financial instruments used in preparing the financial statements.
5. In Ind AS 109: - Relating to a combination of entities or businesses under common control as described in Appendix C.
6. In Ind AS 115: - Relating to certain corrections.
7. In Ind AS 1: - Relating to the following:
   - Reference to the definition of 'Accounting Policies' contained in Ind AS 8.
   - Requirement regarding disclosure of material accounting policy information instead of disclosures about significant accounting policies.
   - Clarification about when an accounting policy information would be regarded as material.
   - The judgements, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
8. In Ind AS 8: - Relating to change in the definition of accounting estimates and further clarifications relating to the same.
9. In Ind AS 12: - Relating to exception to the recognition of deferred tax liability/ asset arising from a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
10. In Ind AS 34: - Relating to disclosure of material accounting policy information in interim financial statements.

Note No. 3 - Property, Plant and Equipment

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Property, plant and equipment (owned)	**9.63**	3.90
(b) Right of use assets	**40.17**	54.35
TOTAL	**49.80**	58.25

(₹ in Lakh)

Description of Assets	Computer	Right of use assets	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021	**–**	**–**	**–**
Additions	2.88	56.72	59.59
Additions by way of purchase from Mahindra Susten Private Limited	4.86	–	4.86
Balance as at 31st March 2022	**7.73**	**56.72**	**64.45**
I. Gross Carrying Amount			
Balance as at 1 April 2022	**7.73**	**56.72**	**64.45**
Additions	10.21	–	10.21
Balance as at 31st March 2023	**17.94**	**56.72**	**74.66**

(₹ in Lakh)

Description of Assets	Computer	Right of use assets	Total
Accumulated Depreciation			
Balance as at 1 April 2021	**–**	**–**	**–**
Depreciation expense for the year	3.83	2.36	6.20
Balance as at 31st March 2022	**3.83**	**2.36**	**6.20**
Accumulated Depreciation			
Balance as at 1 April 2022	**3.83**	**2.36**	**6.20**
Depreciation expense for the year	4.48	14.18	18.66
Balance as at 31st March 2023	**8.32**	**16.54**	**24.86**
III. Net carrying amount (I-II)			
Net carrying amount as at 31st March, 2022	**3.90**	**54.35**	**58.25**
Net carrying amount as at 31st March, 2023	9.63	40.17	49.80

Note No. 3A - Depreciation and amortization expense

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation on Computer	**4.48**	3.83
Depreciation on Right of use Assets	**14.18**	2.36
TOTAL	**18.66**	6.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 4 - Investment

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment Measured at amotised cost		
Unquoted fully paid		
Investment in subsidiary company		
Investment in Equity shares of Resurgence Solarize Urja Private Limited	**738.52**	–
73,85,200 Equity Shares of Rs. 10 each (Previous Year Nil)		
Total	**738.52**	–
Aggregate value of Quoted Investments	–	–
Aggregate Market value of Quoted Investments	–	–
Aggregate book value of Unquoted Investments	738.52	–
Total	**738.52**	–

Note No. 5 - Current Tax and Deferred Tax

(i) Current Tax Liabilities

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Taxes (Net of advance tax and TDS)	**–**	148.02
Total	**–**	148.02

(ii) Current Tax Assets

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Taxes (Net of advance tax and TDS)	**120.91**	–
Total	**120.91**	–

(iii) Income Tax recognised in profit or loss

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current Tax:		
In respect of current year	**8.28**	169.69
In respect of previous year	**(50.52)**	
Deferred Tax:		
In respect of current year	**3.33**	(69.94)
Total income tax expense recognised in profit and loss	**(38.91)**	99.76

(iv) Income tax recognised in other Comprehensive income

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurement of defined benefit obligations not reclassified to profit or loss	**(0.30)**	4.17
Total Income tax recognised in other Comprehensive income	**(0.30)**	4.17

(v) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
i)	**Profit before tax**	**179.09**	379.77
ii)	Corporate tax rate as per Income tax Act, 1961	**25.17%**	25.17%
iii)	Tax on accounting profit (iii) = (i) X (ii)	**45.07**	95.58
iv)	Total effect of Tax adjustment	**45.07**	95.58
v)	Adjustments recognised in the current year in relation to the current tax of prior years	**(50.52)**	–
vi)	other items	**(33.46)**	4.17
vii)	**Tax expense recognised during the year (vi)=(iv)+(v)**	**(38.91)**	99.76

(vi) Movement in deferred tax balances

(₹ in Lakh)

	As at 31 March 2023			
Particulars	**Opening Balance**	**Recognised in profit and Loss #**	**Recognised in OCI**	**Closing Balance**
A	**B**	**C**	**D**	**E**
Tax effect of items constituting deferred tax liabilities				
Tax effect of items constituting deferred tax assets				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	**0.33**	**(0.66)**	**–**	**(0.33)**
Employee Benefits	**4.27**	**8.20**	**(0.30)**	**12.17**
Provisions	**69.32**	**(45.24)**	**–**	**24.08**
Other Items	**0.19**	**34.36**	**–**	**34.55**
Net deferred tax Assets	**74.11**	**(3.33)**	**0.30**	**70.48**

Note No. 6 - Inventories

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Project Inventory (Finished Goods)	**1,351.50**	276.60
Total	**1,351.50**	276.60

Project inventory consists of various materials including solar PV Modules and other related materials in oredr to install Solar power generating system. Inventories are hypothecated as security for the working capital facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 7 - Trade receivables

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Trade Receivables considered good - Secured		
(b) Trade Receivables considered good - Unsecured*	**9,029.46**	9,700.72
(c) Trade Receivables which have significant increase in Credit Risk		
(d) Trade Receivables - credit impaired	**–**	–
	9,029.46	9,700.72
Less:		
Allowance for Expected Credit Loss	**–**	–
Total	**9,029.46**	9,700.72

* Includes ₹ 3,554.18 lakhs (P.Y. - ₹ 787.88 lakhs) receivable from related parties

There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member

(₹ in Lakh)

Particulars	As at 31 March 2023						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	**6,630.26**	**2,051.79**	**347.41**	**–**	**–**	**–**	**9,029.46**
(ii) Undisputed Trade receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade receivables — Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(v) Disputed Trade receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade receivables — Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**6,630.26**	**2,051.79**	**347.41**	**–**	**–**	**–**	**9,029.46**

(₹ in Lakh)

Particulars	As at 31 March 2022						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	–	8,916.46	784.26	–	–	–	9,700.72
(ii) Undisputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
(iv) Disputed Trade receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
Total	–	**8,916.46**	**784.26**	**–**	**–**	**–**	**9,700.72**

Note No. 8 - Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks	**0.25**	527.79
Total Cash and cash equivalents	**0.25**	527.79
Other Bank Balances		
Fixed Deposit with Maturity greater than 3 months	**–**	1,500.00
Total Other Bank balances	**–**	1,500.00

Note No. 9 - Other Financial Assets

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	**15.13**	10.34
Total	**15.13**	10.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 10 - Other Current Assets

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Unbilled revenue	**711.26**	377.48
Advances to employees	**1.85**	0.49
Advances to Suppliers	**4.06**	–
Prepaid Expenses	**31.46**	2.87
Grauity fund (Note 28)	**6.77**	17.95
Others	**–**	0.28
GST Input Credit	**186.29**	–
Total	**941.69**	399.06

Note No. 11 - Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised:		
Equity shares of Rs 10 each with voting rights 4,20,00,000 Equity shares of Rs 10 each (2,80,00,000 Equity shares of Rs 10 each)	**4,200.00**	2,800.00
	4,200.00	2,800.00
Issued Capital		
Equity shares of Rs. 10 each with voting rights 4,15,20,000 Equity shares of Rs 10 each (2,80,00,000 Equity shares of Rs 10 each)	**4,152.00**	2,800.00
Subscribed and Fully Paid up:		
Equity shares of Rs. 10 each with voting rights 3,53,85,200 Equity shares of Rs 10 each (2,80,00,000 Equity shares of Rs 10 each)	**3,538.52**	2,800.00
Total Equity Share Capital	**3,538.52**	2,800.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

(₹ in Lakh)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
At the beginning of the year	**28,000,000**	**2,800**	28,000,000	2,800
New Shares issued during the year	**7,385,200**	**739**	–	–
At the end of the year	**35,385,200**	**3,538.52**	**28,000,000**	**2,800**

(ii) Details of shares held by the holding company:

(₹ in Lakh)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
Mahindra Telecom Energy Management Services Private Limited	**35,385,200**	**3,538.52**	28,000,000.00	2,800

(iii) Details of shares held by each shareholder holding more than 5% shares:

(₹ in Lakh)

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held (In Lakhs)	% holding in that class of shares	Number of shares held (In Lakhs)	% holding in that class of shares
Equity shares with voting rights.. Mahindra Telecom Energy Management Services Private Limited	**35,385,200**	**100%**	28,000,000	100%

(iv) Disclosure with respect to Shareholding of Promoters

Sr No	Promoter name	Shares held by prmoters at the end of year: No. of Shares	%of total shares	% Change during the year
1	Mahindra Telecom Energy Management Services Private Limited	35,385,194	100	Nil
2	Mahindra Telecom Energy Management Services Private Limited Jointly with Ms. Brijbala Batwal	1	0	Nil
3	Mahindra Telecom Energy Management Services Private Limited Jointly with Mr. Narayan Shankar	1	0	Nil
4	Mahindra Telecom Energy Management Services Private Limited Jointly with Mr. Feroze Baria	1	0	Nil
5	Mahindra Telecom Energy Management Services Private Limited Jointly with Mr. Jignesh Parikh	1	0	Nil
6	Mahindra Telecom Energy Management Services Private Limited Jointly with Mr. Sumeet Maheshwari	1	0	Nil
7	Mahindra Telecom Energy Management Services Private Limited Jointly with Ms. Anita Halbe	1	0	Nil
	Total	**35,385,200**		

Note No. 12 - Other Equity

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Comprehensive Income	**0.89**	(12.42)
Retained Earnings	**485.59**	280.02
Total	**486.48**	267.60

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Note No. 13 - Lease liabilities

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-Current		
Lease Liabilities (Refer Note No. 29)	**33.86**	44.68
Total	**33.86**	44.68
Current		
Lease Liabilities (Refer Note No. 29)	**11.15**	10.44
Total	**11.15**	10.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 14 - Provisions

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-Current		
Provision for employee benefits-Leave Encashment	**42.65**	33.17
Total	**42.65**	**33.17**
Current		
Provision for employee benefits-Leave Encashment	**9.83**	10.29
Provisions for Expenses	**1,195.29**	1,182.26
Provision For Warranties	**240.64**	275.44
Total	**1,445.77**	**1,467.98**

Note No. 14.1 Movement in Warranty provision

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Warranty provision	**275.44**	–
Additions during the year	**95.69**	275.44
Utilisation during the year	**(102.60)**	–
Provision written back	**(27.87)**	–
Closing Provision	**240.65**	**275.44**

Note No. 15 - Borrowings

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) Secured		
Loans Payable on Demand from Bank	**3,146.88**	–
(B) Unsecured		
From Related Parties	**600.00**	–
Total	**3,746.88**	–

* First Pari Passu charge on entire current assets of the company present and future with the existing lenders or new lenders if any
* The quarterly returns/statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.
* The company has used the borrowings from banks and financials institutions for the specific purpose for which it was taken at the balance sheet date.

Note No. 16 - Trade Payables

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) total outstanding dues of micro enterprises and small enterprises	**417.16**	82.46
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	**2,472.02**	7,344.13
Total	**2,889.19**	7,426.59

* Includes ₹ 2.15 lakhs (P.Y. - ₹ 210.69) payable to related parties

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment (As on March 2023)				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**417.16**	**–**	**–**	**–**	**417.16**
(ii) Others	**2,219.61**	**252.42**	**–**	**–**	**2,472.03**
(iii) Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues - Others	**–**	**–**	**–**	**–**	**–**

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment (As on March 2022)				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	82.46	–	–	–	82.46
(ii) Others	7,344.13	–	–	–	7,344.13
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 17 – Other Financial Liability

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	**90.00**	75.00
Total	**90.00**	75.00

Note No. 18 – Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Salary payable	**0.54**	5.06
Statutory dues	**32.72**	268.34
Total	**33.26**	273.40

Note No. 19 – Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Income from sale of Solar Power Generating Systems	**17,396.40**	16,017.60
Other Operating Revenue	**174.92**	–
Total	**17,571.31**	16,017.60

Note No. 19.1

A. Disaggregated Revenue Information:
The Company's revenue is from only one segment i.e Sale of Solar Power Generating Systems

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Contract Assets		
Unbilled Revenue (refer note no 10)		
At the beginning of the year	**377.48**	–
Less: Billed during the year	**17,062.62**	15,640.12
Add: Revenue recognised during the year	**17,396.40**	16,017.60
At the end of the year	**711.26**	377.48
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Revenue as per contracted prices	**17,396.40**	16,017.60
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**17,396.40**	16,017.60

Note No. 20 – Other Income

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Interest on		
Fixed Deposit	**0.79**	11.43
Income Tax refund	**0.66**	–
Foreign exchange Gain	**–**	24.30
Warranty provisions written back (Note 14.1)	**27.87**	229.93
Business Support Service Charges	**105.68**	–
Provisions no longer required	**3.07**	–
Scrap Sale	**6.56**	–
Total	**144.64**	265.67

Note No. 21 – Purchase of stock in trade

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Purchases	**16,837.87**	14,466.47
Total	**16,837.87**	14,466.47

Note No. 22 – Cost of Material Consumed

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Opening stock of Materials	**276.60**	–
Less: Closing stock of Materials	**1,351.50**	276.60
Total	**(1,074.90)**	(276.60)

Note No. 23 – Employee benefit expense

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Salaries and wages, including bonus	**919.35**	933.02
Contribution to provident and other funds	**61.92**	39.40
Director's Remuneration	**133.84**	
Staff welfare expenses	**22.23**	26.56
Total	**1,137.34**	998.98

Note No. 24 – Finance Costs

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Interest expense	**88.72**	95.61
Interest on lease liabilities (Note 29)	**4.93**	0.92
Interest on Bill discounting	**3.73**	(0.17)
Total	**97.37**	96.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 25 – Other expenses

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	Period from 6 April 2021 to 31 March 2022
Insurance	**25.61**	11.93
Rent	**87.92**	28.83
<u>Auditors Remuneration</u>		
statutory audit fees	**2.50**	1.75
Tax audit fees	**0.50**	0.50
Rates and taxes	**28.33**	27.93
Repairs and maintenances	**0.52**	4.24
Advertisement	**46.90**	40.23
Travelling and Conveyance Expenses	**76.13**	38.11
Professional and legal expenses	**100.29**	140.99
Bank Charges	**10.37**	21.91
Postage & Telephone	**1.92**	2.84
Printing & Stationary	**0.30**	0.66
Training & hiring expenses	**13.43**	0.96
Warranty expenses (Note 14.1)	**95.69**	275.43
Miscellaneous expenses	**0.05**	0.01
IT Expense	**30.09**	15.79
Total	**520.53**	612.10

Note No. 26 – Earnings per Share (Disclosures under Ind AS 33)

Amount in lakh
[except per share data]

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
For the purpose of calculation of basic and diluted earning per share the following amount are considerd		
Profit attributable to equity share holder	**218.00**	280.02
Total	**218.00**	280.02
a] Weighted average no of equty share outstanding during the year		
– For basic earning per share	**284.86**	24.24
– For diluted per share	**284.86**	24.24
b] Earning per share		
– Basic earning per share	**0.77**	11.55
– Diluted per share	**0.77**	11.55
– Face value per share [in Rs.]	**10.00**	10.00

Note No. 27 – Related Party Transactions

Relationships:	Name:
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Telecom Energy Management Services Private Limited
Subsidiary Company	Resurgence Solarize Urja Private Limited
Fellow Subsidiaries	1. Bristlecone India Ltd.
	2. Mahindra Susten Private Limited
	3. Tech Mahindra Limited
	4. Mahindra Integrated Business Solution Limited
	5. Mahindra Teqo Private Limited
	6. Mahindra Holidays & Resorts India Ltd.
	7. Mahindra & Mahindra Financial Services Ltd.
	8. MARVEL SOLREN PRIVATE LIMITED

Details of transaction between the Company and its related parties are disclosed below:

(₹ in Lakh)

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Subsidiary	Fellow Subsidiaries	Total
<u>Nature of transactions with Related Parties</u>						
Expenses						
Purchase of goods	31/03/2023	–	–	–	148.01	148.01
	31/03/2022	–	240.02			240.02
Interest Expenses	31/03/2023	–	53.52	–	–	53.52
	31/03/2022	–	80.90			80.90
Reimbursement of Expenses	31/03/2023	–	–	–	–	–
	31/03/2022	–	62.84			62.84
Receiving of services	31/03/2023	99.19	–		82.73	181.92
	31/03/2022	1.56	–		122.74	124.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakh)

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Subsidiary	Fellow Subsidiaries	Total
Income						
Sale of Goods	31/03/2023	–	184.40	362.20	448.52	995.12
	31/03/2022	–	–	–	–	–
Services Given	31/03/2023	–	–	71.91	46.22	118.13
	31/03/2022	–	–	–	–	–
Asset						
Investment in Equity Shares	31/03/2023	–	–	738.52	–	738.52
	31/03/2022	–	–	–	–	–
Trade Receivable	31/03/2023	–	3.46	126.85	3,423.87	3,554.18
	31/03/2022	–	133.61	–	654.27	787.88
Liability						
Trade payables	31/03/2023	–	2.15	–	–	2.15
	31/03/2022	75.39	–	–	135.30	210.69
Unsecured loan	31/03/2023	–	600.00	–	–	600.00
	31/03/2022	–		–	–	–
Equity Share Capital	31/03/2023	–	3,538.52	–	–	3,538.52
	31/03/2022	–	2,800.00	–	–	2,800.00
Transaction						
Loan Given	31/03/2023	–	3,500.00	–	–	3,500.00
Loan repayment received	31/03/2023	–	4,100.00	–	–	4,100.00
Loan Given	31/03/2022	–	6,100.00	–	–	6,100.00
Loan repayment received	31/03/2022	–	6,100.00	–	–	6,100.00
Unsecured loan taken during the year	31/03/2023	–	–	–	–	–
Proceeds from Issue of share capital	31/03/2023	–	738.52	–	–	738.52

Note No. 28 – Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 61.92 lakhs (previous year 39.40) Lakhs has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

A defined benefit plan is a post–employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company. As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account. When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

NATURE OF BENEFITS

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company

GOVERNANCE OF THE PLAN

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid gratuity as per the terms of the plan.

INHERENT RISKS:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	31 March 2023	31 March 2022
Discount rate	**7.35%**	6.60%
Expected rate of salary increase	**9.00%**	9.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2023

(₹ in Lakh)

Particulars	Funded Plan	Funded Plan
	Gratuity	
	2023	2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Opening of defined benefit obligation	**68.85**	–
Service Cost:		
Current Service Cost	**13.88**	6.70
Past service cost and (gains)/losses from settlements		–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakh)

Particulars	Funded Plan 2023	Funded Plan 2022
	Gratuity	
	2023	2022
Interest on defined benefit obligation	**4.01**	2.21
Remeasurement on the net defined benefit liability		–
Actuarial gains and loss arising form changes in financial assumptions	**(3.85)**	3.85
Actuarial gains and loss arising from changes in demographics	**1.45**	5.59
Actuarial gains and loss arising form experience adjustments	**0.77**	7.15
Benefits paid	**(9.95)**	(13.87)
Liabilities assumed/(settled)	**–**	57.22
Closing of defined benefit obligation	**75.15**	68.85
Net (Asset)/Liability recognised in the Balance Sheet		
1. Present value of funded defined benefit obligation as at 31st March	**75.15**	68.86
2. Fair value of plan assets as at 31st March	**81.92**	86.80
Net funded Obligation	**(6.77)**	(17.95)
Present value of unfunded defined benefit obligation as at 31st March		–
Net defined benefit liability / (asset) recognized in balance sheet	**(6.77)**	(17.95)
Current		–
Non current	**(6.77)**	(17.95)
Reconciliation of Net Liability/Asset		
Opening net defined benefit liabilty/ (Asset)	**(17.95)**	–
Expense charged to profit & loss account	**12.36**	8.92
Amount recognized outside profit & loss account	**(1.18)**	16.59
Employer contributions	**–**	(100.68)
Impact of liability assumed or (settled)	**–**	57.22
Closing net defined benefir liability / (asset)	**(6.77)**	(17.95)
Movement in plan assets		
Opening fair Value of plan assets	**86.81**	–
Employers Contribution	**–**	100.67
Interest on plan assets	**5.52**	
Remeasurements due to		
Actuarial return on plan assets less interest on plan assets	**(0.45)**	
Benefits Paid	**(9.95)**	(13.87)
Closing fair value of plan assets	**81.92**	86.80
Movement of liability		
Opening net defined benefit liability / (asset)	**(17.95)**	–
Expense charged to profit & loss account	**12.36**	8.92
Amount recognized outside profit & loss account	**(1.18)**	16.59
Employer contributions	**–**	(100.68)
Impact of liability assumed or (settled)	**–**	57.23
Closing net defined benefit liability / (asset)	**(6.77)**	(17.95)

PROFIT & LOSS ACCOUNT EXPENSE

Particulars	Period Ended 2023	2022
Current service cost	**13.88**	6.70
Past service cos	**–**	–
Administration expense	**–**	–
Interest on net defined benefit liability / (asset)	**(1.51)**	2.21
(Gains) / losses on settlement	**–**	–
Total expense charged to profit and loss account	**12.36**	8.91

AMOUNT RECORDED IN OTHER COMPREHENSIVE INCOME

Particulars	Period Ended 2023	2022
Opening amount recognized in OCI outside profit and loss account	**16.59**	
Remeasurements during the period due to		
Changes in financial assumptions	**(3.85)**	3.85
Changes in demographic assumptions	**1.45**	5.59
Experience adjustment	**0.77**	7.15
Actual return on plan assets less interest on plan assets	**0.45**	–
Adjustment to recognize the effect of asset ceiling	**–**	–
Closing amount recognized in OCI outside profit and loss account	**15.40**	16.59

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Period Ended 2023	2022
Defined benefit obligation on increase in 50 bps	**70.55**	65.03
Impact of increase in 50 bps on DBO	**-6.13%**	-5.56%
Defined benefir obligation on decrease in 50 bps	**80.37**	73.20
Impact of decrease in 50 bps on DBO	**6.95%**	6.30%

Maturity profile of defined benefit obligation:

Particulars	2023	2022
Within 1 year	**12.61**	16.22
1 - 2 year	**10.52**	12.20
2 - 3 year	**8.59**	8.29
3 - 4 year	**6.86**	6.13
4 - 5 year	**15.09**	4.23
5 - 10 years	**23.02**	16.97
10 years & above	**61.41**	48.86

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 6.51 years (31 March 2022 is 5.91 Years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 29 - Leases (Refer Note No.13)

A) The Company has lease contract for car, details of amount recognised in profit and loss:

(INR in Lakh)

Amounts recognised in profit and loss	31 March 2023	31 March 2022
Depreciation expense on right-of-use assets	**14.18**	2.36
Interest expense on lease liabilities	**4.93**	0.92
Expense relating to short-term leases	**87.92**	28.83
Total	**107.03**	32.10

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

(INR in Lakh)

Maturity Analysis	31 March 2023	31 March 2022
- Less than 1 years	**11.15**	10.44
- 1 years - 3 years	**25.82**	20.88
- 3 years - 5 years	**8.03**	20.88
- 5 years and above	**–**	2.92

C) The total cash outflow for leases amount to Rs. 15.04 lakhs (Previous year Rs. 2.51 lakhs) during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

D) Below are the carrying amount of lease liabilities and the movement during the year:

(INR in Lakh)

Amounts recognised in profit and loss	31 March 2023	31 March 2022
Opening	**55.12**	–
Additions	**–**	56.72
Accretion of interest	**4.93**	0.91
Payments	**15.04**	2.51
Closing	**45.01**	55.12

E) Below is the breakup of Current and Non current lease liabilities:

(INR in Lakh)

Amounts recognised in profit and loss	31 March 2023	31 March 2022
Current lease liabilities	**11.15**	10.44
Non current lease liabilities	**33.86**	44.68
Total	**45.01**	55.12

Note No. 30 Key Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.39	1.32	–6%	Not applicable
Debt Equity Ratio	Borrowings	Shareholder's Equity	1.06	–	100%	Borrowings raised during the year
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	3.43	5.01	31%	Borrowings raised during the year
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	6.16%	10.00%	38%	Borrowings raised during the year
Inventory turnover ratio	Cost of goods sold	Average Inventory	19.36	21.00	8%	Increase in average inventory during the year
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	0.53	0.28	–89%	Increase in trade receivables
Trade payables turnover ratio	Purchases	Average Trade Payables	0.31	0.10	–207%	Not applicable
Net Captial turnover ratio	Revenue from operations	Total Assets	1.43	1.28	–12%	Not applicable
Net Profit ratio	Profit after taxes	Revenue from operations	1%	2%	28%	Increase in operating cost resulted in decrease in profit
Return on Investment	Income from Investments	Average Investments	–	–	–	Not applicable
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	6.87%	15.52%	56%	Borrowings raised during the year

Note No. 31 - Fair Value Measurement

Fair Value of Financial assets and financial laibilities.

(INR in Lakh)

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Non Current Assets				
Investment	**738.52**	**738.52**		
Current Assets			–	–
Trade Receivables	**9,029.46**	**9,029.46**	9,700.72	9,700.72
Cash and cash equivalents	**0.25**	**0.25**	2,027.79	2,027.79
Other Financial Assets	**15.13**	**15.13**	10.34	10.34
Total	**9,044.84**	**9,044.84**	11,738.85	11,738.85

(INR in Lakh)

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
Non-current Liabilities				
– Lease Liabilities	**33.86**	**33.86**	44.68	44.68
Current				
– Borrowings	**3,746.88**	**3,746.88**	–	–
– Lease Liabilities	**11.15**	**11.15**	10.44	10.44
– Trade payables	**2,889.19**	**2,889.19**	7,426.59	7,426.59
– Other financial Liability	**90.00**	**90.00**	75.00	75.00
Total	**6,771.07**	**6,771.07**	7,481.71	7,481.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 31A- Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following methods and assumptions were used to estimate the fair values :

The Company has not disclosed the Fair values of cash and cash equivalents, trade payables and other financial assets and liabilities because there carrying amountsare reasonable approximation of fair values.

The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values of quoted financial instruments are derived from quoted market prices in active markets.

The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach.

The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2 : Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3 : Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Long Term and Short Term Borrowings, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

			March 31, 2023
Particulars	**Level-1**	**Level-2**	**Level-3**
Financial assets measured at amortised cost			
Investment		**738.52**	
Trade Receivables			**9,029.46**
Cash and cash equivalents		**0.25**	
Other Financial Assets			**15.13**
Total	**–**	**738.77**	**9,029.46**
Financial liabilities measured at amortised cost			
– Lease Liabilities			**33.86**
– Borrowings			**3,746.88**
– Lease Liabilities			**11.15**
– Trade payables			**2,889.19**
Total	**–**	**–**	**6,681.07**

There were no transfers between level 1 and level 2 during the year

			March 31, 2022
Particulars	**Level-1**	**Level-2**	**Level-3**
Financial assets measured at amortised cost			
Investment			
Trade Receivables			9,700.72
Cash and cash equivalents		2,027.79	
Other Financial Assets			10.34
Total	–	2,027.79	9,711.06
Financial liabilities measured at amortised cost			
– Lease Liabilities			55.12
– Trade payables			7,426.59
Total	–	–	7,481.71

There were no transfers between level 1 and level 2 during the year

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/ optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.]. The results of these activities ensure that risk management plan is effective in the long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2023 and March 31, 2022. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2023 and March 31, 2022.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note 32- Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

(INR in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Total Debt	**3,746.88**	–
Cash and Cash Equivalent	**0.25**	527.79
Net Debt	**3,746.63**	(527.79)
Total Equity [Equity Share Capital plus Other Equity]	**4,025.00**	3,067.60
Total Capital [Total Equity plus net debt]	**7,771.63**	2,539.80
Gearing ratio	**0.52**	1.21

Note 33. Segment Reporting

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance. Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

Note 34. Contingent Liabilities

(INR in Lakh)

Particulars	31-Mar-23	31-Mar-22
Bank Guarantees	**3,470.07**	–

Note 35. Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(INR in Lakh)

Sr.	Particulars	31-Mar-23	31-Mar-22
a)	i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	**417.16**	82.46
	ii) Interest on a) (i) above	**–**	–
b)	i) Amount of Principal paid beyond the appointed Date	**–**	–
	ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	**–**	–
c)	Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	**–**	–
d)	Amount of Interest accrued and due	**–**	–
e)	Amount of further interest remaining due and payable Even in succeeding years	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

36 Additional Regulatory Information

36.1 Undisclosed income

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

36.2 There are no Loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and Related Parties that are repayable on demand or whithout specifing any term or period of repayment.

36.3 Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

36.4 Registration of Charges or Satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2023 and March 31, 2022. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period

36.5 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022

36.6 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2023 and March 31, 2022.

36.7 Borrowings from banks or financial institutions on the basis of security of current assets

Monthly statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

36.8 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2023 and March 31, 2022

36.9 Fraud Reporting

The company has not reported any fraud during the year ended march 31 2023 and March 31, 2022.

36.10 Relationship with Struck off companies

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

36.11 Compliance with approved Scheme(s) of Arrangements

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

36.12 CSR Expenses

The Provision of Section 135 of the Companies Act, 2013 are not applicable to the Company as on reporting date.

37 The figures for previous year have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of current year's figures.

The accompanying notes on account form an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Mr Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjan Singh Girvardan
Chief Financial Officer

Ms Vidhi Salot (ACS 47123)
Company Secretary

Place: Mumbai
Date: May 02, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF
MSPL INTERNATIONAL DMCC
DUBAI, UNITED ARAB EMIRATES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MSPL International DMCC**, Dubai, United Arab Emirates ("the Company") which comprise the statement of financial position as at June 30, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the company as of "&Field!B4&" 30, "&Field!B2&" and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The International Ethics Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in UAE, and we have fuilfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal controls as management determines which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, all matters related to going concern assumption and using the going concern accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can be arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit, We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional ommission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

  On the basis of facts and information available with us, we are of the belief that company ceases to be a going concern and fundamental accounting assumption of going concern cannot be used.
- Evaluate the overall presentation, structure and contentof the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matters

Legal suit contingency

The company was a defendant in a lawsuit alleging infringement of certain claiming of employee salaries and benefits. The company took appropriate action by filing a counter action and engaging in preliminary hearings and discovery proceedings. We have been informed that these activities have been concluded, and the company has made a payment related to the lawsuit prior to the reporting date. Subsequently, the lawsuit against the company has been terminated.

Report on Other Legal and Regulatory Requirements

As required by the provisions of the Implementing Regulations of Law No. (4) of 2001 and order dated 1st May, 2002 in respect of Establishing Dubai Multi Commodities Centre Authority and its amendments has been satisfied, we further confirm that:

1 We have obtained all the information and explanations which we consider necessary for our audit,

2 The contents of the Director's report which relates to the financial statements are in agreement with the Company's books of accounts; and

3 According to the information made available to us, we are not aware of any contraventions during the year of the above mentioned law or the Company's Articles of Association; which may materially effect on the financial position of the Company or the result of its operations for the year.

For **Business Management World (Branch)**
Auditors & Business Consultants

Dr. Abdulwahhab Husain Ahmed Alkhayyat Al Ali
Reg. No: 150
Dubai
UAE

23 May 2023

STATEMENT OF FINANCIAL POSITION AS AT JANUARY 18, 2023

	Notes	Amounts in Arab Emirati Dirham (AED) 2023	2022
Current assets			
Cash and Balance with Banks	4	**147,556**	147,556
Trade and Other Receivables	5	**–**	1,000
	A	**147,556**	148,556
Non Current Assets:			
	B	**–**	**–**
Total assets	**A+B=C**	**147,556**	148,556
LIABILITIES & EQUITY		**–**	–
NON CURRENT LIABILITIES		**–**	–
CURRENT LIABILITIES		**–**	–
Total Liabilities	**D**	**–**	–
Equity:			
Share Capital	**6**	**11,370,000**	11,616,000
Shareholder's Current Account		**120,483**	(125,517)
Retained Earnings		**(11,342,927)**	(11,341,927)
	E	**147,556**	148,556
Total Liabilities & Equity	**D+E=F**	**147,556**	148,556

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages herein.

The financial statements were approved on 23 May 2023 and signed on behalf of the Entity, by:

AUTHORISED SIGNATORY

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM APRIL 1, 2022 TO JANUARY 18, 2023

		Amounts in Arab Emirati Dirham (AED)	
	Notes	**2023**	2022
Revenue		**–**	–
Cost of revenue		**–**	–
Gross Profit	**G**	**–**	–
Operating Expenses			
General and Administrative Expenses	7	**1,000**	20,114
Total Operating Expenses	H	**1,000**	20,114
Loss for the Year	**G-H=I**	**(1,000)**	(20,114)
Other comprehensive	J	**–**	–
Total Comprehensive Loss for the Year	**I+J=K**	**(1,000)**	(20,114)

The accompanying notes form an integral part of these financial statements.

The financial statements were approved on 23 May 2023 and signed on behalf of the Entity, by:

AUTHORISED SIGNATORY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM APRIL 1, 2022 TO JANUARY 18, 2023

Amounts in Arab Emirati Dirham (AED)

	Share Capital	**Shareholder's Current Account**	**Retained Earnings**	**Total Equity**
At April 1, 2021	50,000	120,353	(11,321,813)	(11,151,460)
Total comprehensive income for the year	–	–	(20,114)	(20,114)
Issue of Share	11,566,000	(245,870)		11,320,130
At March 31, 2022	11,616,000	(125,517)	(11,341,927)	148,556
Total Comprehensive loss for the year	–	–	(1,000)	(1,000)
Reduction in share capital	(246,000)	246,000	–	–
At January 18, 2023	**11,370,000**	**120,483**	**(11,342,927)**	**147,556**

The accompanying notes form an integral part of these financial statements.

The financial statements were approved on 23 May 2023 and signed on behalf of the Entity, by:

AUTHORISED SIGNATORY

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM APRIL 1, 2022 TO JANUARY 18, 2023

		Amounts in Arab Emirati Dirham (AED)	
		2023	2022
Cash flows from operating activities			
Net profit	**L**	**(1,000)**	(20,114)
Operating cash flow before changes in net operating assets	**M**	**(1,000)**	(20,114)
(Increase) / Decrease in Current Assets			
Trade and other receivables		**1,000**	30,764
Increase / (Decrease) in Current Liabilities			
Trade and Other Payable		**–**	(16,971)
Net movement in working capital	**N**	**1,000**	13,793
Net cash flow from/(used in) operating activities	**M+N=O**	**–**	(6,321)
Cash flows from investing activities			
Receipt from/(payment to) related party		**–**	76,460
Net cash used in investing activities	**P**	**–**	76,460
Cash flows from financing activities			
Issue/reduction of shares		**–**	–
Net cash used in financing activities	**Q**	**–**	–
Net increase in cash and cash equivalents	**O+P+Q=R**	**–**	70,139
Cash and cash equivalents at beginning of the year	**S**	**147,556**	77,417
Cash and cash equivalents at end of the year	**R+S=T**	**147,556**	147,556

During the year. The Company reduced its share capital by AED 2,46,000 which was offset against the shareholder’s current account.

The accompanying notes form an integral part of these financial statements.

The financial statements were approved on 23 May 2023 and signed on behalf of the Entity, by:.

AUTHORISED SIGNATORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM APRIL 1, 2022 TO JANUARY 18, 2023

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) On April 9, 2018 the branch of foreign company, **Mahindra Susten Private Limited India** (the "Parent Company"), was registered in accordance with the applicable provision of Dubai Multi Comodities Centre DMCC Company Regulations, 2021. On October 08, 2019, the branch was converted into a company , namely, MSPL International DMCC(the "Company"), which is a subsidary of Mahindra Susten Private Limited, India.

b) The principle activity of the company is trading of solar energy system and components.

c) The immidiate parent compnay is Mahindra Susten Private Limited, India, intermediate parent company is Mahindra Holding Limited and the ultimate parent company is Mahindra & Mahindra Limited, India, listed on stock exchange in India.

2. SHAREHOLDING

The shareholding of the Company as at the reporting date was as follows:

Name	No. of shares	Value per share AED	Total value AED	% age
M/s. Mahindra Susten Pvt. Ltd.	11,370	1,000	11,370,000	100%
	11,370		**11,370,000**	**100%**

The authorized and paid up share capital of the Company is AED 11,370,000/- divided into 11,370 shares of AED 1,000/- each.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies, which have been applied consistently, are set out below:

a) Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financials have been presented in the currency of the US Dollars which is the functional currency of the company.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the U.A.E. Law issued by International Accounting Standards Board (IASB).

c) Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under International Financial Reporting standards (IFRS) and applicable requirements of the U.A.E. Law issued by the International Accounting Standards Board (IASB).

d) Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are as:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indication, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

e) Adoption of new and revised International Financial Reporting Standards

New and revised International Financial Reporting Standards (IFRS)

During the current year, the management has applied the IFRS and amendments issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after April 1, 2022 to the extent applicable to them. The application of these amendments has not had any material impact on company's financial statements.

International Financial Reporting Standards issued but not effective:

The Company has not early adopted any IFRS, Interpretation or amendment which has been issued but not yet effective.

f) Significant accounting policies

i Depreciation and amortisation

Intangible assets, property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition.

Depreciation and amortisation are charged on a pro rata basis in the month of addition as well as in the month of disposal of fixed assets. Repairs and renewals are charged to income as and when the expenditure is incurred.

ii Financial Instruments

Recognition and Initial Measurement

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are attributable in relation to financial assets and financial liabilities are added to the fair value on initial recognition.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognized in the statement of profit and loss. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The company's financial assets at amortized cost include trade receivables, other current financial assets and cash and cash equivalents. Due to the short term nature of current receivables, their carrying amounts are considered to be the same as their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

Amortized cost – Financial liabilities are classified as financial liabilities at amortized cost by default. Interest expense calculated using EIR method is recognized in the statement of profit and loss.

De-recognition of financial assets and financial liabilities

Financial assets are de-recognized when, and only when,

> The contractual rights to receive cash flows expire or
> The company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either

a) The company has transferred substantially all the risks and rewards of the asset, or

b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts in recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of contractual held or other credit enhancement that are integral to the contractual terms.

<u>Expected credit losses are recognized in two stages:</u>

> For credit exposures for which there has not been a significant increase in the credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months.

> For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

iii Inventories

Inventories are valued at lower of cost or net realizable value.

– Cost comprise of invoice value plus attributable direct expenses.

– Net realizable value is based on estimated selling price less any further costs expected to be incurred for disposal.

iv Foreign Currency Transactions

Transactions in foreign currencies are converted into AED i.e. the functional currency, at the rate of exchange ruling on the date of the transaction. Assets and Liabilities expressed in foreign currencies are translated into AED at the rate of exchange ruling at the reporting date. Resulting gains or losses arising from the foreign currency transactions are taken to the Statement of Comprehensive Income.

v Contingent liabilities and contingent assets

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then recognized as provision.

Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

vi Provision

Provisions are recognized when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

vii Value Added tax

The revenue, expenses and assets are recognized net of the value added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and Payables are stated inclusive of the amount of VAT receivable or Payable. The Net amount of VAT recoverable from or VAT Payable to, FTA is disclosed as VAT payable or VAT receivable under current liabilities or current assets in the statement of financial positions as per the period of filing of VAT return.

viii Revenue Recognition

Revenue from sale of goods is recognized at the point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer or the company has objective evidence that all criteria for acceptance have been satisfied.

Commission income is recognised when the relevant services are rendered and when it is probable that the economic benefits associated with the transaction will flow to the entity.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

ix Cash and Cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of investment.

h) Non going concern

The shareholders of the Company have resolved to wind up the operations of the Company on January 18, 2023. Hence, the financial statements are not prepared on going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4 CASH AND BALANCE WITH BANKS

	2023	2022
Cash in hand and bank	147,556	147,556
	147,556	**147,556**

5 TRADE AND OTHER RECEIVABLES

	2023	2022
Deposits	–	1,000
	–	**1,000**

6 SHARE CAPITAL

The authorized and paid up share capital of the Company is AED 11370000/- divided into 1137 shares of AED 1,000/- each.

The Shareholding of the company as at reporting date are as follows:

Name of the shareholder	Holding % age	2023	2022
M/s. Mahindra Susten Pvt. Ltd.	**100%**	11,370,000	11,616,000
		11,370,000	11,616,000

7 GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Project and related expenses	–	2,314
Rent	–	16,386
Utilities expenses	–	225
Other expenses	**1,000**	1,189
	1,000	20,114

8 CONTINGENCIES AND COMMITMENTS

As at January 18, 2023, as per management, the Company had no contingencies and commitments.

9 COMPARATIVE FIGURES

Previous year's figures are for the full year ended March 31, 2022 and have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the company have been rounded off to nearest AED 1/-.

10 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the shareholder and authorized for issue on 23 May 2023.

11 THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

The financial statements were approved on 23 May 2023 and signed on behalf of the Entity, by:

AUTHORISED SIGNATORY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
RESURGENCE SOLARIZE URJA PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

We have audited the accompanying Ind AS financial statements of **Resurgence Solarize Urja Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income). the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us. the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (The Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015. as amended of the state of affairs of the Company as at March 31, 2023, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing. as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Other Information (Information other than the Ind AS financial statements and Auditor's report thereon)**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and. in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income. changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules. 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent: and design. implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Ind AS financial statements. whether due to fraud or error, design and perform audit procedures responsive to those risks. and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion. forgery, intentional omissions. misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. In making risk assessments, we consider internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained. whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists. we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Ind AS financial statements. including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

(ii) As required by section 143 (3) of the Act. based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion. the aforesaid Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

(e) On the basis of written representations received from the directors as on March 31, 2023. taken on record by the Board of Directors. none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

(f) Reporting on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls is not applicable as per the notification No. G.S.R 583 (E) issued by Ministry of Corporate Affairs, Government of India, dated June 13, 2017

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2023:

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would have an impact on its financial position;

ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity. including foreign entity ("Intermediaries"), with the understanding. whether recorded in writing or otherwise, that the Intermediary shall. whether. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity. including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall. whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee. security or the like on behalf of the Ultimate Beneficiaries: and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M Chitale)
Partner
M. No. 111383
UDIN: 23111383BGTWGV3106

Place: Mumbai
Date: May 2, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date on the Ind AS financial statements of Resurgence Solarize Urja Private Limited

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) (a) (A) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property. Plant and Equipment and accordingly, reporting under Clause 3 (i) (a) (A) is not applicable.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under Clause 3 (i) (a) (B) is not applicable.

(b) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property. Plant and Equipment and accordingly. reporting under Clause 3 (i) (b) is not applicable.

(c) According to information and explanations given to us. the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under Clause 3(i)(d) of the order is not applicable.

(e) No any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As per the information and explanations given to us, the company does not have any inventory during the year. hence, reporting under Clause 3(ii)(a) of the order is not applicable.

(b) Company has not been sanctioned working capital limits in excess of five crore rupees. in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under this Clause 3(ii)(b) is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

(a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not provided loans or advances and guarantees or security to subsidiaries, joint ventures and associates. hence reporting under clause 3(iii)(a)(A) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company. the Company has not Provided loans or advances and guarantees or security to parties other than subsidiaries. joint ventures and associates, hence reporting under clause 3(iii)(a)(B) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us. and on the basis of our verification of records of the Company, the company has not made any investment and provided guarantees prejudicial to the company's interest, hence reporting under clause 3(iii)(b) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(c), 3(iii)(c) and 3(iii)(c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loans and neither made any investments nor provided any guarantees and security as specified in Section 185 and 186 of the Companies Act, 2013 and accordingly provisions of clause (iv) of Order are not applicable.

(v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act. 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax. Sales Tax, Service Tax, Custom Duty, Excise Duty. Value Added Tax, Cess. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty. Excise Duty, Value Added Tax. Cess which were due for more than six months from the date they become payable as at the year end.

(b) According to the records examined by us and as per the information and explanations given to us, there are no statutory dues outstanding as at March 31, 2023 which have not been deposited on account of disputes.

(viii) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not defaulted in repayment of dues of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

(d) According to the information and explanations given to us. and on the basis of our verification of records of the Company, the Company has not utilised funds raised on short term basis for long term purposes.

(e) According to the information and explanations given to us. and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary. associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries. joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) According to the information and explanations given to us. and on the basis of our verification of records of the Company, the company has not made any preferential allotment of shares during the year and thus the provisions of this Clause are not applicable.

(xi) (a) Best upon the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub section (12) of section 143 of the Companies Act has been filed in the form of ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules. 2014 with the central government during the year and up to the date of this audit report.

(c) According to the information and explanations given to us. and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

(xiv) According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable for the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence reporting under clause 3 (xvi)(a) is not applicable to the Company.

(b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3 (xvi)(c) is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has four CIC which are not required to be registered with the Reserve Bank of India

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses during the current financial year of Rs. 21,31,210/-.

(xviii) There has been resignation of the statutory auditors of the company during the year. The outgoing auditors have not raised any issues, objection or concerns in their resignation letter.

(xix) According to the information and explanation given to us and on the basis of financial the ratios, aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. will get discharged by the company as and when they fall due.

(xx) The Provision of Section 135 of the Companies Act. 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 23111383BGTWGV3106

Place: Mumbai
Date: May 2. 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Amount in Rs. Thousand)

Particulars	Note No.	As at March 31, 2023
I ASSETS		
1 NON–CURRENT ASSETS		
(a) Property, Plant and Equipment		–
(b) Capital Work-in-Progress	3	**41,574.94**
(c) Investment Property		–
(d) Goodwill		–
(e) Other Intangible Assent		–
(f) Intangible Assets Under Development		–
(g) Bilogical Assets other than bearer plants		–
(h) Financial Assets		
(i) Investments		–
(ii) Trade Receivables		–
(iii) Loans		–
(i) Deferred Tax Assets (Net)		–
(j) Other Non-current Assets	4	**10.00**
SUB-TOTAL		**41,584.94**
2 CURRENT ASSETS		
(a) Inventories		–
(b) Financial Assets		
(i) Investments		–
(ii) Trade Receivables		–
(iii) Cash and Cash Equivalents	5	**64,508.40**
(iv) Bank balance other than (iii) above		–
(v) Loans		–
(vi) Other Financial Assets		–
(c) Current Tax Assets (Net)		–
(d) Other Current Assets	6	**5,000.00**
SUB-TOTAL		**69,508.40**
TOTAL ASSETS		**1,11,093.34**
II EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share capital	7	**99,800.00**
(b) Other Equity	8	**(2,131.21)**
SUB-TOTAL		**97,668.79**
LIABILITIES		
2 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings		–
(ia) Lease Liabilities		–
(ii) Trade Payables:		–
A. Total outstanding dues to Micro & small enterprises		–
B. Total outstanding dues to creditors other than Micro & small enterprises		–
(iii) Other Financial Liability		–
(b) Provisions		–
(c) Deferred Tax Liabilities (Net)		–
(d) Other Non-current Liabilities		–
SUB-TOTAL		–

(Amount in Rs. Thousand)

Particulars	**Note No.**	**As at March 31, 2023**
3 **CURRENT LIABILITIES**		
(a) Financial Liabilities		
(i) Borrowings		–
(ia) Lease Liabilities		–
(iii) Trade Payables:	9	–
(A) Total outstanding dues to Micro & small enterprises		**12,685.15**
(B) Total outstanding dues to creditors other than Micro & small enterprises		–
(iii) Other Financial Liability		–
(b) Other Current Liabilities	10	**739.40**
(c) Provisions		–
(d) Current Tax Liabilities (Net)		–
Sub-Total		**13,424.55**
Total Equity and Liabilites		**1,11,093.34**

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Mr. Deepak Thakur
Director
DIN: 06939592

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: May 02, 2023

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 29 AUGUST 2022 TO 31 MARCH, 2023

(Amount in Rs. Thousand)

Particulars		Note No.	Period from 29 August 2022 to 31 March 2023
I	Revenue from operations		–
II	Other Income		–
III	**Total Income (I + II)**		–
IV	**EXPENSES**		
	Cost of materials consumed		–
	Purchase of stock in trade		–
	Changes in inventories of finished goods stock in trade and work in progress		–
	Employee benefit expense		–
	Finance costs		–
	Depreciation and amortization expense		–
	Other expenses	11	2,131.21
	Total Expenses		**2,131.21**
V	**Profit/(loss) before tax (III - IV)**		**(2,131.21)**
VI	**Exceptional Items**		–
VII	**Profit/(loss) before tax (V-VI)**		–
VIII	**Tax Expense**		
	(1) Current tax		–
	(2) Deferred tax		–
	(3) Income Tax adjustment for earlier year		–
	Total tax expense		–
IX	**Profit/(loss) for the period of continuing operation (VII-VIII)**		**(2,131.21)**
X	**Profit/(loss) from discontinued operations**		–
XI	**Tax expense for discontinued operation**		–
XII	**Profit/(loss) from discontinued operations(after tax) (X-XI)**		–
XIII	**Profit/(loss) for the period (IX+XII)**		**(2,131.21)**
XIV	**Other comprehensive income**		
	A (i) Items that will not be reclassified toprofit or loss		–
	(ii) Income tax relating to items		–
	B (i) that will not be reclassified to profit or loss		–
	(ii) Items that will be reclassified to profit or loss income tax relating to items that will be reclassified to profit or loss		–
XV	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other comprehensive in-come for the period)**		**(2,131.21)**

(Amount in Rs. Thousand)

Particulars	Note No.	Period from 29 August 2022 to 31 March 2023
XVI Earnings per equity share (for continuing operation):		
(1) Basic	**12**	**(39.41)**
(2) Diluted	**12**	**(39.41)**
XVII Earnings per equity share (for discontinued operation):		
(1) Basic		**–**
(2) Diluted		**–**
XVIII Earnings per equity share (for discontin-ued and continuing operations)		
(1) Basic	**12**	**(39.41)**
(2) Diluted	**12**	**(39.41)**

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Mr.Deepak Thakur
Director
DIN: 06939592

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: May 02, 2023

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2023

(Amount in Rs. Thousand)

Particulars	**Period from 29 August 2022 to 31 March 2023**
Cash flows from operating activities	
Profit /(loss) after tax for the year	**(2,131.21)**
Adjustments for:	
Finance costs recognised in profit or loss	**–**
Depreciation expense recognised in Profit & Loss	**–**
Cash flow from Operating activities before working capital changes	**(2,131.21)**
Movements in working capital:	
(Increase) in trade receivables	**–**
(Increase) in inventories	**–**
(Increase) in other current assets	**(5,000.00)**
(Increase) in other financial assets	**(10.00)**
(Decrease)/Increase in trade payables	**12,685.15**
(Decrease)/Increase in provisions	**–**
(Decrease)/increase in other current liabilities	**739.40**
Cash generated from operations	**8,414.55**
Income taxes paid	**–**
Net cash used in operating activities	**6,283.34**
Cash flows from investing activities	
Payments for property, plant and equipment	**(41,574.94)**
Net cash used in investing activities	**(41,574.94)**
Cash flows from financing activities	
Issue of share capital	**99,800.00**
Interest paid	**–**
Net cash from financing activities	**99,800.00**
Net increase/(decrease) in cash and cash equivalents	**64,508.40**
Cash and cash equivalents at the beginning of the year	**–**
Cash and cash equivalents at the end of the year	**64,508.40**

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Mr.Deepak Thakur
Director
DIN: 06939592

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: May 02, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023

A - Equity Share Capital

As at March 31, 2023 **(Amount in Rs. Thousand)**

Balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
–	1,49,80,000	14,980.00

B. Other Equity

As at March 31, 2023 **(Amount in Rs. Thousand)**

Particulars	Retained Earnings	Total
Balance as at 31st March, 2022	–	–
Profit / (loss) for the period	(2,131.21)	(2,131.21)
Balance as at 31st March, 2023	(2,131.21)	(2,131.21)

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Mr.Deepak Thakur
Director
DIN: 06939592

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: May 02, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Company Overview and Significant Accounting Policies

Company Overview

Resurgence Solarize Urja Private Limited (the 'company') is domiciled in India and is a subsidiary of Mahindra Solarize Private Limited. The Company has been incorporated under the provisions of the Companies Act, 2013 on August 29, 2022.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

2. Basis of Preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The financial statements of the Company for the period ended 31st March 2023 were approved for issue in accordance with the resolution of the Board of Directors on 2nd May 2023.

2.1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.2 Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.3 Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

Operating Cycle

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12.months for the purpose of classification of its assets and liabilities as current and non-current.

2.4. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.5 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.6 Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is possible that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets.

Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

2.7. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method.

2.8 Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.9. Inventories

Construction material, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

2.10. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.12. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.14. Revenue recognition

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the company.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.15. Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.16. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period.

2.17. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18. Employee Benefits

Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

2.19. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.20. Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are measured at the lower of carrying amount at designation and fair value less costs to sell.

2.21. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Ind AS amendments which will be effective from 1st April 2023

On 31st March 2023, Ministry of Corporate Affairs notified amendments to certain Ind AS. These amendments will be effective from April 1, 2023 and will not have material impact on Company's financial statements for the financial year 2022-23. The following is a summary of the amendments:

1. In Ind AS 101: - Relating to the exceptions to retrospective application of Ind AS on first time adoption.
2. In Ind As 102: - Relating to the fair value of the equity instruments not being possible to be estimated reliably.
3. In Ind AS 103: - Relating to the date on which the transferee obtains control of the transferor.
4. In Ind AS 107: - Relating to disclosure of material accounting policy information about the measurement basis (or bases) for financial instruments used in preparing the financial statements.
5. InInd AS 109: - Relating to a combination of entities or businesses under common control as described in Appendix C.
6. In Ind AS 115: - Relating to certain corrections.
7. In Ind AS 1: - Relating to the following:
   - Reference to the definition of 'Accounting Policies' contained in Ind AS 8.
   - Requirement regarding disclosure of material accounting policy information instead of disclosures about significant accounting policies.
   - Clarification about when an accounting policy information would be regarded as material.
   - The judgements, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
8. In Ind AS 8: - Relating to change in the definition of accounting estimates and further clarifications relating to the same.
9. In Ind AS 12: - Relating to exception to the recognition of deferred tax liability/ asset arising from a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
10. In Ind AS 34: - Relating to disclosure of material accounting policy information in interim financial statements.

Note No. 3 - Capital Work-in-progress

(Amount in Rs. Thousand)

Particulars	**As at March 31, 2023**
Project work in progress	41,218.36
Capital Work in Progress	356.58
Total	41,574.94

Amount in CWIP for a period of **(Amount in Thousand)**

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	41,218.36				41,218.36
Capital Work in Progress	356.58				356.58

Note No. 4 - Non Current Financial Asset

(Amount in Rs. Thousand)

Particulars	**Total**
Financial Assets measured at amortised cost	
Security Deposit	10.00
Total	**10.00**

Note No. 5 - Cash and Cash Equivalents

(Amount in Rs. Thousand)

Particulars	**Total**
Balances with banks in Cuurent Account	64,508.40
Total	**64,508.40**

Note No. 6 - Current Financial Asset

(Amount in Rs. Thousand)

Particulars	**Total**
Security Deposit	5,000.00
Total	**5,000.00**

Note No. 7 - Equity Share Capital

(Amount in Rs. Thousand)

	As at March 31, 2023	
Particulars	**No. of shares**	**Amount**
Authorised:		
Equity shares of Rs. 10 each with voting rights	2,00,00,000	2,00,000
Issued Capital:		
Equity shares of Rs. 10 each with voting rights	1,49,80,000	1,49,800
Issued, subscribed and fully paid:		
Equity shares of Rs. 10 each with voting rights	99,80,000	99,800
Total	99,80,000	99,800

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	As at March 31, 2023	
Particulars	**No. of shares**	**Amount**
At the begning of the year	–	–
New shares issued during the year	99,80,000	99,800.00
At the end of year	99,80,000	99,800.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2023 Number of shares held	% holding in that class of shares	Amount
Equity shares with voting rights			
Mahindra Solarize Private Limited	73,85,200	74%	73,852.00
Mahindra and Mahindra Limited	25,94,800	26%	25,948.00

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Number of Shares As at March 31, 2023
Mahindra and Mahindra Limited	25,94,800
Mahindra Solarize Private Limited	73,85,200

(v) Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	%of total shares
Mahindra and Mahindra Limited	25,94,800	26%
Mahindra Solarize Private Limited	73,85,200	74%

Note No. 8 - Other Equity

(Amount in Rs. Thousand)

Particulars	As at March 31, 2023
Retained Earnings	(2,131.21)
Other Comprehensive Income	–
Balance at the end of the reporting year (A+B)	**(2,131.21)**

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Note No. 9 - Trade Payables

(Amount in Rs. Thousand)

Particulars	As at March 31, 2023
Trade payables to MSME	12,685.15
Trade payables - Other than MSME	–
Total Trade Payables	**12,685.15**

(Amount in Rs. Thousand)

Particulars	Outstanding for following periods from date of transaction Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - MSME	12,685.15				12,685.15
Trade payables- Others					
Disputed dues – MSME					
Disputed dues – Others					
Total	**12,685.15**	**–**	**–**	**–**	**12,685.15**

Note No. 10 - Other Current Liabilities

(Amount in Rs. Thousand)

Particulars	As at 31 March 2023
Provision for expenses	15.00
Statutory Dues	724.40
Total	**739.40**

Note No. 11 - Other Expenses

(Amount in Rs. Thousand)

Particulars	Period from 29 August 2022 to 31 March 2023
Auditors remuneration	
(i) As Auditors	15.00
(ii) For Taxation matters	–
Legal and Professional Fees	43.73
Subscription Charges	1.48
Stamp Duty charges (for share capital)	2,058.03
Rent	12.98
Total	**2,131.21**

Note No. 12 - Disclosures under Ind AS 33

Amount in thousands [except per share data]

Particulars	For the year ended March 31 2023
For the purpose of calculation of basic and diluted earning per share the following amount are considerd	
Profit / (loss) attributable to equity share holder (Rs in Thousand)	(2,131.21)
Total	**(2,131.21)**
a) Weighted average no of equty share outstanding during the year	
- For basic earning per share	54,076
- For diluted per share	54,076

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in thousands [except per share data]

Particulars	For the year ended March 31 2023
b) Earning per share	
- Basic earning per share [in Rs.]	(39.41)
- Diluted per share [in Rs.]	(39.41)
- Face value per share [in Rs.]	10.00
c) Earning per share	
No of sharess used for calculating basic earning per share	54,076
Add : Potential equity shares	–
No of sharess used for calculating diluted earning per share	54,076

Note No. 13 - Related Party Transactions

Relationships:	Name:
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Solarize Private Limited

Details of transaction between the Company and its related parties are disclosed below:

(Amount in Rs. Thousand)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Solarize Private Limited	Total
Liabilities				
Eqity Share Capital	31-Mar-23	25,948.00	73,852.00	99,800.00
Trade Payable	31-Mar-23	–	12,685.15	12,685.15
Transactions during the year				
Equity Share capital	31-Mar-23	25,948.00	73,852.00	99,800.00
CWIP	31-Mar-23	–	36,220.00	36,220.00
Reimbursement of Expenditure	31-Mar-23	–	7,191.19	7,191.19

Note No. 14 - Fair Value Measurement

Fair Value of Financial assets and financial laibilities.

(Amount in Rs. Thousand)

Particulars	March 31, 2023 Carrying amount	Fair value
Financial assets		
Financial assets carried at Amortised Cost		
Cash and cash equivalents	64,508.40	64,508.40
Other Financial Assets	10.00	10.00
Total	64,518.40	64,518.40
Financial liabilities		
Financial liabilities held at amortised cost		
Current		
– Trade and other payables	12,685.15	12,685.15
Total	12,685.15	12,685.15

Note No. 15 - Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

I) Fair value of cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments

II) The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments.

III) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IV) Fair values of quoted financial instruments are derived from quoted market prices in active markets.

V) The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach

VI) The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2: Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

March 31, 2023 **(Amount in thousands)**

Particulars	Level-1	Level-2	Level-3
Cash and cash equivalents	–	64,508.40	–
Other Financial Assets	–	–	–
Trade payables	–	–	–

There were no transfers between level 1 and level 2 during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/ optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.]. The results of these activities ensure that risk management plan is effective in the long term.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2022 and March 31, 2021. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2023 and March 31, 2022.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants [where applicable] on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note No. 16 - Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

Particulars	As at 31st March 2023
Total Debt	–
Cash and Cash Equivalent	64,508.40
Net Debt	–
Total Equity [Equity Share Capital plus Other Equity]	97,668.79
Total Capital [Total Equity plus net debt]	97,668.79
Gearing ratio	–

17. Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

Particulars	31-Mar-23
i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	12,685.15
ii) Interest on a) (i) above	–
i) Amount of Principal paid beyond the appointed Date	–
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	–
Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	–
Amount of Interest accrued and due	–
Amount of further interest remaining due and payable Even in succeeding years	–

Note 18 - Segment Reporting

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. Generation of Electricity.Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

Note 19 : Additional Regulatory Information

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2023 and March 31, 2022. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period.

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2023 and March 31, 2022.

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2023 and March 31, 2022.

The Company does not have any transaction with srtuck off companies

The Company has not given any Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

The company has not reported any fraud during the year ended march 31 2023 and March 31, 2022.

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

The Provision of Section 135 of the Companies Act, 2013 are not applicable to the Company as on reporting date.

20 Disclosure of Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2021	Variance	Reason for variance if grater than 25%
Current ratio	Total current assets	Total current liabilities	**5.18**	–	NA	
Debt equity ratio	Total Debts	Total Equity	**–**	–	NA	
Debt Service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service = Interest + principal payments	**NA**	–	NA	
Return on equity ratio	Profit for the year less preference dividend	Average total equity	**–0.04**	–	NA	
Inventory turnover ratio	Cost of goods sold	Average value of inventory	**NA**	–	NA	
Trade receivable turnover ratio	Revenue from operation	average trade receivables	**NA**	–	NA	
Trade payable turnover ratio	Total Net Purchases	average trade payables	**NA**	–	NA	
Net capital turnover ratio	Revenue from operation	Average working capital (i.e. Total current assets less Total current liabilities)	**NA**	–	NA	
Net profit ratio	Profit for the year	Revenue from operation	**NA**	–	NA	
Return on capital employed	Profit before tax and finance cost	Capital Employed = Net worth	**–0.02**	–	NA	
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	**NA**	–	NA	

Note 21: This being the first year of the Company figures for the previous year are not given

Signature to Notes to Accounts
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No 106655W

(S. M. Chitale)
Partner
Membership No. 111383
Place: Mumbai
Date: May 02, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592
Place: Mumbai
Date: May 02, 2023

Mr. Rakesh Singh
Director
DIN: 07319353
Place: Mumbai
Date: May 02, 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Emergent Solren Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Emergent Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period 09 November 2022 to 31 March 2023, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period 09 November 2022 to 31 March 2023.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (h) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes 12 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes 12 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. The proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 mandating use of audit trail feature in accounting software by the Company, is applicable only w.e.f. April 1, 2023, hence reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN:23121513BGXZXJ9521)

Place : Mumbai
Date : April 24, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Emergent Solren Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Emergent Solren Private Limited** (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the period 09 November 2022 to 31 March 2023.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN:22121513XXXXXXX)

Place : Mumbai
Date : April 24, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Emergent Solren Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) As the Company does not hold any property, plant and equipment and intangible assets, hence reporting under clauses 3(i)(a) to (d) of the Order are not applicable.

(b) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not have inventory, therefore the provisions of clause 3 (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3 (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 and Employees Provident Fund Act, 1952 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender, hence reporting under clause (ix)(a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there is no unutilised term loan at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) According to information and explanation given to us, the Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x) of the Order is not applicable.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) According to information and explanation given to us, the Company is not required to have an internal audit system under section 138 of the Companies Act, 2013, hence reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one CIC as part of the group. There were four CIC forming part of the group as at March 31, 2023.

(xvii) The Company has incurred cash losses amounting to Rs.362,349 in the financial year covered by our audit. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) This is the first financial year of the Company hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 23121513BGXZXJ9521)

Place : Mumbai
Date : April 24, 2023

BALANCE SHEET AS AT 31 MARCH 2023

Particulars	Note No.	INR (₹) As at 31 March 2023
I ASSETS		
CURRENT ASSETS		
(a) Financial assets		
(i) Cash and cash equivalents	4	432,651
TOTAL ASSETS		**432,651**
II EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	5A	500,000
(b) Other equity	5B	(362,349)
SUB-TOTAL		**137,651**
III CURRENT LIABILITIES		
(a) Financial Liabilities		
Trade Payables		
(i) total outstanding dues to Micro & small enterprises		–
(ii) total outstanding dues to creditors other than Micro & small enterprises	6	295,000
TOTAL EQUITY AND LIABILITIES		**432,651**

The accompanying notes 1 to 14 are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : April 24, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592

Place : Mumbai
Date : April 24, 2023

Sriram Ramachandran
Director
DIN: 07319032

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2023

INR (₹)

	Particulars	**Note No.**	**Period from 9 November 2022 to 31 March 2023**
	Revenue from operations		–
I	**Total income**		–
II	**Expenses**		
	(a) Other expenses	7	362,349
	Total expenses		362,349
III	**Loss before tax (I-II)**		**(362,349)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		**–**
V	**Loss after tax (III-IV)**		**(362,349)**
VI	**Other comprehensive income**		–
	A (i) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (i) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(362,349)**
VIII	**Earnings per equity share**		
	(a) Basic	8	(7.25)
	(b) Diluted	8	(7.25)

The accompanying notes 1 to 14 are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : April 24, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592

Sriram Ramachandran
Director
DIN: 07319032

Place : Mumbai
Date : April 24, 2023

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	INR (₹)
Particulars	**Period from 9 November 2022 to 31 March 2023**
Cash flows from operating activities	
Loss before tax for the period	(362,349)
Adjustments for:	
Finance costs recognised in statement of profit or loss	
Movements in working capital:	
Increase in trade and other payables	295,000
Cash generated from operations	295,000
Income taxes paid	–
Net cash flow used in operating activities	**(67,349)**
Net cash flow from investing activities	–
Cash flows from financing activities	
Proceeds from issue of equity shares of the Company	500,000
Net cash flow from financing activities	**500,000**
Net increase in cash and cash equivalents	432,651
Cash and cash equivalents at the beginning of the year	–
Cash and cash equivalents at the end of the year	**432,651**

The accompanying notes 1 to 14 are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : April 24, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592

Sriram Ramachandran
Director
DIN: 07319032

Place : Mumbai
Date : April 24, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

INR (₹)

A. Equity share capital

Particulars	As at 31 March 2023
Issue of equity share capital during the period	500,000
As at 31 March 2023	**500,000**

The accompanying notes 1 to 14 are an integral part of the Financial Statements

B. Other Equity - Reserves and Surplus

Particulars	As at 31 March 2023
Balance at the beginning of the current reporting period	–
Profit / (Loss) for the period	(362,349)
Total Comprehensive Income for the Current Year	–
Balance at the end of the current reporting period	**(362,349)**

The accompanying notes 1 to 14 are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm’s Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : April 24, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592

Sriram Ramachandran
Director
DIN: 07319032

Place : Mumbai
Date : April 24, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. Nature of Operations

Emergent Solren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India and is a wholly owned subsidiary of Mahindra Holdings Limited.

The registered office of the Company is located at Mahindra Towers,Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is yet to commence any business during the year.

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 24th April 2023

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets

Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01st April' 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

Note no. 4 - Cash and cash equivalents

Particulars	INR (₹) As at 31 March 2023
Cash and cash equivalents	
Balance with bank	432,651
Total Cash and cash equivalents	**432,651**

Note no. 5A - Equity share capital

Particulars	INR (₹) As at 31 March 2023
Authorised:	
Equity shares of Rs 10 each with voting rights	1,000,000
Issued, subscribed and fully paid up:	
Equity shares of Rs. 10 each with voting rights	500,000
Total equity share capital	**500,000**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity shares with voting rights			
Period ended 31 March 2023			
No. of Shares	–	50,000	50,000
Amount	–	500,000	500,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	
Mahindra Holdings Limited	50,000

(iii) Details of shares held by each shareholder/ promoter holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights		
Mahindra Holdings Limited, the Holding Company	50,000	100%

Note no. 5B - Other equity

Particulars	INR (₹) As at 31 March 2023
Retained earnings	(362,349)
Total other equity	**(362,349)**

Retained earnings : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note no. 6 - Trade Payables

INR (₹)

Particulars	Outstanding as at 31st March 2023 from due date of payment Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(a) Micro and small enterprises	–	–	–	–	–	–
(b) Other than Micro and small enterprises (Undisputed)	295,000	–	–	–	–	295,000
Total trade payables	**295,000**	**–**	**–**	**–**	**–**	**295,000**

Note

There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Note no. 7 - Other expenses

Particulars	INR (₹) Period from 9 November 2022 to 31 March 2023
Auditors remuneration	
Statutory audit fees (including GST)	295,000
Professional Fees	52,208
Miscellaneous expenses	15,034
Bank Charges	107
Total other expenses	**362,349**

Note No. 8 - Earnings per Share

Particulars	Period from 9 November 2022 to 31 March 2023
Basic earnings per share	(7.25)
Diluted earnings per share	(7.25)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Period from 9 November 2022 to 31 March 2023
Loss for the year attributable to owners of the company	(362,349)
Profit / (loss) for the year used in the calculation of basic earnings per share	(362,349)
Weighted average number of equity shares	50,000
Basic earnings per share from operations (Rupees)	(7.25)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

Note no 9 : Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No 10 : Disclosure required under Section 186(4) of the Companies Act, 2013

1) Guarantees given on behalf of other companies: Nil
2) Investment Made and Securities provided in connection with loan given to other companies are Nil
3) Loans given are Nil

Note No. 11

The Board of Directors of the Company, at their meeting held on January 18th, 2023 and subsequently on February 24th 2023, has inter alia, approved, the Scheme of Arrangement between Mahindra Susten Private Limited ("Demerged Company") and Emergent Solren Private Limited ("Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme inter alia provides for (i) The demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company on a going concern basis and the consequent issue of equity shares by the Resulting Company; and (ii) Reduction and cancellation of the entire pre-scheme paid-up share capital of the Resulting Company.

The Scheme is inter alia subject to receipt of necessary approvals, sanctions and consents from the National Company Law Tribunal, shareholders and creditors of the companies involved in the Scheme, and such other authorities as may be required under the applicable laws and regulations.

Note No. 12

During the Year, board has approved for formation of an Infrastructure Investment Trust ("InvIT") with MSPL and Ontario Teachers' as Sponsors, which will own identified operational assets housed in Special Purpose Vehicles which includes shares of Emergent solren private limited which will be trasnffered under InvIT.

Note no. 13 : Other statutory information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- The Company does not have any transactions with struck-off companies.
- The Company has not traded or invested in crypto-currency or virtual currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not made investments in, provided guarantee and granted unsecured loans to subsidiaries during the year

Note No. 14

The financial statements for the period ended 31st March 2023 were approved by the Board of Directors and authorised for issue on 24 April 2023.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : April 24, 2023

For and on behalf of the Board of Directors

Deepak Thakur
Director
DIN: 06939592

Sriram Ramachandran
Director
DIN: 07319032

Place : Mumbai
Date : April 24, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA DEFENCE SYSTEMS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Defence Systems Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 49 to the financial statements, which states that the comparative information presented as at 01 April 2021 and as at and for the year ended 31 March 2022 has been restated to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021 (from which the balance sheet as at 1 April 2021 has been derived), excluding the adjustments described in Note 49 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 May 2022 and 27 April 2021, respectively.

As part of our audit of the financial statements as at and for the year ended 31 March 2023, we audited the adjustments described in Note 49 that were applied to restate the comparative information presented as at and for the year ended 31 March 2022 and the balance sheet as at 1 April 2021. We were not engaged to audit, review, or apply any procedures to the financial statements for the years ended 31 March 2022 or 31 March 2021 (not presented herein) or to the balance sheet as at 1 April 2021, other than with respect to the adjustments described in Note 49 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 49 are appropriate and have been properly applied.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 44 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 52 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 57 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid and payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid and payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN:23509209BGYGKA5926

PLACE: Gurugram
DATE: 24 MAY 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA DEFENCE SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held from	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land located at Prithla	INR 836.42 Lakhs	Mahindra Defence Land Systems Private Limited	No	From 01 January 2017 appointed date as per the approved Scheme of Amalgamation (the Scheme)	The title deeds have been transferred to and vested in the Company, pursuant to The Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Private Limited) with the Company in an earlier year. The Company is In the process of Completing the formalities of getting the relevent records updated in its name.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not provided security or granted any advance in nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in, provided guarantee and granted unsecured loans to companies during the year, details of the guarantee and loans are stated in sub-clause (a) below. The Company has not made investment in, provided any guarantee or granted any loans, secured or unsecured to firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee to companies as below:

		(Rs. in Lakhs)
	Guarantees	**Loans**
Aggregate amount during the year		
Subsidiaries	1,500.00	0.00
Others (fellow subsidiaries)	0.00	2,000.00
Balance outstanding as at balance sheet date		
Subsidiaries	7,500.00	0.00
Others (fellow subsidiaries)	0.00	500.00

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013, as applicable, ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been delays in certain cases of Provident Fund and Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Haryana Value Added Tax and Central Sales Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	123.22	Financial year 2019-20	Commissioner of Income Tax (Appeals)
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central SalesTax	2.28	Financial year 2014-15	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central SalesTax	6.58	Financial year 2016-17	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central SalesTax	8.32	Financial year 2017-18	Additional Commissioner

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has four CIC (which are exempted or not registered with Reserve Bank of India as being Systemically Important CIC). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN:23509209BGYGKA5926

PLACE: Gurugram

DATE: 24 MAY 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA DEFENCE SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Defence Systems Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN:23509209BGYGKA5926

PLACE: Gurugram

DATE: 24 MAY 2023

BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022 (Restated)*	As at April 1, 2021 (Restated)*
ASSETS				
1. Non-current assets				
(a) Property, Plant and equipment	5	**12,298.80**	6,734.39	6,775.24
(b) Capital Work- in-Progress	7	**709.68**	383.64	79.12
(c) Right of use assets	6	**–**	118.12	354.34
(d) Intangible assets	8	**2,671.14**	3,482.70	1,579.63
(e) Intangible assets under development	9, 10 & 10A	**1,222.13**	297.11	105.03
(f) Financial assets				
(i) Investments	11	2,290.47	–	734.00
(ii) Trade receivables	12 & 38	**4,004.69**	5,260.85	4,222.54
(iii) Other financial assets	15	**214.16**	361.23	165.84
(g) Deferred tax assets (net)	16	**956.79**	731.64	395.43
(h) Other Tax Assets (net)	16A	**313.97**	308.13	464.88
(i) Other non-current assets	17	**13,564.79**	9,523.97	1,072.85
Total Non-current Assets		**38,246.62**	27,201.78	15,948.90
2 Current assets				
(a) Inventories	18	**21,696.38**	5,723.06	4,415.77
(b) Financial assets				
(i) Investments	13	**–**	11,846.44	–
(ii) Trade receivables	12 & 38	**19,456.84**	18,303.74	19,709.02
(iii) Cash and cash equivalents	19	**6,483.85**	9,496.86	3,259.05
(iv) Bank balances other than (iii) above	20	**980.14**	4,672.50	339.42
(v) Loans	14	**500.00**	2,500.00	–
(vi) Other financial assets	15	**3,940.96**	5,601.83	394.55
(c) Other current assets	17	**9,757.54**	4,144.84	3,015.31
Total Current Assets		**62,815.71**	62,289.27	31,133.12
Total Assets		**1,01,062.33**	89,491.05	47,082.02
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	21	**1,672.37**	1,672.37	1,672.37
(b) Other equity		**44,360.71**	39,688.39	32,011.71
Total Equity		**46,033.08**	41,360.76	33,684.08
2 Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	47	**–**	–	143.83
(ii) Other Financial Liabilities	23	**26.76**	26.76	26.76
(b) Provisions	22	**981.82**	993.44	742.66
(c) Other non current Liabilities	24	**29,906.19**	29,323.43	508.52
Total Non-current Liabilities		**30,914.77**	30,343.63	1,421.77
Current liabilities				
(a) Financial liabilities				
(i) Lease Liabilities	47	**–**	143.83	260.00
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises; and	23A	**947.29**	827.96	1,110.85
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**12,983.52**	7,939.71	8,021.50
(iii) Other financial liabilities	23	**1,088.76**	1,068.71	904.71
(b) Other current liabilities	24	**8,360.80**	7,265.49	1,204.01
(c) Provisions	22	**416.88**	540.96	475.10
(d) Current tax liabilities (net)	16B	**317.23**	–	–
Total Current Liabilities		**24,114.48**	17,786.66	11,976.17
Total Liabilities		**55,029.25**	48,130.29	13,397.94
Total Equity and Liabilities		**1,01,062.33**	89,491.05	47,082.02
The accompanying notes forming part of the financial statements	1 to 58			

* The comparative information is restated to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Refer Note No. 49.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Kunal Kapur
Partner
Membership No.: 509209

Mukul Verma Chief Financial Officer

Ashvin Patni Company Secretary
ACS: 68031

Place : Gurugram
Date : May 24, 2023

For and on behalf of Board of Directors
Mahinda Defence Systems Limited
S. P. Shukla Chairman and Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Place : Mumbai
Date : May 24, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)*
Revenue from operations	25	**36,023.82**	41,340.61
Other income	26	**1,978.68**	2,041.71
Total Income		**38,002.50**	43,382.32
Expenses			
Cost of materials consumed	27	**10,816.07**	10,149.68
Purchases of stock-in-trade	28	**431.49**	613.83
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	**(5,796.32)**	(183.89)
Employee benefits expense	30	**6,709.61**	6,356.51
Finance costs	31	**119.79**	94.93
Depreciation and amortisation expense	32	**2,273.98**	1,752.54
Subcontracting and service charges		**8,825.16**	6,870.18
Other expenses	33	**6,523.51**	6,447.78
Total expenses		**29,903.29**	32,101.56
Profit before exceptional items and tax		**8,099.21**	11,280.76
Exceptional items	56	**–**	734.00
Profit before tax		**8,099.21**	10,546.76
Tax expense			
Current tax	34	**2,508.19**	3,091.64
Tax related to earlier year		**–**	
Deferred tax credit	34	**(252.94)**	(307.35)
Total tax expense		**2,255.25**	2,784.29
Profit for the year		**5,843.96**	7,762.47
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements (gain)/loss of the defined benefit plans	37	**110.42**	(114.66)
Income tax relating to these items	34	**(27.79)**	28.86
Total other comprehensive income for the year		**82.63**	(85.80)
Total comprehensive income for the year		**5,926.59**	7,676.67
Earnings per share (Face value of Rs 10 per share) (in Rs.)			
– Basic (in Rs.)	36	**34.94**	46.42
– Diluted (in Rs.)	36	**34.94**	46.42
The accompanying notes forming part of the financial statements	1 to 58		

*The comparative information is restated to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Refer Note No. 49.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place : Gurugram
Date : May 24, 2023

Mukul Verma Chief Financial Officer

Ashvin Patni Company Secretary
ACS: 68031

For and on behalf of Board of Directors
Mahinda Defence Systems Limited
S. P. Shukla Chairman and Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Place : Mumbai
Date : May 24, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)*
Cash flows from operating activities		
Profit after tax	**5,843.96**	7,762.47
Adjustments for:		
Tax expense	**2,255.25**	2,784.29
Exceptional items	**–**	734.00
Interest income under the effective interest method on bank deposits	**(446.76)**	(244.18)
Interest on loans to related parties	**(36.96)**	(103.71)
Interest on income tax refund	**–**	(11.42)
Loss on sale of property, plant and equipment (net)	**48.45**	73.11
Net gain on disposal/fair valuation of investments carried at fair value through profit or loss	**(590.87)**	(417.06)
Depreciation and amortisation expense	**2,273.98**	1,752.54
Excess provision/liabilities, no longer required written back	**(152.69)**	(376.26)
Provision for loss allowance on trade receivables	**566.54**	220.52
Unrealised (gain)/loss on foreign currency transaction and translation	**(180.63)**	109.98
Finance costs	**3.32**	24.61
Unwinding of discount on provision for warranty	**–**	(5.73)
Interest on delay in payments of income tax	**27.35**	36.74
Intangible assets under development written off	**166.71**	5.18
Loss allowance on capital advance	**110.00**	–
	9,887.65	12,345.09
Movements in working capital:		
(Increase)/decrease in trade receivables	**(282.85)**	595.79
(Increase) in inventories	**(15,973.32)**	(1,307.29)
(Increase) in other assets	**(7,728.74)**	(9,695.91)
Decrease/(increase) in other financial assets	**1,813.86**	(96.29)
Increase /(decrease) in trade and other payables	**5,414.74**	(316.28)
(Decrease)/increase in provisions	**(25.28)**	207.71
Increase in other liabilities	**1,678.07**	34,872.89
Cash (used)/generated from operating activities	**(5,215.87)**	36,605.71
Income taxes paid (Net of refund)	**(2,224.15)**	(3,022.43)
Net cash (used)/generated from operating activities (A)	**(7,440.02)**	33,583.28
Cash flows from investing activities		
Acquisition of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	**(8,928.78)**	(3,867.91)
Proceeds from sale of property, plant and equipment	**57.66**	31.57
Interest income	**477.80**	159.94
Bank deposits placed during the year	**(3,048.31)**	(21,776.19)
Bank deposits matured during the year	**5,123.22**	12,321.11
Acquisition of subsidiary	**(2,290.47)**	–
Proceed from current investment	**35,367.93**	(23,750.88)
Acquisition of current investment	**(22,930.62)**	12,321.50
Inter corporate deposit given	**(1,500.00)**	(5,600.00)
Inter corporate deposit refunded	**3,500.00**	3,100.00
Net cash generated from/ (used in) by investing activities (B)	**5,828.43**	(27,060.86)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (CONT...)

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)*
Cash flows from financing activities		
Interest paid (Refer Note (b))	**(3.32)**	(24.61)
Dividends paid (Refer Note No. 57)	**(1,254.27)**	–
Principal payment of lease liabilities	**(143.83)**	(260.00)
Net cash (used in) from financing activities (C)	**(1,401.42)**	(284.61)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(3,013.01)**	6,237.81
Cash and cash equivalents at the beginning of the year	**9,496.86**	3,259.05
Cash and cash equivalents at the end of the year (Refer Note No: 19)	**6,483.85**	9,496.86

* The comparative information is restated to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Refer Note No. 49.

Explanatory notes to the Statement of Cash Flows:

a) The cash flows from operating activities section in standalone statement of cash flows from operating activities has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

b) Interest paid includes the interest portion of the lease liabilities.

c) Figures in bracket indicate cash outflow.

d) The Company has used profit or loss after tax as the starting point for presenting operating cash flows, the statement can also be prepared with profit or loss before tax as the starting point.

e) The following is the movement in lease liabilities:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at beginning of the year	**143.83**	403.83
Additions	**–**	–
Finance costs accrued during the year	**1.84**	16.15
Payment of lease liabilities and finance cost accrued during the year	**(145.67)**	(276.15)
	–	143.83

f) The Company has also undrawn credit facility of Rs. 7,500 lakhs (March 31, 2022: Rs. 7,500 lakhs) for its future operating activities.

The accompanying notes forming part of the financial statements 1 to 58

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Kunal Kapur
Partner
Membership No.: 509209

Mukul Verma Chief Financial Officer

Ashvin Patni Company Secretary
ACS: 68031

Place : Gurugram
Date : May 24, 2023

For and on behalf of Board of Directors
Mahinda Defence Systems Limited
S. P. Shukla Chairman and Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Place : Mumbai
Date : May 24, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a. Equity share capital

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	
Balance as at April 1, 2022	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2023	**1,672.37**
Balance as at April 1, 2021	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2022	**1,672.37**

b. Other Equity

(All amounts in Rs. Lakhs, unless otherwise stated)

	Reserves and Surplus*			
Particulars	Capital Reserve	Securities premium	Retained earnings	Total
Balance as on April 1, 2022	**2,412.24**	**27,622.68**	**9,653.47**	**39,688.39**
Profit for the year	–	–	5,843.96	5,843.96
Other comprehensive income for the year	–	–	82.63	82.63
Total Comprehensive Income for the year	–	–	5,926.59	5,926.59
Transactions with owners of the Company				
Contributions and distributions				
Dividends	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Total transactions with owners of the Company	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Balance at March 31 , 2023	**2,412.24**	**27,622.68**	**14,325.79**	**44,360.71**

Previous year

(All amounts in Rs. Lakhs, unless otherwise stated)

	Reserves and Surplus			
Particulars	Capital Reserve	Securities premium	Retained earnings	Total
Balance as on April 1, 2021	**2,412.24**	**27,622.68**	**1,976.79**	**32,011.71**
Profit for the year	–	–	7,762.48	7,762.48
Other comprehensive income for the year	–	–	(85.80)	(85.80)
Total Comprehensive Income for the year	2,412.24	27,622.68	7,676.68	7,676.68
Balance as on March 31, 2022	**2,412.24**	**27,622.68**	**9,653.47**	**39,688.39**

Capital reserve: This reserve represents reserve recognised on amalgamation of the erstwhile Defence Land Systems India Limited with the Company being the difference between Company's investment value and share capital of the transferor Company.

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilised or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

The accompanying notes forming part of the financial statements 1 to 58

* The comparative information is restated to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Refer Note No. 49.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place : Gurugram
Date : May 24, 2023

Mukul Verma Chief Financial Officer

Ashvin Patni Company Secretary
ACS: 68031

For and on behalf of Board of Directors
Mahinda Defence Systems Limited
S. P. Shukla Chairman and Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Place : Mumbai
Date : May 24, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company overview

Mahindra Defence Systems Limited is a public limited company incorporated on July 30, 2012 under the Companies Act, 1956 ("the Act"). The Company is a subsidiary of Mahindra & Mahindra Limited. The Company is engaged in design, development, manufacture, supply, dealing, operating, trading, overhaul, repair, maintenance and service of all kinds of defence vehicle and other defence equipment including training to armed forces people through specific equipments. The Company is also engaged in business of consultancy, training, implementation, management, maintenance and audit in the areas of information security, physical security, homeland security, critical infrastructure security, IT systems & network security, applications security, web & software security, change management & training, business continuity, disaster recovery, governance, loss prevention, fraud risk management, forensics, third party assessment and other allied areas with the objective of derisking the business and mitigation of loss arising from such security risks. The address of company's registered office is Mahindra Towers, P.K. Kurne Chowk, Dr. G.M. Bhosale Marg, Worli, Mumbai-400018 and the address of its corporate office is Mahindra Towers, 1st Floor, 2-A, Bhikaji Cama Place, New Delhi- 110066.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies ('Indian Accounting Standards') Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements were approved for issue by the Board of Directors of the Company on 24 May 2023.

Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), and are rounded to two decimal places of lakhs, which is also the functional and presentation currency of the Company.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that are measured at fair value or at amortized cost. Refer Note 38.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

<u>Judgments</u>

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following Note:

– Note 3.12 - Judgement required to whether an arrangement contains a lease or to ascertain lease classification

<u>Assumption and estimation uncertainties</u>

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

– Note 3.2 - Measurements of defined benefit obligations: Key actuarial assumptions;

– Note 3.6 and 3.7 - Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets

– Note 2.6 and 3.8 - Fair value measurement of financial instruments

– Note 3.10 and 3.11 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood dand magnitude of an outflow of resources;

– Note 3.9 - Impairment of financial and non-financial assets

– Note 3.1 - Expected cost of completion of contracts

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Company's Chief Financial Officer.

The management of the Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or

– In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

– Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 38.

2.6 Current/non-current classification

The Company classifies an asset as current asset when:

– it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

– it holds the asset primarily for the purpose of trading;

– it expects to realise the asset within twelve months after the reporting period; or

– the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

– it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

– it holds the liability primarily for the purpose of trading;

– the liability is due to be settled within twelve months after the reporting period; or

– it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

3. Significant Accounting Policies

3.1 Revenue recognition

i. Revenue from sale of goods

Revenue from sale of goods is recognised when control of the goods being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms agreed with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

ii. Revenue from rendering of services

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

(a) the customer simultaneously consumes the benefit of the Company's performance or

(b) the customer controls the asset as it is being created/ enhanced by the Company's performance or

(c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time.

iii. Revenue from turnkey project related activity is recognised as follows

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Contract assets". For contracts where progress billing exceeds the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Deferred revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed and unbilled on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

iv. Transaction price

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

Revenue includes adjustments made towards liquidated damages wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

v. Significant financing component

Advances received towards execution of defense related projects are not considered for determining significant financing component since the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the Company. The objective is to provide the contracting parties with protection from the other party failing to adequately complete some or all of its obligations under the contract. In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

vi. Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by nature of goods and service. Refer Note 48.

3.2 Employee benefits

i. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the Statement of Profit and Loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income ('OCI'). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

vi. Share based payments

The employees of the Company covered under Mahindra & Mahindra Limited (Holding company) Employee Stock Option Scheme ('M&M ESOS') are granted an option to purchase shares of Mahindra & Mahindra Limited in accordance with the terms and conditions of the scheme as approved by Mahindra & Mahindra Limited from time to time.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as cash settled share based payment scheme in accordance with Ind AS 102 - Share Based Payment. The fair value of options granted is recognized as employee benefits expense, net of reimbursements, if any.

3.3 Dividend, interest income, interest expenses and duty drawback

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Duty Drawback and export incentive has been recognized when the grant becomes receivable in the of Statement of Profit and Loss as other operating income.

3.4 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished goods are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished goods shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

3.6 Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is recognized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below:

Asset category	Management's estimate of useful life considered by (Years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Buildings	30	30
Plant and equipment	2-10	15
Furniture and Fixtures	2-10	10
Office Equipment	2-5	5
Vehicles	5	8
Computers	3	3

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Residual value of an asset is not more than five percent of the original cost of the asset.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

iv. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

v. Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

vi. De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

vii. Transition to Ind AS

The cost property, plant and equipment at April 1, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

3.7 Intangible Assets

i. Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

ii. Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognized in the Statement of Profit and Loss, as incurred.

iii. Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

iv. Derecognition of intangible assets

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

v. Transition to Ind AS

The cost Intangible assets at April 1, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

vi. Amortization and useful lives of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of Profit and Loss. Residual value of software is nil and for product design and prototypes residual values is value committed by a third party to purchase the asset at the end of its useful life.

Asset category	Management's estimate of useful life considered by (Years)
Computer software	5
Product design and prototypes	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

vii. Derecognition

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

viii. Transition to Ind AS

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its intangible assets and use that as its deemed cost.

ix. Intangible asset under development

Intangible assets not ready for the intended urse on the date of the Balance Sheet are disclosed as intangible assets under development.

3.8 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets other than trade receivables includes investment in mutual funds, bank deposits, security deposits, interest receivables, loans to related parties and advance to employees.

The Company's financial liabilities include trade and other payables, security deposits received, capital creditors, accrued salaries and benefit and bank overdrafts.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- Fair value through Other Comprehensive Income ('FVOCI') – debt investment;
- FVOCI – equity investment; or
- Fair value through Profit and Loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all investments in mutual funds (Refer Note 38). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or

– it transfers the rights to receive the contractual cash flows in a transaction in which either:

  • substantially all of the risks and rewards of ownership of the financial asset are transferred; or

  • the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Impairment of financial and non-financial assets

i. Financial instruments and contract assets

The Company recognises loss allowances for expected credit loss (ECLs) on:

– financial assets measured at amortised cost;

– debt investments measured at FVOCI; and

– contract assets.

The Company also recognises loss allowances for ECLs on finance lease receivables, which are disclosed as financial assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and finance lease receivables, loans and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 365 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the debtor;

– a breach of contract such as a default or being more than 365 days past due;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 1095 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). Corporate assets are allocated to CGUs being tested considering a reasonable basis of allocation.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Carrying amounts of the assets in the CGU are reduced on a pro rata basis.

The Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Provisions (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency, average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. Provision for warranty is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11 Contingent liabilities and assets

i. Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

ii. Contingent assets

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.12 Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

'The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the Balance Sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease as part of 'other income'. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the companies expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

The Company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.14 Earnings per share

i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

ii. ***Diluted Earnings Per Share***

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

3.15 Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

3.16 Dividend distribution

Dividends paid are recognized in the period in which the interim dividends are approved by the Board of Directors of the Company, or in respect of the final dividend when approved by shareholders of the Company.

3.17 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.19 Events after the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, however disclosed in the financial statements.

3.20 Investment in subsidiaries

Investment in subsidiaries (under Ind AS 27) are carried at cost, less any impairment in the value of investment, in these financial statements.

3.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Chairman and Managing Director who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3.22 Expenditure

Expenses are accounted for on the accrual basis.

3.23 Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

4.1. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company has evaluated the amendment and there is no impact on its financial statements.

Note No: 5 - Property, plant and equipment

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment	Office equipment	Computers	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost								
Balance as at April 1, 2022	3,177.92	2,712.44	2,584.01	225.78	566.74	335.73	1,037.27	10,639.89
Additions	4,231.97	59.76	1,635.50	50.07	131.65	34.72	335.48	6,479.15
Disposal/write off	2.72	29.58	131.54	22.40	37.30	88.96	305.98	618.48
Balance as at March 31, 2023	**7,407.17**	**2,742.62**	**4,087.97**	**253.45**	**661.09**	**281.49**	**1,066.77**	**16,500.56**
II. Accumulated depreciation								
Balance as at April 1, 2022	–	940.62	1,551.40	156.65	469.92	275.31	511.62	3,905.52
Depreciation expense for the year	–	100.32	433.26	22.61	54.54	12.92	180.65	804.31
Eliminated on disposal/write off	–	11.33	118.68	21.25	35.44	77.84	243.48	508.07
Balance as at March 31, 2023	**–**	**1,029.61**	**1,865.99**	**158.02**	**489.02**	**210.38**	**448.79**	**4,201.76**
III. Net carrying amount (I-II)	**7,407.17**	**1,713.01**	**2,221.98**	**95.43**	**172.07**	**71.11**	**617.98**	**12,298.80**

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment ^	Office equipment	Computers (Restated)^	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost								
Balance as at April 1, 2021	3,177.92	2,719.58	2,531.23	214.57	520.68	335.37	1,023.69	10,523.04
Additions	–	2.47	233.90	19.56	66.20	14.51	336.51	673.15
Disposal/write off	–	9.61	181.12	8.35	20.14	14.15	322.93	556.30
Balance as at March 31, 2022	3,177.92	2,712.44	2,584.01	225.78	566.74	335.73	1,037.27	10,639.89
II. Accumulated depreciation								
Balance as at April 1, 2021	–	843.26	1,382.87	139.92	466.33	274.17	641.25	3,747.80
Depreciation expense for the year #	–	100.78	318.52	24.65	22.73	14.24	128.41	609.33
Eliminated on disposal/write off	–	3.42	149.99	7.92	19.14	13.10	258.04	451.63
Balance as at March 31, 2022	–	940.62	1,551.40	156.65	469.92	275.31	511.62	3,905.50
III. Net carrying amount (I-II)	3,177.92	1,771.82	1,032.61	69.13	96.82	60.42	525.65	6,734.39

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

The details of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company is given below:

^ For details Refer Note No. 49.

Description of property	As at the balance sheet date		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director/ employee of promoter/ director	Property held since which date	Reason for not being held in name of Company
	Gross carrying value (Rs. lakhs)	Carrying value in the financial statements (Rs. lakhs)				
Freehold land located at Prithla	836.42	836.42	Mahindra Defence Land Systems Private Limited	No	"From January 01, 2017 appointed date as per the approved scheme of Amalgamation (the Scheme)"	The title deed have been transferred to and vested in the Company, pursuant to the Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Private Limited) with the Company in an earlier year. The Company is in the process of completing the formalities of getting the relevent records updated in its name.

Note No: 6 - Right of use assets (Refer Note 47)

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Amount	Description of Assets	Amount
Balance as at April 1, 2022	**826.78**	Balance as at April 1, 2021	826.78
Additions	**–**	Additions	–
Balance as at March 31, 2023	**826.78**	**Balance as at March 31, 2022**	**826.78**
II. Accumulated Depreciation		II. Accumulated Depreciation	
Balance as at April 1, 2022	**708.66**	Balance as at April 1, 2021	472.44
Amortisation expense for the year	**118.12**	Amortisation expense for the year	236.22
Balance as at March 31, 2023	**826.78**	**Balance as at March 31, 2022**	**708.66**
III. Net carrying amount (I-II)	**–**	**III. Net carrying amount (I-II)**	**118.12**

Note No: 7

(a) Capital work-in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023	Amount in Capital work-in-progress for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	640.08	69.60	–	–	709.68

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022	Amount in Capital work-in-progress for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	383.64	–	–	–	383.64

(b) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

(All amounts in Rs. Lakhs, unless otherwise stated)

	To be completed in				
As at March 31, 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1	64.13	–	–	–	64.13
(ii) Projects temporarily suspended	–	–	–	–	–

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022	To be completed in				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1	61.48	–	–	–	61.48
(ii) Projects temporarily suspended	–	–	–	–	–

^ Refer Note 49

There were no other projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

Note No : 8 - Intangible assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of assets	**Software**	**Product design and prototypes (Note 1 below)**	**Total**
I. Cost or deemed cost			
Balance as at April 1, 2022	194.14	6,073.55	**6,267.69**
Additions	–	539.98	**539.98**
Disposal/Write -offs	60.34	385.39	**445.73**
Balance as at March 31, 2023	**133.80**	**6,228.14**	**6,361.94**

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of assets	Software	Product design and prototypes (Note 1 below)	Total
II. Accumulated amortisation			
Balance as at April 1, 2022	192.16	2,592.83	**2,784.99**
Amortisation expense for the year	1.32	1,350.23	**1,351.55**
Eliminated on disposal of assets	60.34	385.39	**445.74**
Balance as at March 31, 2023	**133.14**	**3,557.67**	**3,690.80**
III. Net carrying amount (I-II)	**0.66**	**2,670.47**	**2,671.14**

(Previous year)

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of assets	Software	Product design and prototypes (Note 1 Below)	Total
I. Cost or deemed cost			
Balance as at April 1, 2021	194.14	3,263.49	**3,457.63**
Additions	–	2,810.06	**2,810.06**
Disposal/Write - offs	–	–	**–**
Balance as at March 31, 2022	**194.14**	**6,073.55**	**6,267.69**
II. Accumulated amortisation			
Balance as at April 1, 2021	190.84	1,687.16	**1,878.00**
Amortisation expense for the year	1.32	905.67	**906.99**
Eliminated on disposal of assets	–	–	**–**
Balance as at March 31, 2022	**192.16**	**2,592.83**	**2,784.99**
III. Net carrying amount (I-II)	**1.98**	**3,480.72**	**3,482.70**

Note 1 : Product design and prototypes includes specified projects with net carrying amount as at March 31, 2023 Rs. 1.46 lakhs with a remaning amortisation period of 1 year and Rs 90.02 Lakhs with a remaning amortisation period of less than 1 year and Rs 2,578.98 Lakhs with a remaining amortisation period of more than 3 years (Previous year Product design and prototypes includes includes specified projects with net carrying amount as at March 31, 2022 Rs. 631.32 lakhs with a remaning amortisation period of 1 year and Rs 182.55 Lakhs with a remaning amortisation period of 1 year and 9 Months and Rs 2,666.85 Lakhs with a remaining amortisation period of 4 years and 9 Months)

Note No : 9 - Intangible assets under development

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Total	Description of Assets	Total
Balance as at March 31, 2022 #	**297.11**	**Balance as at March 31, 2021 #**	**105.03**
Additions	1,672.71	Additions	3,018.02
Capitalised**	580.98	Capitalised**	2,820.76
Expensed off	166.71	Expensed off	5.18
Balance as at March 31, 2023 #	**1,222.13**	**Balance as at March 31, 2022 #**	**297.11**

The above includes eligible design and prototype related development expenditure with respect to specified projects . On capitalisation, the same would be amortised over 3 to 5 years based on economic benefits expected from its use.

** During the year Rs 539.98 Lakhs (Previous Year Rs. 2810.06 Lakhs) capitalised in Product design and prototypes and Rs 41.00 Lakhs in computers (Previous Year Rs 10.70 Lakhs capitalised in vehicles).

Note No 10 - Intangible assets under development ageing schedule (All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023

	Amount in Intangible under development for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1,061.74	0.42	107.86	52.11	1,222.13
Projects temporarily suspended	–	–	–	–	–

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022	Amount in Intangible under development for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	198.62	61.69	36.80	–	297.11
Projects temporarily suspended	–	–	–	–	–

Note No 10A- Intangible assets under development completion schedule of overdue projects

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023	**To be Completed In**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1 - Defence related	159.98	–	–	–	159.98
(ii) Projects temporarily suspended					

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022	To be Completed In				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress					
Project 1 - Defence related	159.98	–	–	–	159.98
(ii) Projects temporarily suspended					

There were no other projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

Note No : 11 Non Current Investments

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Number of Shares**	**Amounts**	Number of Shares	Amounts
Investments measured at cost - unquoted				
Investments in subsidiary companies				
Mahindra Telephonics Integration Systems Limited [50,784,313 shares at par value of ₹ 10 per share (March 31, 2022: 25,899,990 shares at par value of ₹ 10 per share)]	**50,784,313**	**2,590.00**	25,899,990	2,590.00
Less : Aggregate amount of impairment in value of investment (Refer Note No. 56)		**(2,590.00)**		(2,590.00)
Mahindra Emirates Vehicle Armouring FZ-LLC (Refer Note No. 55) [8,800 shares at par value of ₹ 10 per share (March 31, 2022: Nil shares at par value Nil per share)]	**8,800**	**2,290.47**	–	–
	50,793,113	**2,290.47**	25,899,990	–

Note No : 12 Trade receivables

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31 ,2022 (Restated)^	
Particulars	**Current**	**Non–Current**	Current	Non–current
Trade receivables				
Trade receivable considered good- unsecured	**19,456.84**	**4,004.69**	18,303.74	5,260.85
Trade receivables - credit impaired	**954.28**	**–**	387.74	–
Total trade receivables	**20,411.12**	**4,004.69**	18,691.48	5,260.85
Less : Loss allowance	**954.28**	**–**	387.74	–
	19,456.84	**4,004.69**	18,303.74	5,260.85
Of the above, trade receivables from related parties are as below:				
– Trade receivables due from related parties (Refer Note No. 39)	**678.39**	**–**	1,679.16	83.78
Less: Loss allowance	**–**	**–**	–	–
	678.39	**–**	1,679.16	83.78

^ For details Refer Note No. 49.

(i) The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance at beginning of the year	**387.74**	251.28
Add: Remeasurement of loss allowance/created during the year	**566.54**	220.52
Less: Amounts written off	**–**	84.06
Balance at end of the year	**954.28**	387.74

Refer Note No. 38- Financial instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 13 Current Investments

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Investments mandatorily at fair value through profit and loss - unquoted		
ABSL Saving Fund - Growth Direct Nil units (previous year 1,595,557.95 unis) of Rs. 10 each	**–**	7,105.21
ABSL Liquid Fund - Growth Direct Nil units (previous year 1,904.48 unis) of Rs. 10 each	**–**	6.53
HDFC Money Market Fund - DP Growth Nil units (previous year 98,571.85 unis) of Rs. 10 each	**–**	4,588.32
HDFC Liquid - DP - Growth Nil units (previous year 3,497.492 unis) of Rs. 10 each	**–**	146.38
	–	11,846.44
Aggregate market value of unquoted investments	**–**	11,846.44

Note: Market value of above investments is same as carrying value since being carried at fair value through profit and loss. Refer Note No. 38 for more details.

Note No : 14 Loans

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2023**		As at March 31 ,2022 (Restated)^	
	Current	**Non-current**	Current	Non-current
Unsecured considered good unless otherwise stated (at amortised cost)				
Loans to related parties (Refer Note No. 39)	**500.00**	**–**	2,500.00	–
	500.00	**–**	2,500.00	–

Loans to related parties (for working capital purpose) are bearing interest of 5.85% to 9.25% (previous year 5.85% to 9.25%) and are for short term durations ranging from 3 months to 6 months (previous year 3 months to 6 months). No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note No. 38- Financial instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 15 Other financial assets

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022 (Restated)^	
Particulars	**Current**	**Non-current**	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Security deposits	**21.58**	**214.16**	47.82	162.20
Interest accrued on bank deposits	**135.05**	**–**	140.97	0.03
Bank deposits with original maturity more than 12 months	**3,305.55**	**–**	4,923.00	199.00
Interest accrued on loan to related party (Refer Note No 39)	**1.27**	**–**	60.87	–
Other receivables (Refer Note No 39)	**477.51**	**–**	429.17	–
	3,940.96	**214.16**	5,601.83	361.23

Refer Note No. 38- Financial instruments for information about the Company's exposure to credit and market risks, and fair value measurement.

^ For details Refer Note No. 49.

Note No : 16 Deferred tax assets (Net)

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Property, plant and equipment and intangible assets (net)	**46.27**	125.16
Employee related provisions and liabilities	**228.37**	240.29
Provision for loss allowance on trade receivables	**495.85**	232.27
Provision for warranty and provision for inventory	**186.30**	133.92
Total deferred tax assets (A)	**956.79**	731.64
Net deferred tax assets (A - B)	**956.79**	731.64

Note No : 16A Other tax assets (net)

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)^
Unsecured, considered good, unless otherwise stated		
Advance tax (net of provision of tax Rs. 4,914.06 lakhs)	**313.97**	308.13
	313.97	308.13

^ For details Refer Note No. 49.

Note No : 16B Current tax liabilities (net)

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax of Rs. 2,218.31 lakhs)	**317.23**	–
	317.23	–

Note No : 17 Other assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)^	
	Current	Non-Current	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Balances with government authorities	**5,800.33**	**–**	2,593.59	–
Advances to employees	**21.11**	**–**	8.12	–
Prepaid expenses	**763.49**	**93.59**	623.17	226.27
Advances to suppliers	**3,168.82**	**13,350.72**	898.92	8,869.89
Capital advances	**–**	**230.48**	–	427.81
Less:- Allowance for capital advance	**–**	**(110.00)**	–	–
Capital advances (net of allowance)	**–**	**120.48**	–	427.81
Others	**3.79**	**–**	21.04	–
	9,757.54	**13,564.79**	4,144.84	9,523.97

^ For details Refer Note No. 49.

Note No : 18 Inventories

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31 , 2022 (Restated)^
Raw materials {includes stock in transit of Rs.4,167.99 Lakhs (previous year Rs.356.45 Lakhs)}*	**14,836.51**	4,680.88
Traded goods	**683.89**	421.24
Work in progress #	**1,746.30**	467.89
Finished Goods {includes stock in transit of Rs 50.51 Lakhs (previous year Rs 15.20 Lakhs)} @	**4,376.00**	120.73
Stores and spares	**41.32**	25.73
Loose Tools	**12.36**	6.59
	21,696.38	5,723.06

Refer Note No. 37 (Financial Instrument) for disclosures of secured credit facilities.

* Net of provision for inventory Rs. 201.78 lakhs (previous year Rs. 196.59 lakhs)

Net of provision for inventory Rs. 2.63 lakhs (previous year Rs. 6.74 lakhs)

@ Net of provision for inventory Rs. 0.71 lakhs (previous year Rs. 0.53l akhs)

^ For details Refer Note No. 49.

Note No : 19 Cash and cash equivalents

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with bank		
– On current account	**2,670.12**	1,096.86
– Deposits with original maturity of less than three months	**3,692.60**	8,400.00
Cheque on hand	**121.13**	–
Cash on hand*	**–**	–
Cash and cash equivalents in the balance sheet	**6,483.85**	9,496.86

* Cash on hand as at March 31, 2023 in absolute number is Rs. 110 (previous year Rs. 1,403).

Note No : 20 Other bank balances

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
Deposits with banks with original maturity of more than three months but less than twelve months*	**980.14**	4,672.50
	980.14	4,672.50

* Deposits with original maturity of more than three months but less than twelve months of Rs. 80.61 lakhs (31 March 2022: Rs. 1.60 lakhs) is restricted in nature which is security for bids submitted.

Note No : 21 Equity share capital

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
a) Authorised				
Equity shares of Rs. 10 each	**315,000,000**	**31,500.00**	315,000,000	31,500.00
b) Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	**16,723,655**	**1,672.37**	16,723,655	1,672.37

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 Amount	As at March 31, 2022 Number of Shares	As at March 31, 2022 Amount
Shares outstanding at the beginning of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37
Add: Fresh issue of equity shares during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37

Shareholders holding more than 5% of the Equity Shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
Mahindra & Mahindra Limited (Holding company) jointly with its nominees	16,723,655	100%	16,723,655	100%

Disclosure of change in equity shareholding of promoters

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 % of total shares	% change during the year
Mahindra & Mahindra Limited (Holding company) jointly with its nominees^	16,723,655	100%	–

Particulars	As at March 31, 2022 Number of Shares	As at March 31, 2022 % of total shares	% change during the year
Mahindra & Mahindra Limited (Holding company) jointly with its nominees^	16,723,655	100%	–

^ The Holding Company is the beneficial owner of one equity share held by Jignesh Ashok Parikh.

Note No : 22 Provisions

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non–current	As at March 31, 2022 (Restated)^ Current	As at March 31, 2022 (Restated)^ Non–current
(i) Provision for employee benefits				
– Net defined benefit liability- Gratuity (Refer Note No. 37)	**43.83**	**482.35**	44.99	524.49
– Liability for compensated absences (Refer Note No. 37)	**90.28**	**246.73**	99.68	249.43
– Net defined benefit liability- Medical cost benefit (Refer note 37)	**–**	**–**	0.31	124.69
Total provisions for employee benefits (A)	**134.11**	**729.08**	144.98	898.61
(ii) Other provisions				
– Provision for warranties (Refer footnote (i) below)	**202.24**	**252.74**	295.98	94.83
– Other provisions (provision with respect to performance bank gurantee issued to the customer) (Refer footnote (ii) below)	**80.53**	**–**	100.00	–
Total other provisions (B)	**282.77**	**252.74**	395.98	94.83
Total Provisions(A+B)	**416.88**	**981.82**	540.96	993.44

^ For details Refer Note No. 49.

(i) Details of movement in warranty

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	**390.81**	251.50
– Provisions made during the year	**74.03**	162.34
– Provisions used during the year	**9.86**	17.30
– Unwind of discount	**–**	(5.73)
Balance at end of the year	**454.98**	390.81
Non-current	**252.74**	94.83
Current	**202.24**	295.98

Provision for warranty represent the present value of managements best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within three years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the three-year warranty period for all products sold . Further, specific waranty related cases identified are also covered.

(ii) Details of movement in other provisions

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**100.00**	470.85
– Provisions made during the year	**–**	56.50
– Provision utilised/reversed during the year	**19.47**	427.35
Balance at the end of the year	**80.53**	100.00

Note No : 23 Other financial liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022 (Restated)^	
Particulars	**Current**	**Non-current**	Current	Non-current
Capital creditors	**180.54**	**–**	101.68	–
Security deposits received	**17.50**	**26.76**	5.07	26.76
Employee related payable	**864.98**	**–**	961.96	–
Others	**25.74**	**–**	–	–
	1,088.76	**26.76**	1,068.71	26.76

Information about the Company's exposure to liquidity risks and market risk is included in Note 38.

^ For details Refer Note No. 49.

Note No : 23A Trade payables

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)^
Total outstanding dues of micro enterprise and small enterprises (Refer Note No. 40)	**947.29**	827.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	**12,983.52**	7,939.71
	13,930.81	8,767.67

Information about the Company's exposure to liquidity risks and market risk is included in Note 38.

^ For details Refer Note No. 49.

Note No : 24 Other Current liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022 (Restated)^	
Particulars	**Current**	**Non-current**	Current	Non-current
Advances received from customers (Refer Note No. 48)	**7,873.56**	**29,906.19**	6,931.15	29,323.43
Statutory liabilities	**487.24**	**–**	334.34	–
Total	**8,360.80**	**29,906.19**	7,265.49	29,323.43

^ For details Refer Note No. 49.

Note No: 25 Revenue from operations

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Revenue from contracts with customers		
Sale of goods	**11,609.33**	15,627.56
Sale of services		
Operation and maintence, training and support services	**22,145.71**	22,067.42
Turnkey contracts revenue	**2,062.25**	3,145.77
Other operating Revenue		
Bad debts recovered	**–**	36.80
Sale of scrap	**87.49**	42.90
Duty drawback and other export incentives	**119.04**	420.16
	36,023.82	41,340.61

Refer Note No 48: Disclosures as per Ind AS 115 for information about disaggregation of revenue by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

^ For details Refer Note No. 49.

Note No: 26 Other income

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Interest income under the effective interest method on:		
Bank deposits	**446.76**	244.18
Loans to related parties (Refer Note No. 39)	**36.96**	103.71
Service charges recovered	**297.78**	275.83
Net gain on foreign currency transactions	**287.72**	–
Other non-operating income		
Rental income (Refer Note No. 47)	**158.63**	540.58
Interest on income tax refund	**–**	11.42
Net gain on disposal/fair valuation of investments carried at fair value through profit or loss	**590.87**	417.06
Net gain on sale of property, plant and equipment	**7.27**	8.52
Unwinding of discount on provision of warranty	**–**	5.73
Excess provision for liabilities, no longer required written back	**152.69**	376.26
Miscellaneous income	**–**	58.42
Total	**1,978.68**	2,041.71

^ For details Refer Note No. 49.

Note No: 27 Cost of materials consumed

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory of materials at the beginning of the year	**4,680.88**	3,544.63
Add: Purchases (net of returns)	**20,971.70**	11,285.93
Less: Inventory of materials at the end of the year	**14,836.51**	4,680.88
Total	**10,816.07**	10,149.68

Note No:28 Purchases of stock-in-trade

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Stock-in-trade - Spares Parts and other allied products	**431.49**	613.83
	431.49	613.83

^ For details Refer Note No. 49.

Note No:29 Changes in inventories of finished goods and work-in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Inventories at the end of the year:		
Finished goods	**4,376.00**	120.73
Work-in-progress	**1,746.30**	467.89
Traded Goods	**683.89**	421.24
	6,806.19	1,009.87
Inventories at the beginning of the year:		
Finished goods	**120.73**	406.65
Work-in-progress	**467.89**	239.47
Traded Goods	**421.24**	179.85
	1,009.87	825.97
(Increase)/ decrease in inventory	**(5,796.32)**	(183.89)

^ For details Refer Note No. 49.

Note No:30 Employee benefits expense

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	**6,061.43**	5,787.87
Contributions to provident and other funds	**312.34**	291.08
Expenses related to provision for gratuity	**122.10**	115.18

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense on Employee Stock Option (ESOP) Scheme *	**0.17**	0.78
Staff welfare expenses	**213.57**	161.60
	6,709.61	6,356.51

* represents reimbursement of cost to holding company, towards ESOP's granted by the Holding company to employees of the Company. For detail Refer Note No. 41

Refer Note No. 37 - Employee benefits for more details.

Note No: 31 Finance costs

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Interest on delay of payments to micro enterprises and small enterprises	**89.12**	33.58
Interest on delay in payments of statutory dues	**1.48**	8.46
Interest on delay in payments of income tax	**27.35**	36.74
Interest expense on lease liabilities (Refer Note No 47)	**1.84**	16.15
Total	**119.79**	94.93

^ For details Refer Note No. 49.

Note No:32 Depreciation and amortisation expense

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer Note No.5)	**804.31**	609.33
Amortisation on right-of-use assets (Refer Note No.6)	**118.12**	236.22
Amortisation on other intangible assets (Refer Note No.8)	**1,351.55**	906.99
Total	**2,273.98**	1,752.54

Note No: 33 Other expenses

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)^
Consumption of stores and spare parts	**211.44**	53.54
Tools consumed	**18.26**	49.03
Power and fuel	**204.55**	154.30
Rent (Refer Note 47)	**333.04**	157.09
Rates and taxes	**46.47**	36.78
Repairs and maintenance		
– building	**45.23**	32.83
– plant and equipment	**1,629.26**	1,659.79
– others	**56.51**	135.07
Insurance	**265.15**	160.06
Legal and professional fees*	**468.46**	352.56
Business support charges	**280.49**	435.82
Travelling and conveyance	**512.36**	589.65
Printing and stationery	**30.09**	15.53
Communication expenses	**33.71**	34.15
Software charges	**38.30**	35.14
Advertising and sales promotion	**185.66**	27.96
Loss on sale of property, plant and equipment (net)	**55.72**	81.63
Freight outward	**192.88**	180.73
Intangible assets under development written off	**166.71**	5.18
Provision for loss allowance on trade receivables	**566.54**	220.52
Loss allowance on balance with government authorities	**–**	50.80
Loss allowance on capital advances	**110.00**	–
Warranty expenses	**74.03**	162.34
Net loss on foreign currency transaction and translation	**–**	52.70
Bank charges	**110.54**	93.99
Development and testing charges	**399.48**	1,498.35
Expenditure on corporate social responsibility (Refer Note No 46)	**150.70**	87.21
Miscellaneous	**337.93**	85.02
	6,523.51	6,447.78

^ For details Refer Note No. 49.

* Legal and professional fees include payment to auditors :-

As auditor:		
Stautory Audit	55.00	40.00
Other services	8.00	1.20
Reimbursement of expenses	0.63	1.27
Tax audit Fees	3.50	3.50
	67.13	45.97

Note No. 34 - Income Tax

Amounts recognised in statement of profit or loss:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Current tax expense		
Current year	**2,508.19**	3,091.64
Tax expense of earlier year	**–**	–
Current tax (A)	**2,508.19**	3,091.64
Deferred tax credit		
Attributable to-		
Origination and reversal of temporary differences	**(252.94)**	(307.35)
Deferred tax credit (B)	**(252.94)**	(307.35)
Total (A + B)	**2,255.25**	2,784.29

Amounts recognised in other comprehensive income

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Remeasurement of defined benefits obligations	**(27.79)**	28.86

Movement in deferred tax assets/(liabilities) balances

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Net balance April 1, 2022**	**Deferred tax not recognised**	**Recognised in profit or loss**	**Recognised in OCI**	**Net balance March 31, 2023**
Property, plant and equipment and intangible assets (net)	**125.16**	**–**	**(78.89)**	**–**	**46.27**
Employee related provisions and liabilities	**240.29**	**–**	**15.87**	**(27.79)**	**228.37**
Provision for loss allowance on trade receivables	**232.27**	**–**	**263.58**	**–**	**495.85**
Provision for warranty and provision for inventory	**133.92**	**–**	**52.38**	**–**	**186.30**
Deferred tax assets/(liabilities) (net)	**731.64**	**–**	**252.94**	**(27.79)**	**956.79**
Deferred tax liabilities					**–**
Deferred tax assets					**956.79**
Deferred tax asset recognised					**956.79**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Net balance April 1, 2021	Deferred tax not recognised	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2022
Property, plant and equipment and intangible assets (net)	75.45	–	49.71	–	125.16
Employee related provisions and liabilities	200.45	–	10.98	28.86	240.29
Provision for loss allowance on trade receivables	63.24	–	169.03	–	232.27
Provision for warranty and provision for inventory	56.29	–	77.63	–	133.92
Deferred tax assets (net)	395.43	–	307.35	28.86	731.64
Deferred tax liabilities					–
Deferred tax assets					731.64
Deferred tax asset recognised					731.64

Reconciliation of effective tax rate:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**8,099.21**	10,546.76
Income tax expense calculated at 25.168% (Previous year : 25.168%)	**2,038.41**	2,654.41
Effect of income exempt from taxation	**(11.98)**	(40.82)
Effect of expenses non deductible in determining taxable profits	**152.06**	44.57
Effect of disallowance of provision for impairment for joint venture	**–**	184.73
Others	**76.76**	(58.60)
Income tax expense recognised in profit or loss	**2,255.25**	2,784.29

Note No: 35 - Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director ('MD') and Chairman to make decisions about resources to be allocated to the segments and assess their performance.

For management purposes, the Company is organised into business units based on its products and services to the customer and has two reportable segments, as follows:

– Defence and Homeland security

– Non Defence

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Defence and homeland security	Non-defence	Total	Defence and homeland security	Non-defence	Total
External revenue	**34,799.88**	**1,017.41**	**35,817.29**	39,521.80	1,318.95	40,840.75
Segment profit before tax	**7,446.53**	**152.72**	**7,599.24**	10,258.54	383.60	10,642.14
Depreciation and amortisation	**2,236.26**	**12.70**	**2,248.96**	1,724.08	11.00	1,735.07
Other material items of income and expense and non-cash items:						
Segment assets	**88,071.53**	**328.89**	**88,400.41**	52,702.39	365.12	53,067.51
Segment liabilities	**53,512.47**	**313.93**	**53,826.41**	46,970.59	266.80	47,237.39

Reconciliations of information on reportable segments to the amounts reported in the financial statements:

(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Profit before tax	For the year ended March 31, 2023	For the year ended March 31, 2022
Total profit before tax for reportable segments	**7,599.24**	10,642.14
Other corporate expenses	**(454.84)**	(780.42)
Unallocated income		
Finance income	**483.72**	362.91
Net gain on disposal/fair valuation of investments carried at fair value	**590.87**	417.06
Interest expense on lease liabilities	**(1.84)**	(16.15)
Finance costs	**(117.95)**	(78.78)
Profit before tax	**8,099.21**	10,546.76

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Assets	For the year ended March 31, 2023	For the year ended March 31, 2022
Total assets for reportable segments	**88,400.41**	53,067.51
Other unallocated amounts:		
Unallocable assets	**11,391.16**	35,383.76
Deferred tax assets	**956.79**	731.64
Current tax assets	**313.97**	308.14
Total assets	**101,062.33**	89,491.05

(All amounts in Rs. Lakhs, unless otherwise stated)

(iii) Liabilities	For the year ended March 31, 2023	For the year ended March 31, 2022
Total liabilities for reportable segments	**53,826.41**	47,237.38
Other unallocated amounts		
Unallocable liabilities	**1,202.84**	892.91
Total liabilities	**55,029.25**	48,130.29

Addition to non current assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defence and homeland security	**6,988.18**	3,340.07
Non-defence	**5.32**	44.37
Unallocable assets	**25.64**	98.77
Total addition to non current assets	**7,019.13**	3,483.21

Depreciation and Amortisation

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Reportable segment totals	**2,248.96**	1,735.08
Depreciaton on unallocated assets	**25.02**	17.47
Total depreciation and amortisation	**2,273.98**	1,752.55

Geographic information

The defence & homeland security and non-defence are managed from India and operating manufacturing facilities and sales offices are located in India. The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile i.e. India. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Revenue	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from external customers		
India	**32,381.79**	33,646.40
Outside India	**3,642.03**	7,694.21
Total sales	**36,023.82**	41,340.61

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Non-current assets	For the year ended March 31, 2023	For the year ended March 31, 2022
India	**35,956.15**	27,201.78
Outside India	**2,290.47**	–
Total non-current assets	**38,246.62**	27,201.78

Non-current assets exclude financial instruments (other than investments accounted for using the equity method), deferred tax assets and employee benefit assets.

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of goods	**11,609.33**	15,627.56
Sale of services		
Operation and maintence, training and support services	**22,145.71**	22,067.42
Turnkey contracts revenue	**2,062.25**	3,145.77
Total	**35,817.29**	40,840.75

The revenues from single customer exceeding 10% or more of entity's revenue is as under:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
External Customers		
Customer 1	**5,153.63**	4,388.05
Customer 2	**4,915.35**	10,035.62
Customer 3	**2,628.08**	5,016.49
Customer 4	**1,609.00**	4,812.50
Total	**14,306.06**	24,252.66

Note No: 36 Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to owners of the Company		
Profit attributable to equity holders of the Company	**5,843.96**	7,762.47
Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating EPS	**16,723,655**	16,723,655
Basic and Diluted earnings per share		
(a) Basic earnings per share (in Rs.)	**34.94**	46.42
(b) Diluted earnings per share (in Rs.)	**34.94**	46.42
Nominal Value per share		
Equity shares (in Rs.)	**10.00**	10.00

Note No. 37 - Employee benefits

(a) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident and other funds for the year aggregated to Rs. 312.34 Lakhs (Previous year: Rs 291.08 Lakhs).

(b) Defined Benefit Plans:

(i) Gratuity

The Company has a gratuity plan covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(ii) Post retirement medical benefits

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

The Company has suspended the post retirement medical benefit policy with effect from April 1, 2022, the disclosure with respect to the comparative year has been made for informative purposes only.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities

Salary Risk

Higher than expected increases in salary will increase the defined benefit obligation.

Defined benefit plans

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Unfunded Plans Gratuity		Unfunded plans Post retirement medical benefit	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:				
Service cost				
Current service cost	**83.31**	87.49	**–**	19.27
Net interest expense	**38.78**	27.68	**–**	5.57
Components of defined benefit costs recognised in profit or loss	**122.09**	115.17	**–**	24.84

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Unfunded Plans Gratuity		Unfunded plans Post retirement medical benefit	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Remeasurement on the net defined benefit liability				
Actuarial (gains) and loss arising from changes in financial assumptions	**(25.39)**	62.62	**–**	(1.53)
Actuarial (gains) and loss arising from experience adjustments	**(67.42)**	50.07	**–**	12.56
Actuarial (gains) and loss arising from demographic adjustments	**(17.61)**	1.97	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(110.42)**	114.66	**–**	11.03
I. Net Asset/(Liability) recognised in the Balance Sheet at the end of the year				
1. Present value of defined benefit obligation at the end of the year	**526.18**	569.48	**–**	125.00
2. Fair value of plan assets at the end of the year				
3. Surplus/(deficit)	**(526.18)**	(569.48)	**–**	(125.00)
4. Current portion of the above	**43.83**	44.99	**–**	0.31
5. Non current portion of the above	**482.35**	524.49	**–**	124.69
II. Change in the obligation during the year ended				
1. Present value of defined benefit obligation at the beginning of the year	**569.48**	442.85	**–**	125.00
2. Acquisition adjustment	**11.72**	–	**–**	–
3. Expenses recognised in Statement of Profit and Loss				
– Current service cost	**83.31**	87.49	**–**	19.27
– Past service cost	**–**	–	**–**	–
– Interest expense (income)	**38.78**	27.68	**–**	5.57
4. Recognised in Other Comprehensive Income				
Remeasurement gains/ (losses)				
– Actuarial gain/(loss) arising from:				
i. Demographic assumptions	**(17.61)**	1.97	**–**	–
ii. Financial assumptions	**(25.39)**	62.62	**–**	(1.53)
iii. Experience adjustments	**(67.42)**	39.04	**–**	12.56
5. Benefit payments	**(66.69)**	(92.17)	**–**	–
Present value of defined benefit obligation at the end of the year	**526.18**	569.48	**–**	160.86

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Unfunded plans Gratuity		Unfunded plans Post retirement medical benefit	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Actuarial assumptions				
1. Discount rate	**7.36%**	6.81%	**NA**	6.81%
2. Salary Increase	**10.00**	10.00	**NA**	10.00
3. Attrition rate				
Up to 30 years	**21.00**	15.00	**NA**	15.00
31 to 44 years	**20.00**	17.00	**NA**	17.00
above 44 years	**5.00**	4.00	**NA**	4.00
4. Medical premium inflation	**–**	–	**NA**	7.50
5. In service mortality	**IALM (2012-14)**	IALM (2012-14)	**NA**	IALM (2012-14)

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(All amounts in Rs. Lakhs, unless otherwise stated)

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate				
	2023	**0.50%**	**(19.32)**	**20.58**
	2022	0.50%	(23.94)	25.69
Salary growth rate				
	2023	**0.50%**	**19.98**	**(18.96)**
	2022	0.50%	24.81	(23.37)
Medical Inflation rate				
	2023	**0.50%**	**–**	**–**
	2022	0.50%	(16.69)	16.71

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	As at March 31, 2023	As at March 31, 2022
Within 1 year	**43.83**	44.99
1 - 2 year	**51.10**	52.11
2 - 3 year	**43.30**	49.05
3 - 4 year	**40.76**	37.69
4 - 5 year	**39.70**	34.50
5 - 6 years	**34.85**	36.39
6 years onwards	**272.65**	314.75
	526.18	569.47

(ii) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss. Amount of Rs. 94.13 (March 31, 2022: Rs. 76.68) has been recognised in the Statement of Profit and Loss.

	As at March 31, 2023	As at March 31, 2022
Compensated absences (unfunded)		
Current	**90.28**	99.68
Non-current	**246.73**	249.43
	337.01	349.11

Note No. 38- Financial instruments

a) The following methods and assumptions were used to estimate the fair values :

The following table shows the carrying amounts of financial assets and financial liabilities.

As at March 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets (non-current)				
Investments (Refer Note below)	**2,290.47**	**–**	**–**	**2,290.47**
Trade receivables	**4,004.69**	**–**	**–**	**4,004.69**
Other financial assets				
– Security deposits	**214.16**	**–**	**–**	**214.16**
Financial assets (current)				
– Investments	**–**	**–**	**–**	**–**
– Trade receivables	**19,456.84**	**–**	**–**	**19,456.84**
– Cash and cash equivalents	**6,483.85**	**–**	**–**	**6,483.85**
– Other bank balances	**980.14**	**–**	**–**	**980.14**
– Loans	**500.00**	**–**	**–**	**500.00**
Other financial assets				
– Security deposits	**21.58**			**21.58**
– Interest accrued on bank deposits	**136.32**	**–**	**–**	**136.32**
– Bank deposits	**3,305.55**			**3,305.55**
– Other receivable	**477.51**	**–**	**–**	**477.51**
Financial liabilities (non-current)				
Other financial liabilities	**26.76**	**–**	**–**	**26.76**
– Security deposits received				

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial liabilities (current)				
– Trade payables	**13,930.81**	**–**	**–**	**13,930.81**
Other financial liabilities				
– Capital creditors	**180.54**			**180.54**
– Security deposits received	**17.50**			**17.50**
– Employee related payable	**864.98**	**–**	**–**	**864.98**
– Others	**25.74**	**–**	**–**	**25.74**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets (non-current)				
Investments	–	–	–	–
Trade receivables	5,260.85	–	–	5,260.85
Other financial assets				
– Security deposits	162.20	–	–	162.20
– Interest accrued on bank deposits	0.03	–	–	0.03
– Bank deposits with more than 12 months maturity	199.00	–	–	199.00
Financial assets (current)				
Investments	–	11,846.44	–	11,846.44
Trade receivables	18,303.74	–	–	18,303.74
Cash and cash equivalents	9,496.86	–	–	9,496.86
Other bank balances	4,672.50	–	–	4,672.50
Loans	2,500.00	–	–	2,500.00
Other financial assets				
– Security deposits	47.82			47.82
– Interest accrued on bank deposits	140.97			140.97
– Bank deposits with more than 12 months maturity	4,923.00	–	–	4,923.00
– Interest accrued on loan to related party	60.87			60.87
– Other receivable	429.17	–	–	429.17
Financial liabilities (non-current)				
Other financial liabilities				
– Security deposits received	26.76	–	–	26.76
Financial liabilities (current)				
– Trade payables	8,767.67	–	–	8,767.67
Other financial liabilities				
– Capital creditors	101.68	–	–	101.68
– Secuity deposit received	5.07			5.07
– Employee related payable	961.96	–	–	961.96
– Others	–	–	–	–

Note : Investment in equity shares of subsidiaries amounting Rs 2290.47 lakhs (previous year Rs Nil Lakhs) (net of impairment loss) being carried at cost and is tested for impairment

b) **Fair value hierarchy**

The fair value of financial Instruments as referred to in note (a) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in mutual funds	–	–	–	–
	–	–	–	–

Financial assets and liabilities measured at fair value as at March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in mutual funds	11,846.44	–	–	11,846.44
	11,846.44	–	–	11,846.44

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed:

As at March 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets (non-current)				
Investments ^	–	–	–	–
Trade receivables^	–	–	–	–
Other financial assets				
– Security deposits	–	–	–	–
Financial assets (current)				
Investments#	–	–	–	–
Trade receivables*	–	–	–	–
Cash and cash equivalents*	–	–	–	–
Other bank balances*	–	–	–	–
Loans*	–	–	–	–
Other financial assets	–	–	–	–
– Security deposits*	–	–	–	–
– Interest accrued on bank deposits*	–	–	–	–
– Interest accrued on loan to related party*				

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
– Bank deposits*	–	–	–	–
– Other receivable*	–	–	–	–
Financial liabilities (non-current)				
Other financial liabilities				
– Security deposits received^	–	–	–	–
Financial liabilities (current)				
– Trade payables*	–	–	–	–
Other financial liabilities				
– Capital creditors*	–	–	–	–
– Employee related payable*	–	–	–	–
– Others*	–	–	–	–

As at March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets (non-current)				
Investments ^	–	–	–	–
Trade receivables^	–	–	–	–
Other financial assets				
– Security deposits^	–	–	–	–
Financial assets (current)				
Investments#	–	–	–	–
Trade receivables*	–	–	–	–
Cash and cash equivalents*	–	–	–	–
Other bank balances*	–	–	–	–
Loans*	–	–	–	–
Other financial assets				
– Security deposits*	–	–	–	–
– Interest accrued on bank deposits*	–	–	–	–
– Interest accrued on loan to related party*				
– Bank deposits*	–	–	–	–
– Other receivable*	–	–	–	–
Financial liabilities (non-current)				
Other financial liabilities				
– Security deposits received^	–	–	–	–
Financial liabilities (current)				
Trade payables	–	–	–	–
Lease liabilities**				
Other financial liabilities				
– Capital creditors*	–	–	–	–
– Employee related payable*	–	–	–	–
– Others*	–	–	–	–

(i) Investment in subsidiaries (under Ind AS 27) are carried at cost.

Investment in mutual funds are measure at fair value through profit and loss. There fair value has been determined on the basis of market rate as on reporting date.

* The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets which comprise of security deposits receivable, interest on bank deposits, bank deposits, other receivable, trade payables, lease liabilities, other current financial liabilities which comprise of security deposits received, capital creditors and employee related payables approximates the fair values, due to their short-term nature.

^ Non-current trade receivable do not contain significant financing component as the cash difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance. The other non-current financial assets represents security deposits paid which is paid to electrcity department for procuring electricty services and non-current security deposit as clubbed in financial liabilities represents deposits received from customer, the carrying values of which approximates the fair values as on the reporting date.

** The lease liabilities represent non-current and current lease liabilities the carrying value of which approximates the fair values as on the reporting date.

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

Transfers between Levels 1, Level 2 and Level 3

There has been no transfer between level 1, level 2 and levele 3for the years ended March 31, 2023 and March 31, 2022.

c) Financial Risk Management Framework

The Company's activities may be exposed it to market risk, liquidity risk, credit risk and interest risk. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk
- price risk

The Company's risk management is carried out by a treasury department under the supervision of Chief Financial Officer of the Company. The treasury department identifies and evaluates financial risks. The board of directors provides oversees overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk etc.

The Board of Directors of the Company oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the Balance Sheet.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (excluding subsidiary companies)	**2,290.47**	11,846.44
Trade receivables	**23,461.53**	23,564.59
Loans	**500.00**	500.00
Cash and cash equivalents	**6,483.85**	9,496.86
Other bank balances	**980.14**	4,672.50
Other financial assets	**4,155.12**	5,963.06

Ageing analysis of trade receivables (as on the balance sheet date considered from the due date) are as under :

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023			**Outstanding for following periods from due date of payment**					
Particulars	**Unbilled**	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivable-considered good	3,307.55	12,100.60	5,024.63	2,912.36	116.39	–	–	23,461.53
(ii) Undisputed trade receivables -which have significant increase in credit risk	–	–		–			–	–
(iii) Undisputed trade receivables-credit impaired	–	–	–	154.33	361.91	233.15	204.89	954.28
(iv) Disputed trade receivables-Considered good	–	–	–	–	–	–	–	–
(v) Disputed trade receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi) Disputed trade receivables-credit impaired	–	–	–	–	–	–	–	–
Gross receivable	**3,307.55**	**12,100.60**	**5,024.63**	**3,066.69**	**478.30**	**233.15**	**204.89**	**24,415.81**
Less : Allowance for excepted credit loss	–	–	–	154.33	361.91	233.15	204.89	954.28
Net receivable	**3,307.55**	**12,100.60**	**5,024.63**	**2,912.36**	**116.39**	**–**	**–**	**23,461.53**

Non current receivable of Rs 4,004.69 Lakhs are not due or unbilled as the case maybe as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022			Outstanding for following periods from due date of payment					
Particulars	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivable-Considered good	2,214.07	7,729.80	10,190.96	2,202.94	1,157.91	67.30	1.62	23,564.60
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables-Credit impaired	–	–	–	–	219.08	51.84	116.82	387.73
(iv) Disputed Trade Receivables-Considered good	–	–	–	–	–	–	–	–
(v) Disputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables-credit impaired	–	–	–	–	–	–	–	–
Gross Receivable	2,214.07	7,729.80	10,190.96	2,202.94	1,376.99	119.14	118.44	23,952.33
Less : Allowance for excepted credit loss	–	–	–	–	219.08	51.84	116.82	387.74
Net Receivable	2,214.07	7,729.80	10,190.96	2,202.94	1,157.91	67.30	1.62	23,564.59

Non Current receivable of Rs 5,260.85 Lakhs are not due as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

Expected credit losses for financial assets other than trade receivables

The Company maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence,the credit risk associated with cash and cash equivalent and bank deposits is relatively low.

Loan comprises loans given to related parties, which are short term in nature and hence credit risk associated with such amount is also relatively low.

Mutual funds investments are measured at mark to market hence, the credit risk associated with these invesments already considered in valuation as on reporting date.

Security deposits are given for operational activities of the Company and will be returned to the Company as per the contracts with respective vendors.These security deposits carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

Expected credit losses for trade receivables

Credit risks related to receivables is managed as per the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables.

The Company evaluates the concentration of risk with respect to trade receivables as low, since its customers are government and credit risk associated with them are low and there is no reasonable expectation of loss of recovery.

(ii) Liquidity Risk

(I) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Contractual cash flows**					
	6 months or less	**6–12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 Years**	**Total**
As at March 31, 2023						–
Lease liabilities	–	–	–	–	–	–
Trade payables	13,930.81	–	–	–	–	13,930.81
Other financial liabilities	1,088.76	–	–	–	–	1,088.76

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Contractual cash flows**					
	6 months or less	**6–12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 Years**	**Total**
As at March 31, 2022						
Lease liabilities	121.39	22.44	–	–	–	143.83
Trade payables	8,767.67	–	–	–	–	8,767.67
Other financial liabilities	1,068.71	–	–	–	–	1,068.71

Ageing of trade payable are mentioned below:

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023	**Outstanding for following periods from due date of payment**						
Particulars	**Unbilled**	**Not Due**	**Less than one year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**50.07**	**352.05**	**541.71**	**–**	**1.02**	**2.45**	**947.30**
Others	**6,556.23**	**2,853.50**	**3,326.39**	**90.73**	**23.17**	**133.49**	**12,983.51**
Disputed dues- MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues- others	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	6,606.30	**3,205.54**	**3,868.10**	**90.73**	**24.19**	**135.94**	**13,930.81**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2022	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.03	308.80	260.46	4.64	1.07	–	575.00
Others	2,346.17	1,341.87	3,870.94	58.86	54.59	267.28	7,939.71
Disputed dues- MSME	94.50	–	–	–	–	158.46	252.96
Disputed dues- others	–	–	–	–	–	–	–
	2,440.70	1,650.67	4,131.40	63.50	55.66	425.74	8,767.67

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises one type of risk: currency risk . The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(iv) Price risk

The Company invests in mutual funds which are susceptible to market price risk arising from uncertainties about future values of the investment securities. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.The Company undertakes transactions denominated in foreign currency (mainly US Dollar ('USD'), British pound sterling ('GBP') and Euro ('EUR')) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	As at March 31, 2023 Amount in INR	As at March 31, 2022 Amount in INR
Trade receivables	USD	**533.27**	529.11
Trade receivables	GBP	**2,512.48**	–
Trade payables	USD	**441.52**	33.51
Trade payables	EUR	**140.96**	268.86
Trade payables	GBP	**0.17**	0.19

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	As at March 31, 2023 Amount in INR	As at March 31, 2022 Amount in INR
Trade receivables	USD	**533.27**	529.11
Trade receivables	GBP	**2,512.48**	–
Trade payables	USD	**441.52**	33.51
Trade payables	EUR	**140.96**	268.86
Trade payables	GBP	**0.17**	0.19

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	Change in rate	Effect on profit before tax	Effect on other components of equity
As at March 31, 2023	**USD**	**+10%**	**9.17**	**6.87**
	USD	**-10%**	**(9.17)**	**(6.87)**
	EUR	**+10%**	**(14.10)**	**(10.55)**
	EUR	**-10%**	**14.10**	**10.55**
	GBP	**+10%**	**251.23**	**188.00**
	GBP	**-10%**	**(251.23)**	**(188.00)**
As at March 31, 2022	USD	+10%	49.56	37.09
	USD	-10%	(49.56)	(37.09)
	EUR	+10%	(26.89)	(20.12)
	EUR	-10%	26.89	20.12
	GBP	+10%	(0.02)	(0.01)
	GBP	-10%	0.02	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note No 39 -Related party transactions

A) Names of related parties where transactions have taken place during the year	Nature of Relationship
Mahindra & Mahindra Limited (M&M)	Holding company
Mahindra Telephonics Integrated Systems Limited	Subsidiary w.e.f. June 16, 2022, joint venture till June 16, 2022
Mahindra Life Space Developers Limited	Fellow subsidiary
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Agri Solutions Limited	Fellow subsidiary
Mahindra Summit Agriscience Limited	JV of the Holding company
Mahindra Vehicle Manufacturers Limited	Fellow subsidiary
Mahindra First Choice Service Limited	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Mahindra Logistic Limited	Fellow subsidiary
Mahindra Holiday & Resorts India Limited	Fellow subsidiary
Mahindra Retail Private Limited	Fellow subsidiary
Mahindra Overseas Investment Company (Mauritius) Limited	Fellow subsidiary
Lords Freight India Private Limited	Fellow subsidiary
Mahindra Heavy Engines Limited	Fellow subsidiary
NBS International Limited	Fellow subsidiary
Mahindra Emirates Vehicle Armouring FZ-LLC	Subsidiary
Mahindra World City (Jaipur) Limited	JV of the Holding company
Classic Legends Private Limited	JV of the Holding company
Mahindra Aerostructures Private Limited	Fellow subsidiary
Mahindra Two Wheeler	Fellow subsidiary
Mahindra Susten Private Limited	JV of the Holding company
Mahindra Rural Housing Finance Limited	Fellow subsidiary
Mahindra Manulife Investment Management Pvt Limited	JV of the Holding company
Tech Mahindra Limited	Significant influence exercise by holding company
Mr. Shri Prakash Shukla	Managing Director
Mr. Sukhvindar Hayer	Director
Mr. Devendra Bhatnagar	Director
Mrs. Seema Bangia	Director
Mr. Mukul Verma	Chief Financial Officer
Mr. Ashvin Patni	Company Secretary

B) Details of transactions with above related parties (Inclusive of taxes):

(All amounts in Rs. Lakhs, unless otherwise stated)

Nature of transactions	For the year ended March 31, 2023							For the year ended March 31, 2022						
	Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Subsidiary	Key Managerial Personnel	Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Subsidiary	Key Managerial Personnel
Purchases														
Purchase of goods	835.10	258.62	–	–	–	–	–	889.11	22.23	–	–	–	–	–
Purchase of service	1,302.43	810.69	–	2,046.79	–	–	–	–	407.47	–	1,959.95	–	–	–
Purchase of property, plant & equipment	76.93	–	–	–	–	–	–	133.55	–	–	–	–	–	–
Purchase of investments	–	2,290.00	–	–	–	–	–	–	–	–	–	–	–	–
Revenue														
Sale of service ^	264.54	235.71	0.18	191.88	–	211.37	–	205.33	405.15	5.96	337.76	–	357.35	–
Sale of Goods	–	–	–	–	–	1,118.77	–	–	–	–	1.12	–	–	–
Rental Income	–	–	–	–	–	158.66	–	–	–	–	–	–	178.27	–
Interest Income	–	32.19	7.95	–	–	–	–	–	73.26	30.47	–	–	–	–
Other Income	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Key management personnel compensation	–													
Short term employee benefits	–	–	–	–	–	–	358.22	–	–	–	–	–	–	421.90
Post-employment benefits	–	–	–	–	–	–	6.58	–	–	–	–	–	–	–
Other transactions														
Office rent	–	–	–	–	–	–	–	24.64	–	–	–	–	–	–
Dividend paid	1,254.27	–	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement of expenses paid	0.02	–	–	–	–	–	–	754.27	–	–	–	–	–	–
Reimbursement of expenses received	22.14	1.31	0.02	–	–	–	–	–	–	–	–	–	14.44	–
Inter corporate deposit given	–	2,000.00	–	–	–	–	–	–	3,000.00	2,600.00	–	–	–	–
Inter corporate deposit received back	–	3,500.00	500.00	–	–	–	–	–	1,000.00	2,100.00	–	–	–	–
Deputation Of Personnel From Related Parties	47.14	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Expenses	5.77	–	–	–	–	–	–	–	–	–	–	–	–	–
Impairment in value of investment (Refer Note No. 56)	–	–	–	–	–	–	–	–	–	–	–	–	734.00	–
Corporate Guarantee given **	–	–	–	–	–	1,500.00	–	–	–	–	–	–	6,000.00	–
Letter of comfort received	–	–	–	–	–	–	–	65,000.00	–	–	–	–	–	–

(All amounts in Rs. Lakhs, unless otherwise stated)

Nature of transactions	**For the year ended March 31, 2023**							For the year ended March 31, 2022						
	Holding company	**Fellow Subsidiaries**	**JV of the Holding company**	**Significant influence exercise by holding company**	**Joint venture**	**Subsidiary**	**Key Managerial Personnel**	Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Subsidiary	Key Managerial Personnel
Outstanding balances as at the year end														
Trade receivables	**5.02**	**45.07**	**0.16**	**311.74**	**–**	**300.40**	**–**	0.74	–	–	1,326.20	–	428.85	–
Advance to vendors	**19.83**	**–**	**–**	**–**	**–**	**–**	**–**	44.22	–	–	–	–	–	–
Trade payables	**1,157.25**	**337.07**	**–**	**1,214.57**	**–**	**–**	**–**	442.69	126.95	–	2,102.68	–	–	–
Employee related payable	**–**	**–**	**–**	**–**	**–**	**–**	**83.39**	–	–	–	–	–	–	183.17
Advance from customer	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	9.77	–	–	–	422.58	–
Inter corporate deposit Outstanding	**–**	**500.00**	**–**	**–**	**–**	**–**	**–**	–	2,000.00	500.00	–	–	–	–
Inter corporate Interest Outstanding*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	56.42	4.45	–	–	–	–
Corporate Guarantee given **		**–**	**–**	**–**	**–**	**7,500.00**	**–**	–	–	–	–	–	6,000.00	–
Letter of comfort received	**65,000.00**	**–**	**–**	**–**	**–**	**–**	**–**	65,000.00	–	–	–	–	–	–
Security deposit payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	26.76	–

^ The above amounts of sale of service does not include revenue not billed as at the reporting date.

** During the year the Company has given corporate guarantee to Axis Bank against the working capital utilisation by Mahindra Telephonics Interated Systems Limited.

Note No : 40-Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Amount payable to supplier under MSMED (suppliers) as at the end of year		
– Principal	**798.57**	730.43
– Interest due there on	**2.47**	4.17
Amount of payment by the buyer to the supplier beyond the appointed day during the year under MSMED Act, 2006		
– Principal	**2,515.64**	2,755.90
– Interest due there on	**86.65**	28.91
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	**148.72**	62.07

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	**–**	–

Note No: 41 -Information in respect of Options granted under the Holding Company's Employee Stock Option Schemes ('Schemes')

The employees of the Company covered under Mahindra & Mahindra Limited (Holding company) Employee Stock Option Scheme (M&M ESOS) are granted an option to purchase shares of Mahindra & Mahindra Limited in accordance with the terms and conditions of the scheme as approved by Mahindra & Mahindra Limited from time to time. Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of Mahindra & Mahindra Limited of Rs. 5.00 each upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as cash settled share based payment scheme in accordance with Ind AS 102 – Share Based Payment. The fair value of options granted is recognized as employee benefits expense , net of reimbursements, if any. The total cost recognized during the year amounted to Rs. 0.17 Lakhs (previous year- Rs. 0.78 Lakhs). The Company consider these amounts as not material and accordingly has not provided for the disclosures.

Note No : 42 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note No : 43 - There are no amounts that are due to be transferred to investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act , 2013 and rules made thereunder.

Note No: 44 - Contingent liabilities, commitments and other claims

(a) Claims against the company not acknowledged as debts

(i) Claims made by Tax Authorities

Name of the statute	Nature of the dues	As at March 31, 2023	As at March 31, 2022	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	**123.22**	197.09	Financial year 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax deducted at source	**–**	8.36	Financial year 2017-18	Commissioner of Income Tax (Appeals)
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**2.28**	2.28	Financial year 2014-15	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**6.58**	6.58	Financial year 2016-17	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**8.32**	8.32	Financial year 2017-18	Additional Commissioner

(ii) Claims made by other authorities

Name of the statute	Nature of the dues	As at March 31, 2023	As at March 31, 2022	Period to which amount relates	Forum where dispute is pending
Micro, Small and Medium Enterprises Development Act, 2006	Interest and penalty	58.17	–	Financial year 2019-20 to 2021-22	District Court, Pune

(b) Commitments

Particulars	**As at March 31, 2023**	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**978.02**	1,443.56

(c) The Company has guaranteed to banker of a subsidiary amounting to Rs. 7,500 lakhs (previous year Rs. 6,000 lakhs).

Notes

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(ii) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.

(iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note No: 45. Research and development expenditure

(i) Debited to Statement of Profit and Loss - Rs. 724.44 lakhs (previous year Rs 1,879.01 lakhs) (excluding depreciation and amortisation of Rs. 670.48 lakhs) (previous year: Rs. 688.34 lakhs)

(ii) Capitalization of assets and development work in progress (Net) - Rs. 1.38 lakhs (previous year: Rs. 1.73 lakhs)

Note No : 46 Corporate Social Responsibility ('CSR')

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company to monitor the CSR related activities.

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the Company during the year (Rs. in lakhs)	**150.64**	87.21
(ii) Amount of expenditure incurred (Rs. in lakhs)		
(a) Construction/acquisition of any assets	**–**	–
(b) On purpose other than (a) above	**150.70**	87.21
(iii) Shortfall at the end of the year	**–**	–
(iv) Total of the previous year shortfall	**–**	–
(v) Reason for shortfall	**NA**	NA
(vi) Nature of CSR activities*	**Refer below**	Refer below
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	**NA**	NA

* The area for CSR activities includes projects like education, woman economic empowerment and rural development such as safe drinking water, health and education etc

Note No: 47 Leases

The Company as a lessee

The Company has taken certain office space and factory premises on lease.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	**143.83**	403.83
Addition during the year	**–**	–
Finance cost accured during the year	**1.84**	16.15
Payment of lease liabilities	**145.67**	276.15
Balance at the end of the year	**–**	143.83

The following is the break up of current and non current lease liabilities:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	**–**	143.83
Non Current	**–**	–
Total	**–**	143.83

Maturity analysis of lease liabilities is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	**–**	143.83
Later than one year but less than five years	**–**	–
Later than five years	**–**	–

Rental expenses recorded for short-term and low value leases during the year ended March 31, 2023 is Rs. 333.04 Lakhs (March 31, 2022: Rs. 157.09 lakhs).

Company as lessor

The Company has entered into operating lease arrangements for land and premises. These arrangements are both cancellable and non-cancellable in nature and range between one to five years. Lease rental income earned by the Company is set out in Note 26 as 'Rental income'. The future minimum lease receivables under non-cancellable operating leases are as under:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	**166.77**	158.83
Later than one year but less than five years	**–**	166.77
Later than five years	**–**	–
	166.77	**325.59**

Note No 48 Revenue from operations: disclosures as per Ind AS 115

1. **Disaggregation of revenue from contracts with customers**

   (a) **Major products/service lines**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Sale of Manufactured Goods						
Armoured vehicle including specialist vehicles	**6,392.91**	**–**	**6,392.91**	10,540.24	–	10,540.24
Naval torpedo and decoy launcher	**3,857.52**	**–**	**3,857.52**	3,028.87	–	3,028.87
Spares	**1,276.82**	**–**	**1,276.82**	935.13	–	935.13
Others	**4.24**	**77.84**	**82.08**	938.29	185.03	1,123.32
Sale of services						
Operation and maintenance of Emergency Response System	**11,290.05**	**–**	**11,290.05**	2,624.87	–	2,624.87
Training service	**6,837.24**	**–**	**6,837.24**	7,136.22	–	7,136.22
Consultancy services	**–**	**937.57**	**937.57**	–	1,133.92	1,133.92
Support services	**2,905.72**	**–**	**2,905.72**	11,172.14	–	11,172.14
Others	**175.13**	**–**	**175.13**	0.27	–	0.27
Turnkey contracts revenue	**2,062.25**	**–**	**2,062.25**	3,145.77	–	3,145.77
Other operating revenues :						
Sale of scrap	**87.49**	**–**	**87.49**	42.90	–	42.90
Duty drawback and other export incentives	**119.04**	**–**	**119.04**	420.16	–	420.16
Other	**–**	**–**	**–**	36.80	–	36.80
Total	**35,008.41**	**1,015.41**	**36,023.82**	40,021.66	1,318.95	41,340.61

(b) Timing of revenue recognition

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Defence	Non-Defence	Total Amount	Defence	Non-Defence	Total Amount
Products transferred at a point in time	**11,531.49**	**77.84**	**11,609.33**	15,442.53	185.03	15,627.56
Products and services transferred over time	**23,270.39**	**937.57**	**24,207.96**	24,079.27	1,133.92	25,213.19

(b) Primary geographical markets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Defence	Non-Defence	Total Amount	Defence	Non-Defence	Total Amount
India	**31,366.38**	**1,015.41**	**32,381.79**	32,327.45	1,318.95	33,646.40
Outside India	**3,642.03**	**–**	**3,642.03**	7,694.21	–	7,694.21

2. Reconciliation of revenue recognised with contract price :

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year Ended March 31, 2023			For the year Ended March 31, 2022		
	Defence	Non-Defence	Total Amount	Defence	Non-Defence	Total Amount
Revenue as per contracted price	**35,053.34**	**1,015.41**	**36,068.75**	39,578.30	1,318.95	40,897.25
Adjustment for :						
Fixed consideration payable to the customer	**(251.46)**	**–**	**(251.46)**	(56.50)	–	(56.50)
Total revenue from contract with customers	**34,801.88**	**1,015.41**	**35,817.29**	39,521.80	1,318.95	40,840.75

3. Contract balances :

(i) Movement in contract balances during the year:

Particulars	Opening as on April 1, 2022	Closing as on March 31, 2023	Net increase/ (decrease)	Reference	Reference
Contract assets	20.78	–	(20.78)	Note -a	Note -a
Advance from customer	35,439.57	37,998.60	2,559.03	Note -b	Note -b
Receivables, which are included in 'trade receivables'	23,564.59	23,386.66	(177.94)	Note -c	Note -b

Note - a: Opening contract assets represents the fulfilled obligation which couldnot be invoiced to the customer on opening balance sheet date due to contractual terms. Addition/reduction in contract assets represent the accumulation of further obligations where right to invoicing is not present and invoicing of opening contract assets respectively. The closing balance represents the revenue for which contractual obligation has been fulfilled and right to invoice is not accomplished on the balance sheet date. The contract assets pertains to defence as well as non defence business.

Note – b: The Advance from customer relates to the money received in advance ahead of the performance obligation to be fulfilled in future. Reduction in advance to customer represents fulfilment of contractual obligation and invoicing to the customer . Major part of advance from customer pertains from defence business.

Note – c: Trade recievables represent the amount for which performance obligation has been fulfilled and revenue recognized but the money is receivable from customer.

* Revenue recognized in the current year that was included in contracted liability at beginning of the year (Refer Note 24)

4. Unsatisfied Contract Value

Total performance obligation remaining unsatisfied as on March 31, 2023 with timelines within which it is expected to recognize revenue.

(Amount in Rs. Lakhs)

Performance obligation	0-1 Year	1-3 Year	3-5 years	More than 5 years	Total
Unsatisfied performance obligation as on March 31, 2023*	59,702.66	102,245.78	84,907.01	21,091.46	267,946.91
Unsatisfied performance obligation as on March 31, 2022*	63,151.04	101,450.16	75,274.21	38,888.09	278,763.50

* Represent unsatisfied performance obligation for major contracts entered with the customer which is to be satisfied in future as per the terms of the contract.

Note no 49 - Restatement to comply with the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013

During the current year, management of the Company has identified certain prior period adjustment to Comply with the requirement of the requirements of Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. in the financial statements in relation to classification of capital work in progress, trade receivables (current and non-current), other tax assets (net), other assets (current and non current), other financial assets, , trade payables, other liabilities (current and non-current), other current financial liabilities and provisions revenue from operations, other income, cost of materials consumed, purchases of stock in trade changes in Inventories of finished goods, work-in-progress and stock-in-trade, finance costs, subcontracting and service charges and other expenses, balance with government authorities, advance to suppliers plant and equipment, computers, work-in-progress, raw materials, stock-in-trade, prepaid expense in the audited financial statements for the earlier years and certain other inappropriate application of accounting policies for similar period i.e. reclassification adjustments, reversal of receivables inappropriately credited to contract liabilities and inappropriate subsequent measurement of trade receivables. Such prior period adjustment have been corrected by restating the corresponding figures pertaining to the year ended March 31, 2022 and balance sheet as at April 1, 2021 in accordance with the requirements of Ind AS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”. The comparative information for the year ended March 31, 2022 and as at April 1, 2021 has been restated as below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Balance Sheet	**Previously reported amount as at March 31, 2022**	**Adjustments**	**As restated March 31, 2022**	**Previously reported amount as at April 1, 2021**	**Adjustments**	**As restated April 1, 2021**
Assets						
Non-current assets						
Capital work- in-progress	422.78	(39.14)	383.64	79.12	–	79.12
Financial assets						
Trade receivables	4,448.22	812.63	5,260.85	3,411.07	811.47	4,222.54
Other tax assets (Net)	344.87	(36.74)	308.13	506.15	(41.27)	464.88
Other non-current assets	10,248.29	(724.32)	9,523.97	1,386.41	(313.56)	1,072.85
Current assets						
Financial assets						
Trade receivables	17,336.19	967.55	18,303.74	17,048.31	2,660.71	19,709.02
Other financial assets	7,407.78	(1,805.95)	5,601.83	5,004.11	(4,609.56)	394.55
Other current assets	4,044.73	100.11	4,144.84	3,037.83	(22.52)	3,015.31
Liabilities						
Non current liabilities						
Other non current liabilities	30,006.61	(683.18)	29,323.43	598.12	(89.60)	508.52
Current liabilities						
Financial liabilities						
Trade payables	9,843.82	(1,076.15)	8,767.67	9,828.96	(696.61)	9,132.35
Other financial liabilities	39.51	1,029.20	1,068.71	36.66	868.05	904.71
Other current liabilities	7,148.56	116.93	7,265.49	2,422.66	(1,218.65)	1,204.01
Provisions	653.62	(112.66)	540.96	853.02	(377.92)	475.10

(All amounts in Rs. Lakhs, unless otherwise stated)

Statement of Profit and Loss	**Previously reported amount for the year ended March 31, 2022**	**Adjustments**	**As restated for the year ended March 31, 2022**
Revenue from operations	42,308.47	(967.86)	41,340.61
Other income	1,898.21	143.50	2,041.71
Cost of materials consumed	10,055.29	94.39	10,149.68
Purchases of stock in trade	793.67	(179.84)	613.83
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(89.51)	(94.38)	(183.89)
Finance costs	276.88	(181.96)	94.93
Subcontracting and service charges	6,741.15	129.03	6,870.18
Other expenses	7,039.39	(591.61)	6,447.78

(All amounts in Rs. Lakhs, unless otherwise stated)

Statement of Cash Flows	**Previously reported amount for the year ended March 31, 2022**	**Adjustments**	**As restated for the year ended March 31, 2022**
Non-cash adjustment			
Provision for loss allowance on trade receivables	755.64	(535.12)	220.52
Movements in working capital:			
(Increase) in trade receivables	(1,631.32)	2,227.11	595.79
(Increase) in other assets	(9,831.66)	135.75	(9,695.91)
Decrease in other financial assets	2,707.32	(2,803.61)	(96.29)

(All amounts in Rs. Lakhs, unless otherwise stated)

Statement of Cash Flows	Previously reported amount for the year ended March 31, 2022	Adjustments	As restated for the year ended March 31, 2022
Increase /(decrease) in trade and other payables	(102.42)	(213.86)	(316.28)
Increase /(decrease) in provisions	(57.55)	265.26	207.71
Increase in other liabilities	34,130.89	742.00	34,872.89
Income taxes paid (Net of refund)	(3,017.90)	(4.53)	(3,022.43)
Net cash generated from operating activities (A)	**33,770.28**	**(186.99)**	**33,583.29**
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(4,054.90)	186.99	(3,867.91)
Cash flow used in investing activities	**(27,247.85)**	**186.99**	**(27,060.86)**

i) There is no impact of such prior period error on the earning per share for the year ended March 31, 2022.

ii) All related disclosures for the year ended March 31, 2022 (comparative period), have been restated, where applicable.

Note no 50 - Disclosure required under Section 186(4) of the Companies Act, 2013

(All amounts in Rs. Lakhs, unless otherwise stated)

	Loan to related parties (Refer Note No. 39)			Guarantee for related parties (Refer Note No. 39)
Particulars	**Mahindra Agri Solutions Limited**	**Mahindra Summit Agrisciences Limited**	**Mahindra Aerospace Private Limited**	**Mahindra Telephonics Integration Systems Limited**
Balance as at April 1, 2021	–	–	–	–
Loan/guarantee granted during the period	3,000.00	2,600.00	–	6,000.00
Loan repaid during the year/guarantee discharge during the period	1,000.00	2,100.00	–	–
Balance as at March 31, 2022	**2,000.00**	**500.00**	**–**	**6,000.00**
Loan/guarantee granted during the period	–	–	1,500.00	1,500.00
Loan repaid during the year/guarantee discharge during the period	2,000.00	500.00	1,000.00	–
Balance as at March 31, 2023	**–**	**–**	**500.00**	**7,500.00**

The Company's policy is to provide financial guarantees only for subsidiaries' liabilities. As at March 31, 2023 and 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiary.

Note No 51 - Struck off companies

During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note No 52 - Additional regulatory information

(a) The Company has undrawn limits from banks/ FI on the basis of security of current asset. The quarterly returns or statements viz. Financial report filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the said period.

(b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(c) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(f) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(g) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(j) The Company had charge against limit sanctioned by HDFC bank worth Rs. 4,600 lakhs, they were satisfied in pursuance of merger of limits of

Mahindra Defence System Limited with Mahindra Land System Limited on April 6, 2017 . The registration of satisfaction of such charges is pending as at March 31, 2023.

(k) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(l) The Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2023 (as at March 31, 2022: Nil).

Note No 53 -Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies to maintain or adjust the capital structure, issue new shares or raise and repay debts. The Company's capital management objectives, policies or processes were unchanged during the year.

The Company monitors capital using 'total debt to total capital' and 'net debt to total capital' ratios. These ratios are as follows:

Debt equity ratio

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	**–**	143.83
Net debt*	**–**	–
Total equity :		
Total capital(based on total debt)	**46,033.08**	41,504.59
Total capital(based on net debt)	**46,033.08**	41,360.76
Net debt to equity ratio	**0.00:1**	0.00:1
Total debt to total capital (based on total debt) ratio (%)	**0.00:1**	0.00:1
Net debt to total capital (based on net debt) ratio (%)	**0.00:1**	0.00:1

*** Total debt less cash and cash equivalents if negative then restricted to nil.**

Note No 54-Ratios as required by Schedule III to the Companies Act, 2013:

S.No	Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance (exceeding 25%)
1	Current ratio	Current assets	Current liabilities	2.60	3.50	(26%)	Decline in the ratio is due to investment made in subsidiary during the year.
2	Debt- equity ratio	Total borrowings	Shareholders' funds	–	–	0%	–
3	Debt service coverage ratio	Profit before tax + Depreciation and amortisation expense + Finance costs - Other income	Finance costs+Borrowings repayments+Lease repayments	56.55	37.46	51%	Finance costs pertaining to lease liabilities decreased as compare to last year leading to improvement in the ratio.
4	Return on equity ratio	Profit for the year	Average total equity	13%	21%	(35%)	Decline in profit due to operational reasons and nature of projects undertaken during the year.
5	Inventory turnover ratio	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods and work-in-progress	Average inventory	0.41	2.11	(80%)	Decline during the year due to inventory at the year end.
6	Trade receivable turnover ratio	Revenue from operations	Average trade receivables	1.53	1.74	(12%)	–
7	Trade payable turnover ratio	Purchases (net of returns) + Purchases of stock-in-trade + Other expenses	Average trade payables	3.75	3.47	(8%)	–
8	Net capital turnover ratio	Total income	Total current assets – current liabilities	0.93	0.93	0%	–
9	Net profit ratio	Profit for the year	Total income	16%	19%	(3%)	–
10	Return on capital employed	Profit before tax + finance costs	Capital Employed = Total Equity +Total Borrowings-Other intangible assets	21%	30%	(10%)	–
11	Return on investment	Income generated from investments	Average investments	5%	4%	1%	–

Note No 55 : Investment in subsidiaries

On September 6, 2022, Mahindra Defence Systems Limited (“Company”) entered into Share Purchase Agreement (SPA) with existing shareholders of Mahindra Emirates Vehicle Armouring FZ-LLC ("MEVA") to acquire 88% stake in MEVA. Pursuant to SPA, the Company paid INR 2,290.47 lakhs. MEVA is engaged in trading and assembling of automobiles, specialised vehicles, auto spare parts and components, auto accessories, special accessories fitting and tyres and rims and manufacturing of vehicle bodies and vehicle upholstery services.

On June 16, 2022, Mahindra Defence Systems Limited (“Company”) acquired remaining 49% stake in Mahindra Telephonics Integrated Systems Limited ('MTISL') from existing shareholders of Mahindra Telephonics Integrated Systems Limited . Pursuant to SPA, the Company paid USD 1 (INR 79.98) on June 16, 2022. MTISL is currently engaged in manufacturing and assembly of radar systems and related components for airborne vehicles, testing and repair of equipment.

The Company is a wholly owned subsidiary of Mahindra & Mahindra Limited which presents Consolidated Financial Statements to its shareholders. As such the Company in view of the exemption given in paragraph 4(a) of Ind AS-110 " Consolidated Financial Statements" has decided to avail the exemption contained in the paragraph 16 of Ind AS 27 "Separate Financial Statements" for not preparing the consolidated financial statements.

Note No 56: Impairment of investment in Mahindra Telephonics Intengrated Systems

Having regards to the performance (including order book position and future projections) and financial position as on March 31, 2022 of Mahindra Telephonics Integrated Systems Limited (MTISL), the Company performed an impairment assessment for its investment of Rs. 2,590 lakhs in the MTISL. Based on the aforesaid assessment carried by the Company, the Company has accounted for additional impairment charge of Rs. Nil Lakhs (Previous year Rs 734.00 Lakhs) in MTISL which is disclosed as exceptional item in the Statement of Profit and Loss for the year ended March 31, 2022.

Note No 57: Proposed dividend

The Board of Directors, its meeting held on May 24, 2023 has recommended a final dividend of Rs 7.50 (previous year Rs.7.50) per equity share of Rs. 10 each aggregating to Rs. 1,254.27 Lakhs (previous year Rs.1,254.27 lakhs) for the financial year ended March 31, 2023. Recommendation is subject to the approval of shareholders at the ensuing Annual General Meeting.

Note 58: Subsequent events

On 27 March 2023, the Board of Directors of the Company approved composite scheme of amalgamation and arrangement amongst Mahindra Telephonics Integrated Systems Limited ('Transferor Company') and Mahindra Defence Systems Limited ('Transferee Company') with proposed appointed date in the Scheme being April 1, 2023 and the Company is now awaiting approval from regulatory authorities before proceeding with the merger. Till such approval, no financial impact of the merger has been recorded in these financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place : Gurugram
Date : May 24, 2023

Mukul Verma Chief Financial Officer

Ashvin Patni Company Secretary
ACS: 68031

For and on behalf of Board of Directors
Mahinda Defence Systems Limited

S. P. Shukla Chairman and Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Place : Mumbai
Date : May 24, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Telephonics Integrated Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Telephonics Integrated Systems Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board's report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31 March 2023, 14 April 2023, 15 April 2023 and 24 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a. The Company does not have any pending litigations which would impact its financial position.

    b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

    e. The Company has neither declared nor paid any dividend during the year.

    f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

   C. With respect to the matter to be included in the Auditor's report under Section 197 (16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Gupta
Partner
Membership No.: 517870
ICAI UDIN: 23517870BGZESV1104

Place: New Delhi
Date: 24 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified annually. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Employees State Insurance and Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to

Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of Rs 663.70 lacs in the current financial year and Rs 420.59 lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. Also refer to note 37 to the financial statements.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Gupta
Partner
Membership No.: 517870
ICAI UDIN: 23517870BGZESV1104

Place: New Delhi
Date: 24 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Telephonics Integrated Systems Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extenOur responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Gupta
Partner
Membership No.: 517870
ICAI UDIN:23517870BGZESV1104

Place: New Delhi
Date: 24 May 2023

BALANCE SHEET AS AT 31 MARCH 2023

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	**287.31**	303.91
Right-of-use assets	3	**113.06**	233.39
Other Intangible assets	4	**90.37**	53.70
Intangible assets under development	4	**–**	–
Financial assets	5		
– Other financial assets		**12.71**	25.58
Other non-current assets	6	**7.92**	24.92
Total non-current assets		**511.37**	641.50
Current assets			
Inventories	7	**1,290.08**	32.13
Financial assets	8		
– Trade receivables		**17.52**	1,289.79
– Cash and cash equivalents		**–**	655.34
– Bank balances other than cash and cash equivalents above		**9.43**	120.52
– Other financial assets		**24.78**	1.62
Other current assets	9	**3,043.67**	2,619.76
Total current assets		**4,385.48**	4,719.16
Total assets		**4,896.85**	5,360.66
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**5,078.43**	5,078.43
Other equity	10A	**(5,060.12)**	(4,640.09)
Equity attributable to equity shareholders		**18.31**	438.34
Liabilities			
Non-current liabilities			
Financial liabilities			
– Lease liabilities	11	**–**	149.73
Provisions	12	**81.04**	113.45
Other non-current liabilities	13	**2,059.66**	–
Total non-current liabilities		**2,140.70**	263.18
Current liabilities			
Financial liabilities	14		
– Borrowings		**820.77**	–
– Lease liabilities		**149.73**	138.65
– Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and		**–**	11.74
Total outstanding dues of creditors other than micro enterprises and small enterprises		**503.86**	1,179.38
– Other financial liabilities		**65.35**	71.78
Other current liabilities	16	**1,188.57**	3,255.66
Provisions	15	**9.56**	1.93
Total current liabilities		**2,737.84**	4,659.14
Total equity and liabilities		**4,896.85**	5,360.66
Summary of significant accounting policies	2		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankit Gupta
Partner
Membership no. : 517870

Place: New Delhi
Date: 24 May 2023

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 0009647105

Arun Gupta
CFO

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 24 May 2023
Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	Notes	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Revenue from operations	17	**277.47**	1,136.46
Other income	18	**705.91**	59.90
Total income		**983.38**	1,196.36
Expenses			
Costs of materials consumed	19	**100.59**	773.59
Employee benefit expenses	20	**414.90**	390.90
Finance cost	21	**79.93**	80.25
Depreciation and amortizaton expense	22	**199.35**	196.54
Other expenses	23	**630.92**	369.54
Total expenses		**1,425.69**	1,810.82
Loss before tax		**(442.31)**	(614.46)
Tax expense			
Current tax		**–**	–
Deferred tax		**–**	–
Loss for the year		**(442.31)**	(614.46)
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Remeasurements of defined benefit liability (asset)		**22.28**	9.50
Other comprehensive income for the year, net of tax		**22.28**	9.50
Total comprehensive income for the year, net of tax		**(420.03)**	(604.96)
Earnings per equity share (Face value of share Rs 10 each)			
Basic earnings per share ₹		**(0.87)**	(1.21)
Diluted earnings per share ₹		**(0.87)**	(1.21)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankit Gupta
Partner
Membership no. : 517870

Place: New Delhi
Date: 24 May 2023

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 0009647105

Arun Gupta
CFO

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 24 May 2023 *Place: Mumbai*

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	Nos.	Amount
Equity shares of ₹ 10 each fully paid up			
As at 01 April 2021	10	50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2022		50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2023		**50,784,313**	**5,078.43**

B. Other equity

(Amount in Rs. Lakhs)

		Reserves and surplus		
Particulars	**Notes**	**Securities premium**	**Retained earnings**	**Total**
As at 01 April 2021		217.92	(4,253.05)	(4,035.13)
(Loss) for the year		–	(614.46)	(614.46)
Other comprehensive income		–	9.50	9.50
As at 31 March 2022		217.92	(4,858.01)	(4,640.09)
(Loss) for the year		–	(442.31)	(442.31)
Other comprehensive income		–	22.28	22.28
As at 31 March 2023		**217.92**	**(5,278.04)**	**(5,060.12)**
Summary of significant accounting policies	2			

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankit Gupta
Partner
Membership no. : 517870

Place: New Delhi
Date: 24 May 2023

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 0009647105

Arun Gupta
CFO

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 24 May 2023 *Place: Mumbai*

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
A. Cash flows from operating activities		
Loss before tax	**(442.31)**	(614.46)
Adjustments for:		
Depreciation and amortisation expense	**199.35**	196.54
Interest income on bank deposits	**(12.37)**	(33.58)
Unwinding of discount on security deposits	**(1.94)**	(1.79)
Interest income on income tax refunds	**–**	(0.52)
Unrealised foreign exchange loss/ (gain)	**–**	(0.37)
Profit on sale of property, plant and equipment	**(10.25)**	(0.86)
Provisions no longer required written-back	**(674.06)**	–
Finance costs	**79.93**	80.25
Loss allowances on trade receivables	**231.56**	–
Government grants	**(0.51)**	(0.51)
Operating loss before working capital changes	**(630.60)**	(375.30)
Adjustments for:		
(Decrease)/increase in trade payables	**(13.21)**	760.04
(Decrease)/increase in short-term and long-term provisions	**(2.50)**	17.98
(Decrease)/increase in other current and non-current liability	**(6.92)**	3,242.70
(Decrease) in other current financial liabilities	**(6.43)**	(15.68)
(Increase)/decrease in inventories	**(1,257.95)**	11.39
Decrease/(increase) in trade receivables	**1,040.71**	(823.71)
Decrease in other non-current and current financial assets	**1.62**	–
(Increase)/decrease in other non current assets	**(0.93)**	167.56
(Increase) in other current assets	**(422.68)**	(2,245.34)
Cash generated from operations	**(1,298.89)**	739.64
Income taxes paid (net of refunds)	**1.23**	(0.49)
Net cash flow (used in)/generated from operating activities (A)	**(1,300.12)**	740.13
B. Cash flows from investing activities		
Acquisition of property, plant and equipment (including intangible assets and Intangible assets under development)	**(93.60)**	(43.81)
Proceeds from sale of property, plant and equipment	**22.70**	3.48
Movement in bank deposits (net)	**101.34**	(51.20)
Interest income on bank deposits	**12.15**	33.58
Net cash flow generated from/(used in) investing activities (B)	**42.59**	(57.95)
C. Cash flows from financing activities		
Proceeds from borrowings	**820.77**	–
Finance cost paid (including lease)	**(59.92)**	(48.16)
Lease payment on account of lease liabilities	**(158.66)**	(151.10)
Net cash flows generated/(used in) from financing activities (C)	**602.19**	(199.26)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(655.34)**	482.92
Cash and cash equivalents at the beginning of the year	**655.34**	172.42
Cash and cash equivalents at the end of the year	**–**	655.34

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023 (CONTD).

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Components of cash and cash equivalents		
Balance with bank		
– On current account	–	104.60
– Fixed deposits with original maturity of less than three months	–	550.74
	–	655.34

Notes:

1. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, as notified under the section 133 of the Companies Act, 2013.
2. As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any impact on the statement of cash flows.

Reconciliation between the opening and closing balance in the Balance Sheet for liabilities arising from financial activities as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
Opening balance as at beginning of the year	–	288.38	–	407.39
Proceeds	820.77	–	–	–
Repayments		(158.66)	–	(151.10)
Interest expense	14.92	20.01	–	32.09
Interest paid	(14.92)	–	–	–
Closing balance as at end of the year	820.77	149.73	–	288.38

Summary of significant accounting policies

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankit Gupta
Partner
Membership no. : 517870

Place: New Delhi
Date: 24 May 2023

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 0009647105

Arun Gupta
CFO

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 24 May 2023
Place: Mumbai

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(All amounts in Indian ₹ Lacs, unless otherwise stated)

1 CORPORATE INFORMATION

Mahindra Telephonics Integrated Systems Limited (“”the Company””) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at Mumbai City, Maharashtra - 400018. The Company is a wholly owned subsidiary of Mahindra Defence Systems Limited w.e.f 17 June 2022. Previously it was jointly held by Mahindra Defence Systems Limited and Telephonics corporation, USA.

The financial statements were authorised for issue in accordance with resolution of the Board of Directors on 24 May 2023.

1.01 Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013, relevant provisions of the Companies Act, 2013 (“the Act’) and other accounting principles generally accepted in India. Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

– Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

– Net defined benefit (asset)/ liability- Fair value of plan assets less present value of defined benefit obligations.

1.02 Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lacs up to two place of decimal, unless otherwise indicated.

1.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

An asset is treated as current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle
– Held primarily for purpose of trading
– Expected to be realised within twelve months after the reporting period, or
– cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle
– It is held primarily for purpose of trading
– It is due to be settled within twelve months after the reporting period, or
– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:-

Note 2.08-: Measurement of defined benefit obligations: key actuarial assumptions;

Note 2.02 and 2.03: Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets;

Note 2.05: Fair value measurement of financial instruments;

Note 2.13-: Judgement required to ascertain lease classification

Note 2.11 and 31-: Judgement required to recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of various assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts etc. and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements.

2.02 Property, Plant and Equipment

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is generally recognised in the statement of profit and loss. The residual value are not more than 5% of the original cost of assets.

Depreciation on property, plant & equipment is provided on pro-rata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life of Property, Plant and Equipment are as follows:

Assets	Useful life (in years)
Plant and Equipment:	15
Office Equipment (clubbed under plant and equipment):	5
Computers and Peripherals	3
Mobile Phones (clubbed under computer and peripherals):	2
Furniture and Fixtures:	10
Vehicles:	5
Electric Installation:	10

Vehicles and mobile phones are depreciated over the estimated useful lives of 5 years and 2 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above best represent the period over which the assets are expected to be used.

Leasehold improvements are depreciated on straight line basis over the remaining lease agreement period.

2.03 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Assets	**Useful life (in years)**
Softwares	5/10

2.04 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction/ Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.05 Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– amortised cost;

– FVTPL

Financial assets are not reclassified subsequently to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrecoverably designate a financial asset that otherwise meets the requirement to be measured at amortised cost as at FVTPL if doing so eliminate or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost at effective interest rate. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Financial liabilities are classified as measure at cost amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative and it is designated as such on initial recognition. Financial liabilities at FVTPL and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfer assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not recognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and then cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assert and financial liabilities are offset and net amount presented in the balance sheet when and only when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.06 Inventories

a) Basis of valuation:

i) Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

b) Method of Valuation:

i) **Cost of raw materials and components** has been determined by using moving average basis and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.07 Government Grants

Government Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.08 Employee benefits

A Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

B Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

C Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity and post-employment medical benefit liability; and

(b) defined contribution plan such as provident fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.09 Revenue Recognition

The Company earns revenue primarily from sale of goods and rendering of maintenance services.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

– Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

– Revenue from services is recognised in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Project work in progress includes cost incurred in fulfiling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in “other income”.

2.10 Earnings / (Loss) Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.11 Taxes

Tax expense for the year comprises of current tax and deferred tax.

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.12 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company’s assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.13 Leases

The Company’s lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.14 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit and Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.15 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.16 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.18 Recent pronouncements

Ministry Of Corporate Affairs (“”MCA””) notifies new Standards or amendments to the existing Standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2023, as below

(i) Ind AS I - Presentation of Financial Statements -

This amendment requires the entities to disclose their significant accounting policies. The effective date for adoption of this amendment is annual periods Beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in financial statements.

(ii) **Ind AS 8 - Accounting Policies , Changes in Accounting Estimates and Errors** -

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities, distinguish changes in accounting policies from changes in accounting estimate. The effective date for

(All amounts in Indian ₹ Lacs, unless otherwise stated)

adoption of this amendment is annual periods Beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

(iii) Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods Beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3. Property, plant and equipment including right -of -use of assets

	Plant and Equipment	Computers and Peripherals	Furniture and Fixtures	Leasehold Improvements	Electric Installations	Vehicles	Total	Right-of-use of assets	Grand Total
At Cost									
As at 31 March 2021	369.56	57.46	64.56	156.21	84.79	83.88	816.46	594.71	1,440.42
Additions	36.24	6.89	–	–	–	–	43.13	–	43.13
Disposals	–	(3.34)	–	–	–	(19.34)	(22.68)	–	(51.93)
As at 31 March 2022	405.80	61.01	64.56	156.21	84.79	64.54	836.91	594.71	1,431.62
Additions	19.31	1.99	0.25	–	–	39.80	61.35	–	61.35
Disposals	(6.83)	–	–	–	–	(47.69)	(54.52)	–	(54.52)
As at 31 March 2023	**418.28**	**63.00**	**64.81**	**156.21**	**84.79**	**56.65**	**843.74**	**594.71**	**1,438.45**
Accumulated Depreciation									
As at 31 March 2021	214.00	51.42	33.84	88.78	49.56	47.00	484.60	240.99	725.59
Depreciation	24.57	1.64	6.76	15.28	8.40	11.81	68.46	120.33	188.79
Disposals	–	(3.10)	–	–	–	(16.96)	(20.06)	–	(20.06)
As at 31 March 2022	238.57	49.96	40.60	104.06	57.96	41.85	533.00	361.32	894.32
Depreciation	21.21	2.55	6.87	15.29	8.30	11.28	65.50	120.33	185.83
Disposals	(6.49)	–	–	–	–	(35.58)	(42.07)	–	(42.07)
As at 31 March 2023	**253.29**	**52.51**	**47.47**	**119.35**	**66.26**	**17.55**	**556.43**	481.65	1,038.08
Carrying amount									
As at 31 March 2023	**164.99**	**10.49**	**17.34**	**36.86**	**18.53**	**39.10**	**287.31**	**113.06**	**400.37**
As at 31 March 2022	**167.23**	**11.05**	**23.96**	**52.15**	**26.83**	**22.69**	**303.91**	**233.39**	**537.30**

Note : a) All movable Property, plant and equipment are under first pari-passu hypothecation charge for working capital limits obtained from HDFC bank and Axis bank. Refer note 24 (C).

4. Intangibles assets and Intangible assets under development

	Computer software	Intangible assets under development
At Cost		
As at 31 March 2021	118.15	29.24
Additions	5.00	-
Deletions/Transfer	-	(29.24)
As at 31 March 2022	**123.15**	**-**
Additions	50.19	-
Deletions/Transfer	-	-
As at 31 March 2023	**173.34**	**-**

	Computer software	Intangible assets under development
Accumulated Amortisation		
As at 31 March 2021	61.70	-
Amortisation	7.75	-
As at 31 March 2022	**69.45**	-
Amortisation	13.52	-
As at 31 March 2023	**82.97**	-
Carrying amount		
As at 31 March 2023	**90.37**	**-**
As at 31 March 2022	**53.70**	**-**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

5 Non-current financial assets - Other financial assets

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Security deposit - Others	**0.55**	0.55
Security deposit to related parties (refer note 27)	**–**	22.84
Deposits with banks having maturity period of more than 12 months from reporting date*#	**12.16**	2.19
	12.71	25.58

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs.12.09 (March 31,2022 : Rs. 2.19) given to Banks as margin money for Bank Guarantee

including interest accrued on fixed deposits as at Rs 0.07 (31 March 2022: Rs 0.03)

6 Other Non-Current assets

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Capital advances	**6.99**	24.92
Prepaid expenses - others	**0.93**	–
	7.92	24.92

7. Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and components	**1,290.08**	32.13
	1,290.08	32.13

Notes:

a) Inventories are hypothecated against working capital limits from HDFC bank and Axis bank. Refer note 24 (C)

8 Current financial assets

(Unsecured, unless stated otherwise)

		As at 31 March 2023	As at 31 March 2022
(A) Trade receivables			
Trade receivables considered good - unsecured		**17.52**	1,289.79
Trade receivables - credit impaired		**231.56**	–
Total Trade receivables		**249.08**	1,289.79
Less : Loss allowances		**231.56**	–
Net Trade Receivable	(A)	**17.52**	1,289.79

Of the above, trade receivables from related parties are as below:

Trade receivables due from related parties(Refer Note 27)	**–**	362.98
Loss Allowance	**–**	–
Net trade receivable	**–**	362.98

Notes:

a) Trade receivables are non-interest bearing.

b) Trade receivables are hypothecated against working capital limits from HDFC bank and Axis Bank. Refer note 24 (C)

c) Refer note 33 for ageing analysis for trade receivables.

(B) Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balance with bank		
– On current account	**–**	104.60
– Fixed deposits with original maturity of less than three months*#	**–**	550.74
(B)	**–**	655.34

* including interest accrued on fixed deposits NIL (31 March 2022: Rs 2.74)

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(C) Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Fixed deposits with banks original maturity of more than three months but less than 12 months*## ^	**5.63**	105.76
Long term fixed deposits with remaining maturity of less than 12 months **### ^	**3.80**	14.76
(C)	**9.43**	120.52

Notes:

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. 5.61 (31 March 2022 : Rs. 5.30) given to Banks as margin money for Bank Guarantee.

**** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. 3.79 (31 March 2022 : Rs. 14.63) given to Banks as margin money for Bank Guarantee.

including interest accrued on fixed deposits as at Rs 0.02S(31 March 2022: Rs 0.46)

including interest accrued on fixed deposits as at Rs 0.01 (31 March 2022: Rs 0.13)

^ There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(D) Other financial asset

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Security deposit to related parties (refer note 27)	**24.78**	1.62
	24.78	1.62
	51.73	2,067.27

9 Other Current assets

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances		
Advances to Others :		
Suppliers	**61.48**	1,730.78
Project work in progress	**2,280.31**	225.75
Balances with statutory/government authorities	**676.39**	465.42
Advance tax (Net of provision for income tax of Rs. Nil, 31 March 2022- Rs Nil)	**17.02**	15.79
Prepaid expenses - others	**8.47**	14.83
Prepaid expenses to related parties	**–**	167.19
	3,043.67	2,619.76

(All amounts in Indian ₹ Lacs, unless otherwise stated)

10. Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised shares (Nos.)		
59,000,000 equity shares of Rs 10 each (31 March 2022: 55,000,000)	**5,900.00**	5,500.00
	5,900.00	5,500.00
Issued, subscribed and fully paid up shares (Nos.)		
50,784,313 Equity shares of Rs 10 each (31 March 2022: 50,784,313)	**5,078.43**	5,078.43
	5,078.43	5,078.43

10.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	Nos.	Nos.
Outstanding as at 31 March 2021	50,784,313	5,078.43
Issued during the year	–	–
Outstanding as at 31 March 2022	50,784,313	5,078.43
Issued during the year	–	–
Outstanding as at 31 March 2023	**50,784,313**	**5,078.43**

10.2 Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by shareholders.

10.3 Details of shareholders holding more than 5% shares in the Company

	Nos.	% of Holdings
As at 31 March 2022		
Mahindra Defence Systems Limited, India	25,900,000	51.00%
Telephonics Corporation, USA	24,884,313	49.00%
As at 31 March 2023		
Mahindra Defence Systems Limited, India (holding company)*	**50,784,313**	**100.00%**

* includes six shares held by six individuals (one share held by each of the individual) as nominee shareholders of Mahindra Defence Systems Limited.

10.4 Details of shares held by promoters

	As at 31 March 2023	As at 31 March 2022
Mahindra Defence Systems Limited, India		
No. of shares	**50,784,313**	25,900,000
% of total shares	**100.00%**	51.00%
% change during the year	49.00%	–
Telephonics Corporation, USA		
No. of shares	**–**	**24,884,313**
% of total shares	**–**	**49.00%**
% change during the year	**-49.00%**	**–**

10.5 Details of shares held by holding company

	As at 31 March 2023	As at 31 March 2022
Mahindra Defence Systems Limited, India		
No. of shares	**50,784,313**	–
% of holding	**100.00%**	–

10.6 There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

10.7 There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to a contract without payment being received in cash during the previous 5 years.

10A Other equity

		Amounts
(a)	**Securities Premium**	
	As at 31 March 2021	217.92
	Add/Less :Movements during the year	–
	As at 31 March 2022	**217.92**
	Add/Less :Movements during the year	–
	As at 31 March 2023	**217.92**
(b)	**Retained earnings**	
	As at 31 March 2021	(4,253.05)
	Loss for the year	(614.46)
	Items of other comprehensive incomes recognised directly in retained earnings	9.50
	As at 31 March 2022	**(4,858.01)**
	Loss for the year	(442.31)
	Items of other comprehensive incomes recognised directly in retained earnings	22.28
	As at 31 March 2023	**(5,278.04)**
	Total	**(5,060.12)**

Nature and Purpose of reserves

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.

11 Non - Current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities (refer note 24A)	**–**	149.73
	–	149.73

12 Provisions - Non-current

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (refer note 25)	**44.98**	60.38
Post employment medical benefits (refer note 25)	**17.33**	24.92
Compensated absences	**18.73**	28.15
	81.04	113.45

(All amounts in Indian ₹ Lacs, unless otherwise stated)

13 Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance received from customers	**2,059.66**	–
	2,059.66	–

14 Current financial liabilities

	As at 31 March 2023	As at 31 March 2022
(A) Borrowings		
Loans repayable on demand		
Working capital demand loan/cash credit from banks (secured)	**820.77**	–
(A)	**820.77**	–

Note:

The details and nature of securities provided in respect of secured working capital demand loans/cash credit from bank are as below:

Working capital limits from HDFC bank and Axis bank are secured by way of: First pari-passu hypothecation charge over stock, book debts and moveable Property, plant and equipment.

Further, this working capital limits from HDFC bank and Axis bank are also secured by way of Corporate Guarantee of Rs 7,500.00 provided by Mahindra Defence Systems Limited.

The details of repayment terms and rate of interest in respect of secured working capital demand loans/cash credit accounts from banks are as below:

– Repayable on demand
– Interest rate 8.15% p.a to 9.90% pa

	As at 31 March 2023	As at 31 March 2022
(B) Lease Liabilities (refer note 24A)	**149.73**	138.65
(B)	**149.73**	138.65

	As at 31 March 2023	As at 31 March 2022
(C) Trade payables		
Total Outstanding dues of Micro enterprises and small enterprises	**–**	11.74
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	**503.86**	1,179.38
(C)	**503.86**	1,191.12
Of the above, trade payables from related parties are as below:		
Trade payables due to related parties (Refer Note 27)	**462.39**	1,102.17

Notes:

a) Refer note 34 for ageing analysis for trade payables.

b) **Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) based on the information available with the Company is as follows:**

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2023	As at 31 March 2022
a) The amounts remaining unpaid to suppliers as at the end of the year : – Principal – Interest	**–**	11.74
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year.	**–**	–
b) The amount of interest paid by the buyer as per the MSMED Act, 2006.	**–**	–
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
d) The amount of interest accrued and remaining unpaid at the end of year.	**–**	–
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

	As at 31 March 2023	As at 31 March 2022
(D) Other financial liabilities		
Employee related liabilities	**65.35**	71.78
(D)	**65.35**	71.78
	1,539.71	1,401.55

15 Provision - Current

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (refer note 25)	**6.20**	0.84
Compensated absences	**3.36**	1.09
	9.56	1.93

16 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	**12.29**	22.53
Advance received from customers	**1,172.73**	3,229.08
Deferred income	**3.55**	4.05
	1,188.57	3,255.66

17 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods	**208.10**	801.02
Sale of services	**69.37**	335.44
Revenue recognised in statement of profit and loss	**277.47**	**1,136.46**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue disaggregation by geography is as follows :		
Outside India	**202.91**	363.40
India	**74.56**	773.06
	277.47	**1,136.46**
Revenue disaggregation by type of customers is as follows :		
Government	**–**	719.26
Non-government	**277.47**	417.20
	277.47	**1,136.46**
Timing of Recognition		
At a point in time	**277.47**	1,136.46
Over time	**–**	–
	277.47	**1,136.46**

Major Customer:

During the period, the Company has earned revenue from two individual customers (31 March 2022: Two individual customer) exceeding 10% of total revenue amounting to Rs 234.71 (31 March 2022: Rs 1,082.66).

Contract balances	As at 31 March 2023	As at 31 March 2022
Trade receivables (refer note 8)	**17.52**	1,289.79
Project work in progress * (refer note 9)	**2,280.31**	225.75
Contract liabilities (refer note 13 and 16)	**3,232.39**	3,229.08

* Project work in progress includes cost incurred in fulfilling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

18 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial assets carried at amortised cost		
– bank deposits	**12.37**	33.58
– security deposits	**1.94**	1.79
Interest income on income tax refunds	**–**	0.52
Gain on foreign exchange fluctuation (net)	**6.77**	–
Government grants	**0.51**	0.51
Profit on sale of property, plant and equipment	**10.25**	0.86
Liability / Provisions no longer required written-back (refer note 27)	**674.06**	21.69
Miscellaneous income	**0.01**	0.95
	705.91	59.90

19 Costs of materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials and components consumed	**100.59**	773.59
	100.59	773.59

20 Employee benefit expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	**394.54**	388.58
Contribution to provident and other funds (refer note 25)	**21.53**	23.72
Gratuity expense (refer note 25)	**11.76**	12.37
Post employment medical benefit (refer note 25)	**4.99**	5.96
Staff welfare expenses	**16.91**	16.53
	449.73	447.16
Less : Allocated to project work in progress	**34.83**	56.26
	414.90	390.90

21 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on :		
bank borrowings	**14.92**	–
lease liability	**20.01**	32.09
Facilitation fees for corporate guarantee	**45.00**	48.16
	79.93	80.25

22 Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3)	**65.50**	68.46
Depreciation on right-of-use assets (refer note 3)	**120.33**	120.33
Amortisation of intangible assets (refer note 4)	**13.52**	7.75
	199.35	196.54

23 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Shared service charges	**219.98**	221.82
Travelling and conveyance	**73.06**	40.16
Rent (refer note 24A)	**3.69**	3.69
Rates and taxes	**0.68**	0.20
Legal and professional (refer below note)	**172.37**	168.79
Sales promotion	**0.92**	0.27
Insurance	**13.51**	10.76
Printing and stationery	**2.17**	2.01
Telecommunication cost	**3.90**	3.75
Power and fuel	**19.85**	19.39
Repairs and maintenance		
– Others	**24.23**	25.84
Security expenses	**19.66**	18.85
Loss allowances on trade receivables	**231.56**	–
Freight outward	**9.17**	3.32
Loss on foreign exchange fluctuation (net)	**–**	2.03
Bank charges	**9.99**	16.97
Miscellaneous expenses	**0.49**	1.18
Total	**805.23**	539.03
Less : Allocated to project work in progress	**174.31**	169.49
	630.92	369.54

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment to auditor (included in legal and professional)		
As auditor		
Audit fee	**9.00**	8.00
In other capacity		
Taxation matters	**2.75**	2.75
Reimbursement of expenses	**0.50**	0.30
	12.25	11.05

24 COMMITMENTS AND CONTINGENCIES

(A) Contingent liabilities (to the extent not provided for)

There is no contingent liability as at 31 March 2023 and 31 March 2022

(B) Commitments

	For the year ended 31 March 2023	For the year ended 31 March 2022
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	**10.49**	44.24
	10.49	44.24

(C) Undrawn committed borrowing facility

(i) The Company has working capital credit facilities amounting to Rs. 7,500.00 (31 March 2022: Rs 7,500.00) from HDFC bank and Axis bank. Of this, the Company has utilised Rs 5,675.66 for Bank Guarantee/Letter of Credit and Cash Credit and balance Rs 1,824.34 is undrawn as at 31 March 2023 (Company had utilised Rs 4,545.97 and balance Rs 2,954.03 was undrawn as at 31 March 2022).

(ii) Working capital limits from HDFC bank and Axis bank are secured by way of: First pari-passu hypothecation charge over stock, book debts and moveable Property, plant and equipment.

Working capital limits from HDFC bank and Axis bank are also secured by way of Corporate Guarantee of Rs 7,500.00 (31 March 2022: Rs 6,000.00) provided by Mahindra Defence Systems Limited.

24A Leases

Lease liabilities under IND AS 116 - Company as lessee

i) The Company has taken building premises on lease.

ii) The following is the movement in right-of-use assets during the year:

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Balance at the beginning of the year	**233.39**	353.72
Depreciation charge for the year	**120.33**	120.33
Additions to right-of-use assets	**–**	–
Balance at the end of the year	**113.06**	233.39

iii) The following is the movement in lease liabilities during the year:

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Balance at the beginning of the year	**288.38**	407.39
Addition during the year	**–**	–
Finance cost accrued during the year	**20.01**	32.09
Payment of lease liabilities	**(158.66)**	(151.10)
Balance at the end of the year	**149.73**	288.38

iv) The following is the break-up of current and non-current lease liabilities as at year end:

Particulars	**As at 31 March 2023**	As at 31 March 2022
Current lease liabilities	**149.73**	138.65
Non-current lease liabilities	**–**	149.73
Total	**149.73**	288.38

v) Amounts recognised in profit or loss

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Interest expense on lease liabilities	**20.01**	32.09
Expenses relating to leases of low-value assets	**3.69**	3.69

vi) Cash outflow for leases - 31 March 2023: Rs 158.66 (31 March 2022: Rs 151.10)

vii) Maturity analysis of lease liabilities - Refer note 29 - Liquidity Risk (Other non-current financial liabilities)

25. Disclosures pursuant to Ind AS - 19 “Employee Benefits” are given below :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	For the year ended 31 March 2023	For the year ended 31 March, 2022
Employer's Contribution towards Provident Fund (PF)	**21.23**	23.01
Employer's Contribution towards Employee State Insurance (ESI)	**0.08**	0.47
Employer's Contribution towards Labour welfare fund	**0.22**	0.24
	21.53	23.72

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually at the balance sheet date by a qualified actuary using the projected unit credit method.

The Company provides post retirement medical cover to employees for grade L1 to L5 to cover the retiring employee and their spouse upto a specified age through mediclaim policy. The eligibility of the employee for the benefit as well as the amount of the medical cover purchase is determined by the grade of the employee at the time of retirement. Medical cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provided in relevant accounting standard.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and post retirement medical cover plan and the amounts recognised in the Company's financial statements as at balance sheet date:

		Post employment medical benefits		**Gratuity**	
		For the year ended 31 March 2023	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**				
	Defined Benefit obligation at the beginning of the year	**24.92**	22.33	**61.22**	55.59
	Interest Expense	**1.81**	1.52	**4.44**	3.72
	Current Service Cost	**3.18**	4.44	**7.32**	8.65
	Benefit paid	**–**	–	**(12.10)**	(0.61)
	Remeasurement of (Gain)/loss in other comprehensive income				
	Actuarial changes arising from changes in demographic assumptions	**–**	–	**–**	–
	Actuarial changes arising from changes in financial assumptions	**–**	–	**(0.96)**	(4.50)
	Actuarial changes arising from changes in experience adjustments	**(12.58)**	(3.37)	**(8.74)**	(1.63)
	Defined Benefit obligation at year end	**17.33**	24.92	**51.18**	61.22
b)	**Net defined benefit asset/ (liability) recognised in the balance sheet**				
	Fair value of plan assets	**–**	–	**–**	–
	Present value of defined benefit obligation	**(17.33)**	(24.92)	**(51.18)**	(61.22)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(17.33)**	(24.92)	**(51.18)**	(61.22)
c)	**Net defined benefit expense (Recognised in the Statement of Profit and Loss for the year)**				
	Current Service Cost	**3.18**	4.44	**7.32**	8.65
	Net Interest Cost	**1.81**	1.52	**4.44**	3.72
	Net defined benefit expense debited to Statement of Profit and Loss	**4.99**	5.96	**11.76**	12.37
d)	**Remeasurement (gain)/ loss recognised in other comprehensive income**				
	Actuarial changes arising from changes in demographic assumptions	**–**	–	**–**	–
	Actuarial changes arising from changes in financial assumptions	**–**	–	**(0.96)**	(4.50)
	Actuarial changes arising from changes in experience adjustments	**(12.58)**	(3.37)	**(8.74)**	(1.63)
	Return on Plan assets excluding interest income	**–**	–	**–**	–
	Recognised in other comprehensive income	**(12.58)**	(3.37)	**(9.70)**	(6.13)

(All amounts in Indian ₹ Lacs, unless otherwise stated)

e) Principal assumptions used in determining defined benefit obligation	**31 March 2023**	31 March 2022	**31 March 2023**	31 March 2022
Mortality Table (LIC)	**2012-14 (Ultimate)**	2006-08 (Ultimate)	**2012-14 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	**7.39%**	7.26%	**7.39%**	7.26%
Salary Escalation/ Future medical cost increase	**10.00%**	10.00%	**10.00%**	10.00%
Attrition Rate				
Upto 30 years	**3.00%**	3.00%	**3.00%**	3.00%
Upto 31 years to 44 years	**2.00%**	2.00%	**2.00%**	2.00%
Above 44 years	**1.00%**	1.00%	**1.00%**	1.00%

f) Quantitative sensitivity analysis for significant assumptions is as below:	**31 March 2023**	31 March 2022	**31 March 2023**	31 March 2022
Increase / (decrease) on present value of defined benefits obligations at the end of the year				
Discount Rate				
Increase by 1.00%	**(1.16)**	(0.20)	**(6.48)**	(8.63)
Decrease by 1.00%	**1.89**	1.89	**6.88**	9.61
Salary Increase				
Increase by 1.00%	**N.A.**	N.A.	**6.20**	9.31
Decrease by 1.00%	**N.A.**	N.A.	**(6.06)**	(8.46)
Attrition Rate	**N.A.**	N.A.	**N.A.**	N.A.
Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.	**N.A.**	N.A.	**N.A.**	N.A.

g) Maturity profile of defined benefit obligation	**31 March 2023**	31 March 2022	**31 March 2023**	31 March 2022
Within the next 12 months (next annual reporting period)	**0.02**	0.20	**6.20**	0.84
Between 1 and 2 years	**3.29**	0.45	**0.92**	6.81
Between 2 and 5 years	**3.44**	5.83	**9.14**	8.67
Over 5 years	**10.58**	18.44	**34.92**	44.90
Total expected payments	**17.33**	24.92	**51.18**	61.22

h) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

i) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

j) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

k) Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Retained Earnings

	31 March 2023	31 March 2022
Re-measurement gains/(losses) on defined benefit plans	**22.28**	9.50
	22.28	9.50

26 Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors and the Company has only one reportable business segment i.e. defence sector.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Information about geographical areas :

The following table shows the distribution of the Company's operating revenue by geographical location of customers, regardless of where the goods were produced/services were rendered from:

Particulars		**Year ended 31 March, 2023**	Year ended 31 March 2022
Revenue from operations	India	**74.56**	773.06
	Outside India	**202.91**	363.40

(All amounts in Indian ₹ Lacs, unless otherwise stated)

The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Non-current assets*	India	**511.37**	641.50
	Outside India	**–**	–

*** Non-current assets**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India		
Property, plant and equipment	**287.31**	303.91
Right-of-use assets	**113.06**	233.39
Intangible assets	**90.37**	53.70
Financial assets	**12.71**	25.58
Other non-current assets	**7.92**	24.92
Outside India	**–**	–
Total	**511.37**	641.50

Information about major customers:

Major individual customer with whom revenue exceeds more than 10% of the Company's revenue:

Name of Customer	For the year ended 31 March 2023	For the year ended 31 March 2022
Telephonics Corporation,USA	**202.91**	363.40
Arphi Electronics Pvt. Ltd.	**31.80**	–
Directorate of engineering H, Air HQ	**–**	719.26

27 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", as amended are disclosed below:-

(A) List of Related parties

(i) Related parties and nature of related party relationships where control exists*

Ultimate Holding Company

Mahindra & Mahindra Limited (M&M)

Holding Company

Mahindra Defence Systems Limited ((MDSL), India)**

Joint Venture Partner(upto 17 June 2022)

Mahindra Defence Systems Limited (MDSL), India

Telephonics Corporation (TC) , United States of America (USA)

(ii) Related parties and nature of related party relationships with whom transactions have taken place

Fellow Subsidiary

Mahindra Integrated Business Solutions Private Limited (MIBL)

Key management personnel

1	Mr. Jayantaraj Chatterjee (JC)	Chief Executive Officer (CEO)
2	Mr. Arun Gupta (AG)	Chief Financial Officer (CFO)

* On 17 June 2022, 49% of the Company's shares were acquired by Mahindra Defence Systems Limited (MDSL), India. As a result, Mahindra Telephonics Integrated Systems Limited became a wholly owned subsidiary of Mahindra Defence Systems Limited (MDSL),India and and Mahindra & Mahindra Limited (M&M) became the Ultimate Holding Company of Mahindra Telephonics Integrated Systems Limited. Previously, these 49% shares were held by Telephonics Corporation (TC) , United States of America (USA)

** Entities which also have common directors

(B) Transactions during the year

For the year ended 31 March 2023

Particulars	MDSL	M&M	JC	TC	MIBL	AG
Sale of goods and services	**–**	**–**	**–**	**34.17**	**–**	**–**
Payment of lease liabilities	**158.66**	**–**	**–**	**–**	**–**	**–**
Shared service charges **	**213.41**	**5.40**	**–**	**–**	**1.17**	**–**
Power and fuel	**17.11**	**–**	**–**	**–**	**–**	**–**
Legal and professional	**–**	**–**	**–**	**35.72**	**–**	**–**
Facilitation fees for corporate guarantee ***	**45.00**	**–**	**–**	**–**	**–**	**–**
Property, plant and equipment	**–**	**23.45**	**–**	**–**	**–**	**–**
Liability / Provisions no longer required written-back#				**674.06**		
Key managerial personnel						
Short-term Employee benefits*	**–**	**–**	**83.89**	**–**	**–**	**52.57**
Total	**434.18**	**28.85**	**83.89**	**743.95**	**1.17**	**52.57**

* The remuneration of key management personnel as disclosed above does not include provision made for gratuity, post retirement medical cover plan and compensated absences as they are determined on actuarial basis for the Company as a whole and individual amounts are not available.

** net of Goods and Services tax and applicable cess

*** The finance cost represents facilitation fees for a corporate guarantee amounting to Rs. 7,500 provided by Mahindra Defence Systems Limited to Axis Bank and HDFC Bank on behalf of the Company for sanction of working capital limits.

The cash credit facilities from banks amounting to Rs 820.77 (March 31, 2020: Rs Nil) are secured by corporate guarantee provided from Mahindra Defence Systems Limited.

\# During the current year, the Company has written back the payables pursuant to Share purchase agreement entered with Telephonics Corporation (TC).

(All amounts in Indian ₹ Lacs, unless otherwise stated)

For the year ended 31 March 2022

Particulars	MDSL	M&M	JC	TC	MIBL	AG
Sale of goods	–	–	–	363.40	–	–
Purchase of goods	–	–	–	622.45	–	–
Payment of lease liabilities	151.08	–	–	–	–	–
Shared service charges **	204.68	15.97	–	–	1.17	–
Power and fuel	14.44	–	–	–	–	–
Legal and professional	–	–	–	146.43	–	–
Facilitation fees for corporate guarantee***	48.16	–	–	–	–	–
Key managerial personnel						
Short-term Employee benefits*			76.75			45.39
Total	418.36	15.97	76.75	1,132.28	1.17	45.39

* The remuneration of key management personnel as disclosed above does not include provision made for gratuity, post retirement medical cover plan and compensated absences as they are determined on actuarial basis for the Company as a whole and individual amounts are not available.

** net of Goods and Services tax and applicable cess

*** The finance cost represents facilitation fees for a corporate guarantee amounting to Rs. 6,000 provided by Mahindra Defence Systems Limited to Axis Bank on behalf of the Company for sanction of working capital limits.

Balance as at year end

Particulars	**As at 31 March 2023**		As at 31 March 2022			
	Trade payables*	**Security deposits**	Trade receivables	Trade payables*	Prepaid Expenses	Security Deposits
MDSL	**462.29**	**24.78**	–	429.17	–	22.84
MIBL	**0.10**	**–**	–	0.10	–	
TC	**–**	**–**	362.98	672.90	167.19	1.62
Total	**462.39**	**24.78**	362.98	1,102.17	167.19	24.46

* Including accruals

28 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Financial instruments by category	**Carrying Value**		**Fair Value**	
	As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Financial assets at amortised cost				
Trade receivables	**17.52**	1,289.79	**17.52**	1,289.79
Cash and cash equivalents	**–**	655.34	**–**	655.34
Bank balances other than cash and cash equivalents above	**9.43**	120.52	**9.43**	120.52
Other financial assets (current)	**24.78**	1.62	**24.78**	1.62
Other financial assets (non-current)	**12.71**	25.58	**12.71**	25.58
	64.44	2,092.85	**64.44**	2,092.85
Financial Liabilities at amortised cost				
Borrowings	**820.77**	–	**820.77**	–
Lease liabilities	**149.73**	288.38	**149.73**	288.38
Trade Payables	**503.86**	1,191.12	**503.86**	1,191.12
Other financial liabilities	**65.35**	71.78	**65.35**	71.78
	1,539.71	1,551.28	**1,539.71**	1,551.28

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

a. Recognised and measured at fair value and

b. measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the indian accounting standard 113.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2023

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	**31 March 2023**	Level 1	Level 2	Level 3
Other financial assets	**25.33**	–	–	25.33

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2022

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	31 March 2022	Level 1	Level 2	Level 3
Other financial assets	**25.01**	–	–	25.01

Note : The management assessed that cash and cash equivalents, bank balance other than cash and equivalent, trade receivables, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes security deposits given for rental properties taken on lease and equipment leases, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Since its nature of business does not involve commodities, it is not exposed to interest rates risk and other price risk. Financial instruments affected by market risks include interest rate risk, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2023. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2023.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies and plan the purchases and sales in manner with similar credit period and payment period that results in a natural hedge and cover risk arising due to volatility in the foreign currency risk.

Foreign currency risk sensitivity

The following table analyzes foreign currency risk from financial instruments as of 31 March 2023 and 31 March 2022:

	As at 31 March 2023			As at 31 March 2022		
Particulars	**USD**	**EUR**	**Total**	USD	EUR	Total
Trade Receivables	**–**	**–**	**–**	620.86	20.47	641.33
Trade Payable	**–**	**–**	**–**	(404.67)	–	(404.67)
Total	**–**	**–**	**–**	216.19	20.47	236.66

Foreign Currency Sensitivity

Effect in INR	**Profit/(loss) before tax for the year ended 31 March 2023**		Profit/(loss) before tax for the year ended 31 March 2022	
1% movement	**Strengthening**	**Weakening**	Strengthening	Weakening
USD	-	-	2.16	(2.16)
EUR	-	-	0.20	(0.20)
	-	-	2.36	(2.36)

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates since the Company's investment in fixed deposits with bank are carried at amortised cost. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's secured loan from bank with floating interest rate.

During the earlier years, the Company has not experienced any significant increase in floating interest rates and therefore, has not purchased any formal interest rate swaps and derivatives for the floating interest rate loan taken. The Company's treasury department manages the interest rate risk by regularly monitoring the requirement to hedge any of its floating interest rate loan taken.

The Company does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	As at 31 March 2023	As at 31 March, 2022
Variable-rate instruments		
Working capital demand loan/cash credit from banks (secured)	**820.77**	–

In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the finance department undertakes the interest risk management exercise from time to time.

Sensitivity analysis

The below mentioned table demonstrates the sensitivity to a reasonably possible change in interest rates, with all variables held constant, (through the impact on floating rate loan)

	Impact on profit after tax / other equity	
	March 31, 2023	March 31, 2022
Interest rates - increase by 50 bps	**(5.58)**	–
Interest rates - decrease by 50 bps	**5.58**	–

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Currently, the Company is primarily engaged in supplying goods to Telephonics Corporation which was one its shareholder till 17 June 2022. Further, for unrelated parties, the customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company with the its treasury policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	As at 31 March 2023	As at 31 March 2022
Financial assets		
Trade Receivables	**17.52**	1,289.79
Cash and cash equivalents	**-**	655.34
Bank balances other than cash and cash equivalent	**9.43**	120.52
Other financial assets (non-current)	**12.71**	25.58
Other financial assets (current)	**24.78**	1.62
	64.44	2,092.85

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The ageing analysis of trade receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	**As at 31 March 2023**	As at 31 March 2022
Neither past due nor impaired	**8.67**	1,176.38
0 to 180 days due past due date	**117.10**	113.41
More than 180 days past due date	**123.31**	–
Total Trade Receivables (gross of provision)	**249.08**	1,289.79

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**–**	–
Provision during the year	**231.56**	–
Bad debts	**–**	–
Balance at the end of the year	**231.56**	–

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and current account with bank. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2023	**Less than 1 year**	**1 to 5 years**	**Total**
Borrowings	**820.77**	**–**	**820.77**
Lease liabilities	**149.73**	**–**	**149.73**
Trade Payables	**503.86**	**–**	**503.86**
Other current financial liabilities	**65.35**	**–**	**65.35**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

As at 31 March 2022	Less than 1 year	1 to 5 years	Total
Lease liabilities	138.65	149.73	288.38
Trade Payables	1,191.12	–	1,191.12
Other current financial liabilities	71.78	–	71.78

30 Capital Management

For the purposes of Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

The Company monitors capital using gearing ratio, which is net payables (including borrowings) divided by total capital plus net payables (including borrowings).

Particulars	**31 March 2023**	31 March 2022
Borrowings (net of cash and cash equivalent)	**820.77**	–
Net Debt	**820.77**	–
Equity	**18.31**	438.34
Total Capital	**18.31**	438.34
Capital and Net Debt	**839.08**	438.34
Gearing ratio	**97.82%**	0.00%

31. Income Taxes

		For the year ended 31 March 2023	For the year ended 31 March, 2022
A	**Amount recognised in Statement of Profit and Loss**		
	Current tax		
	Current period (a)	–	–
	Deferred tax asset (net) (b)		
	Deferred tax asset (net)	–	–
	Tax expense	–	–

		For the year ended 31 March 2023	For the year ended 31 March, 2022
B	**Income tax recognised in other comprehensive income**		
	Remeasurements of defined benefit liability / (asset)		
	Before tax	**22.28**	9.50
	Tax (expense)/ benefit	**–**	**–**
	Net of tax	**22.28**	9.50
C	**Reconciliation of effective tax rate**		
	(Loss) before tax	**(442.31)**	(614.46)
	Enacted tax rates in India	**26.00%**	26.00%
	Computed tax expense	**(115.00)**	(159.76)
	Timing differences	**54.22**	(187.90)
	Tax on carried forward losses	**60.78**	347.66
	Income tax expense	**–**	**–**

		As at 31 March 2023	As at 31 March, 2022
D	**Income tax assets and income tax liabilities**		
	Advance tax	**17.02**	15.79
		17.02	15.79
E	**Deferred tax assets (net)**		
	Deferred tax assets on account of:		
	Lease Liability	**9.53**	14.29
	Provision for employee benefits	**19.05**	24.19
	Impairment allowances for trade receivables considered doubtful	**60.21**	–
	Carry forward business losses and unabsorbed depreciation	**948.59**	1,193.37
	Total deferred tax asset (A)	**1,037.38**	1,231.85
	Deferred tax liabilities on account of:		
	Property plant and equipment	**(3.57)**	(2.80)
	Total deferred tax liabilities (B)	**(3.57)**	(2.80)
	Net deferred tax assets /(liabilities) (A)-(B)	**1,033.81**	1,229.05
	Deferred tax assets recognised	**–**	**–**

The Company has significant unabsorbed depreciation and carry forward losses. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Accordingly, the Company has not recognised deferred tax assets in the books of account.

F Movement of temporary differences

	As at 31 March 2021	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	As at 31 March 2022	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	**As at 31 March 2023**
Property plant and equipment	(5.97)	3.17	–	(2.80)	(0.77)	–	**(3.57)**
Lease Liability	13.95	0.34	–	14.29	(4.76)	–	**9.53**
Provision for employee benefits	27.79	(3.60)	–	24.19	(5.14)	–	**19.05**
Loss allowances on trade receivables	–	–	–	–	60.21	–	**60.21**
Carry forward business losses and unabsorbed depreciation	1,074.17	–	119.20	1,193.37	–	(244.78)	**948.59**
	1,109.94	(0.09)	119.20	1,229.05	49.54	(244.78)	**1,033.81**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	Expiry date	**As at 31 March 2023**	Expiry date	As at 31 March 2022
Business Loss				
FY 2014-15	–	**–**	31-Mar-23	523.46
FY 2015-16	31-Mar-24	**354.23**	31-Mar-24	354.23
FY 2016-17	31-Mar-25	**299.91**	31-Mar-25	299.91
FY 2017-18	31-Mar-26	**212.66**	31-Mar-26	212.66
FY 2018-19	31-Mar-27	**526.69**	31-Mar-27	526.69
FY 2019-20	31-Mar-28	**608.62**	31-Mar-28	608.62
FY 2020-21	31-Mar-29	**162.97**	31-Mar-29	162.97
FY 2021-22	31-Mar-30	**534.69**	31-Mar-30	534.69
FY 2022-23	31-Mar-31	**162.79**		
		2,862.56		3,223.22
Unabsorbed Depreciation		**785.85**		714.87
		3,648.41		3,938.09

32 Earnings per share

a) Basic Earnings per share

	As at 31 March 2023	As at 31 March 2022
Numerator for earnings per share		
Loss after taxation	**(442.31)**	(614.46)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	**50,784,313**	50,784,313
Earnings per share- Basic (one equity share of Rs 10 each)	**(0.87)**	(1.21)

The Company does not have any potential equity shares which have a dilutive impact on earnings per share, accordingly, basic and dilutive earnings per share are same.

33 Ageing analysis of Trade receivables is as follows :-

As at 31 March 2023

		Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables considered good	**8.67**	**–**	**8.85**	**–**	**–**	**–**	**17.52**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables credit impaired	**–**	**117.10**	**114.46**	**–**	**–**	**–**	**231.56**
(iv) Disputed Trade Receivables considered good	**–**			**–**	**–**	**–**	**–**
(v) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade Receivables credit impaired	**–**						
Total	**8.67**	**117.10**	**123.31**	**–**	**–**	**–**	**249.08**

As at 31 March 2022

		Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	1,176.38	113.41	–	–	–	–	1,289.79
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables credit impaired							
(iv) Disputed Trade Receivables considered good							
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables credit impaired	–	–	–	–	–	–	–
Total	**1,176.38**	**113.41**	**–**	**–**	**–**	**–**	**1,289.79**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

34 Ageing analysis of Trade payables is as follows :-

As on 31 March 2023

			Outstanding for following periods from due date of payment				
Particulars	**Unbilled dues**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	–	–	–	–	–	–	–
(ii) Others	**203.46**	**1.89**	**298.51**	–	–	–	**503.86**
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–	–
Total	**203.46**	**1.89**	**298.51**	–	–	–	**503.86**

As on 31 March 2022

			Outstanding for following periods from due date of payment				
Particulars	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	11.74	–	–	–	–	11.74
(ii) Others	96.98	603.61	478.79	–	–	–	1,179.38
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–	–
Total	**96.98**	**615.35**	**478.79**	–	–	–	**1,191.12**

35 Analytical ratios

Ratio	**Numerator**	**Denominator**	**Current Year**	**Previous Year**	**% variance**	**Reason for variance**
Current Ratio	Total current assets	Total current liabilities	1.60	1.01	(58%)	Variation because during the year current assets decreased due to decrease in cash and cash equivalents while the current liabilities increased because of borrowings during the current year.
Debt-equity ratio	Total debt*	Total equity	44.83	–	#DIV/0!	Variation because of borrowings from banks taken during the year while there were no borrowings from banks during the previous year.
Debt service coverage ratio	Earnings available for debt service = Loss for the year + non-cash operating expenses + interest + other non-cash adjustments	Debt service = Interest +Lease Payments + Principal repayments	(5.20)	(2.86)	(82%)	Variation because of borrowings from banks taken during the year while there were no borrowings from banks during the previous year.
Return on equity ratio	Loss for the year	Average total equity	(194%)	(21%)	(834%)	Variation because of decrease in equity during the year due to losses.
Inventory turnover ratio	Cost of material consumed	Average inventory	0.15	5.11	97%	Variation because of increase in inventory at the end of current year.
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.42	0.32	(31%)	Variation because of decrease in receivables at the end of current year.
Trade payables turnover ratio	Cost of material consumed + Other expenses	Average trade payables	0.86	0.33	(160%)	Variation because of decrease in payables at the end of current year.
Net capital turnover ratio	Revenue from operations	Working capital = Total current assets - Total current liabilities	0.17	18.93	99%	Variation because of decrease in revenue during the year.
Net profit ratio	Loss for the year	Revenue from operations	(159%)	(54%)	(195%)	Variation because of decrease in revenue during the year.
Return on capital employed	Losses before tax and finance cost	Tangible Net Worth + Total Debt*	(43%)	(122%)	65%	Variation because of borrowings from banks taken during the year while there were no borrowings from banks during the previous year.
Return on investment	Income generated from invested funds	Average investments	N.A.	N.A.	N.A.	–

* During the previous year, this is not applicable since lease liabilities is not a Debt.

36 Other statutory information

i The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

ii The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

iii The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

iv The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

v No scheme of arrangement has been approved by the competent authority in term of Section 230 to 237 of the Company Act, 2013,

vi The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company(ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vii The Company has not received any fund from any person or entity, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

viii The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

x The Company has complied with the number of layers prescribed under the Companies Act, 2013.

xi The Company has borrowings from banks on the basis of security of current assets and all immovable Property, plant and equipment . The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

xii The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

xiii The title deeds/legal ownership of immovable properties as disclosed in the financial statements are held in the name of the Company.

xiv During the year the Company has not granted any loans or advances in nature of loans to Promoters, Directors, KMPs and other related parties.

xv The Company does not have any investment property.

37 The Company has incurred losses of Rs. 442.31 lacs for the year ended 31 March 2023 and has accumulated losses of Rs. 5,060.12 lacs as at that date. The losses are incurred due to lower revenue and higher fixed cost incurred by the Company. The management of the Company has confirmed customer orders in hand for the year ending 31 March 2024 and its Holding Company has given a letter of financial support for at least 12 months from the issue of the financial statements of the Company for the year ended 31 March 2023. The Company relies on such letter of support to meet its obligations and continue as a going concern. The Board of Directors and Management of the Company have independently assessed the Holding Company's ability and intent to provide such financial support. Accordingly, these financial statements have been prepared on a going concern basis and therefore, the assets and liabilities are recorded on the basis that the Company will be able to use or realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business.

38 Subsequent Events

The Board of Directors of Mahindra Telephonics Integrated Systems Limited ("Transferor Company" or "Company") in its Board Meeting held on 27 March 2023 have approved the Proposed Composite Scheme of Amalgamation and Arrangement ("Scheme") amongst the Company with Mahindra Defence Systems Limited ("Transferee Company") and their respective shareholders pursuant to Sections 230-232 read with Section 52 and Section 66 of the Companies Act, 2013 as applicable in India with effect from 1 April 2023. The Company has filed the Scheme before National Company Law Tribunal (NCLT) on 5 May 2023, the Scheme is subject to the approval of the respective shareholders of the Company, NCLT and Statutory and Regulatory Authorities, as applicable. No condition existed on the balance sheet date which require any adjustment to be made to the financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankit Gupta
Partner
Membership no. : 517870

Place: New Delhi
Date: 24 May 2023

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN :0009647105

Arun Gupta
CFO

Ashvin Patni
(Company Secretary)
ACS: 68031

Place: Mumbai
Date: 24 May 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mahindra Emirates Vehicle Armouring FZ-LLC
Ras Al Khaimah, UNITED ARAB EMIRATES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Emirates Vehicle Armouring FZ - LLC (the Company), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to:

i) Note 2 to the financial statements which states that the Company has presented these financial statements as separate financial statements under International Accounting Standard (IAS) 27 wherein investment in subsidiary is carried at cost without consolidating the financial results of the subsidiary.

ii) Note 3.4 to the financial statements which states that the INR amounts in the accompanying financial statements are presented as supplementary information solely for the convenience of users of the financial statements. Such supplementary information does not form part of the financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Our opinion is not modified in respect of these matters.

Other Information

The Board of Directors and management is responsible for the other information. The other information comprises the directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained up to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

1. we have obtained all the information and explanations we considered necessary for the purposes of our audit;
2. the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;
3. the Company has maintained proper books of account;
4. the financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;
5. the Company has not purchased or invested in shares or stocks during the year ended 31 March 2023;
6. note 10 to the financial statements discloses material related party transactions and balances and the terms under which they were conducted; and
7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2023 with any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at 31 March 2023.

Saju Augustine FCA
Reg. No : 136
Kreston Menon Chartered Accountants

Ras Al Khaimah
18 April 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
ASSETS					
Non-current assets					
Property and equipment	5	1,883,807	42,159,600	579,121	11,941,475
Right-of-use assets	6	3,810,281	85,274,089	4,315,444	88,984,455
Investment in subsidiary	7	25,900	579,642	25,900	534,058
Total non-current assets		5,719,988	128,013,331	4,920,465	101,459,988
Current assets					
Inventories	8	5,904,991	132,153,699	9,891,348	203,959,596
Trade and other receivables	9	3,330,819	74,543,730	3,321,676	68,492,960
Due from related parties	10.b	3,281,353	73,436,680	3,222,917	66,456,548
Cash and bank balances	11	8,926,192	199,768,177	11,890,205	245,176,027
Total current assets		21,443,355	479,902,286	28,326,146	584,085,131
Total assets		27,163,343	607,915,617	33,246,611	685,545,119
EQUITY AND LIABILITIES					
Equity					
Share capital	12	10,000,000	223,800,000	10,000,000	206,200,000
Statutory reserve	13	1,436,365	32,145,848	1,281,141	26,417,127
Retained earnings		4,046,936	90,570,430	2,649,921	54,641,371
Total equity		15,483,301	346,516,278	13,931,062	287,258,498
LIABILITIES					
Non-current liabilities					
Provision for employees' end of service benefits	14	1,337,545	29,934,257	1,117,559	23,044,067
Lease liabilities - non-current	15	4,375,840	97,931,299	4,776,184	98,484,914
Total non-current liabilities		5,713,385	127,865,556	5,893,743	121,528,981
Current liabilities					
Trade and other payables	16	5,402,447	120,906,762	13,118,930	270,512,337
Due to related party	10.c	4,794	107,290	–	–
Borrowings	17	56,691	1,268,745	–	–
Lease liabilities	15	502,725	11,250,986	302,876	6,245,303
Total current liabilities		5,966,657	133,533,783	13,421,806	276,757,640
Total liabilities		11,680,042	261,399,339	19,315,549	398,286,621
Total equity and liabilities		27,163,343	607,915,617	33,246,611	685,545,119

For and on behalf of the Board of Mahindra Emirates Vehicle Armouring FZ LLC

Yousef Mohammed Esmaeel
Mohammed Al Belooshi Director
Rajiv Gupta Director & CEO
Johnmon Xavier CFO

The accompanying notes form an integral part of these financial statements.
Place: Ras al khaimah
Date: 18th April, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Revenue	18	35,170,231	787,109,769	34,994,032	721,576,940
Cost of revenue	19	(29,209,368)	(653,705,655)	(29,821,513)	(614,919,599)
Gross profit		5,960,863	133,404,114	5,172,519	106,657,341
Other income	20	27,942	625,342	105,301	2,171,307
Administrative expenses	21	(3,621,047)	(81,039,029)	(3,357,102)	(69,223,443)
Selling and distribution expenses	22	(554,639)	(12,412,822)	(318,141)	(6,560,068)
Profit from operating activities		1,813,119	40,577,605	1,602,577	33,045,137
Interest income		26,304	588,684	20,759	428,051
Finance costs	23	(287,184)	(6,427,178)	(301,618)	(6,219,363)
Profit for the year		1,552,239	34,739,111	1,321,718	27,253,825
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,552,239	34,739,111	1,321,718	27,253,825

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2021	10,000,000	1,148,969	1,460,375	12,609,344
Total comprehensive income for the year	–	–	1,321,718	1,321,718
Transfer to statutory reserve	–	132,172	(132,172)	–
Balance at 31 March 2022	**10,000,000**	**1,281,141**	**2,649,921**	**13,931,062**
Total comprehensive income for the year	–	–	1,552,239	1,552,239
Transfer to statutory reserve	–	155,224	(155,224)	–
Balance at 31 March 2023	**10,000,000**	**1,436,365**	**4,046,936**	**15,483,301**

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

Unaudited Supplementary Information (refer note 3.4)

	Share capital INR	Statutory reserve INR	Retained earnings INR	Total INR
Balance at 1 April 2021	202,000,000	23,209,174	29,499,575	254,708,749
Total comprehensive income for the year	–	–	27,253,825	27,253,825
Transfer to statutory reserve	–	2,725,387	(2,725,387)	–
Effects of foreign exchange differences	4,200,000	482,566	613,358	5,295,924
Balance at 31 March 2022	**206,200,000**	**26,417,127**	**54,641,371**	**287,258,498**
Total comprehensive income for the year	–	–	34,739,111	34,739,111
Transfer to statutory reserve	–	3,473,913	(3,473,913)	–
Effects of foreign exchange differences	17,600,000	2,254,808	4,663,861	24,518,669
Balance at 31 March 2023	**223,800,000**	**32,145,848**	**90,570,430**	**346,516,278**

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Cash flows from operating activities				
Profit for the year	**1,552,239**	**34,739,111**	1,321,718	27,253,825
Adjustments for:				
Finance costs	**287,184**	**6,427,178**	301,618	6,219,363
Interest income	**(26,304)**	**(588,684)**	(20,759)	(428,051)
Depreciation of property and equipment	**271,478**	**6,075,678**	265,933	5,483,539
Depreciation of right-of-use assets	**505,163**	**11,305,547**	505,163	10,416,461
Provision for employees' end of service benefits	**273,285**	**6,116,118**	128,410	2,647,814
(Reversal of excess provision)/provision for slow moving inventories	**(35,858)**	**(802,502)**	10,599	218,551
Allowance for impairment/(reversal of excess allowance for impairment) of trade receivables	**11,178**	**250,164**	(35,572)	(733,495)
Bad debts written off	**–**	**–**	–	–
Gain on disposal of property and equipment	**(27,942)**	**(625,342)**	(69,729)	(1,437,812)
Operating cash flows before changes in working capital	**2,810,423**	**62,897,268**	2,407,381	49,640,195
Decrease/(increase) in inventories	**4,022,215**	**90,017,172**	(6,209,341)	(128,036,611)
(Increase) in trade and other receivables	**(20,321)**	**(454,784)**	(606,967)	(12,515,660)
(Increase) in due from related parties	**(58,436)**	**(1,307,798)**	(2,210,083)	(45,571,911)
(Decrease)/increase in trade and other payables	**(7,716,483)**	**(172,694,890)**	10,835,591	223,429,886
Increase/(decrease) in due to related party	**4,794**	**107,290**	(26,872)	(554,101)
Cash (used in)/generated from operations	**(957,808)**	**(21,435,742)**	4,189,709	86,391,798
Employees' end of service benefits paid	**(53,299)**	**(1,192,832)**	(30,035)	(619,322)
Net cash (used in)/ generated from operating activities	**(1,011,107)**	**(22,628,574)**	4,159,674	85,772,476
Cash flows from investing activities				
Purchase of property and equipment	**(150,312)**	**(3,363,983)**	(221,937)	(4,576,341)
Additions to capital work-in-progress	**(1,448,386)**	**(32,414,879)**	–	–
Proceeds from disposal of property and equipment	**50,476**	**1,129,653**	69,729	1,437,812
(Increase) in fixed deposits	**(2,282,728)**	**(51,087,453)**	(631,266)	(13,016,705)
Interest income	**26,304**	**588,684**	20,759	428,051
Net cash (used in) investing activities	**(3,804,646)**	**(85,147,978)**	(762,715)	(15,727,183)
Cash flows from financing activities				
Increase in borrowings	**56,691**	**1,268,745**	–	–
Interest paid on lease liabilities	**(285,573)**	**(6,391,124)**	(300,345)	(6,193,114)
Interest paid on borrowings	**(1,611)**	**(36,054)**	(1,273)	(26,249)
Repayment of lease liabilities	**(200,495)**	**(4,487,078)**	(186,609)	(3,847,877)
Net cash (used in) financing activities	**(430,988)**	**(9,645,511)**	(488,227)	(10,067,240)
Net (decrease)/increase in cash and cash equivalents	**(5,246,741)**	**(117,422,063)**	2,908,732	59,978,053
Cash and cash equivalents at beginning of year	**5,365,006**	**110,626,424**	2,456,274	49,616,734
Effects of foreign exchange differences	**–**	**9,442,410**	–	1,031,637
Cash and cash equivalents at end of year (Note 11)	**118,265**	**2,646,771**	5,365,006	110,626,424

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION :

Mahindra Emirates Vehicle Armouring FZ - LLC (the Company) is a Free Zone - Limited Liability Company incorporated in Ras Al Khaimah Economic Zone (RAKEZ), Ras Al Khaimah, United Arab Emirates. The registered office address of the Company is P.O. Box. 39893, RAKEZ, Ras Al Khaimah, United Arab Emirates and principal place of business is located in Ras Al Khaimah, UAE.

The principal activities of the Company are trading & assembling of automobiles, specialised vehicles, auto spare parts & components, auto accessories, special accessories fitting & tyres & rims and manufacturing of vehicle bodies & vehicle upholstery services.

2. PRESENTATION OF SEPARATE FINANCIAL STATEMENTS OF PARENT COMPANY :

These financial statements are presented as separate financial statements wherein investment of the Company in its subsidiary is carried at cost without consolidating the financial results of the subsidiary. The Company also prepares consolidated financial statements that comply with International Financial Reporting Standards. In these separate financial statements, investment in subsidiary is accounted for as explained in note 3.8.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES :

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest AED. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 3 - Reference to the Conceptual Framework

Amendment to IFRS 16 - COVID-19-Related Rent Concessions

Amendments to IAS 16 - Proceeds before Intended Use

Amendments to IAS 37- Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to IFRS Standards 2018–2020 - Amendments to IFRS 1, IFRS 9 and IAS 41

The following Standards, amendments thereto and interpretations have been issued prior to 31 March 2023 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 17: Insurance Contracts - 1 January 2023

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined.

Amendments to IAS 1- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - 1 January 2024

Amendments to IAS 1 - Disclosure of Accounting Policies - 1 January 2023

Amendments to IAS 8 - Definition of Accounting Estimates - 1 January 2023

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction - 1 January 2023

Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback - 1 January 2024

3.4 Convenience translation

In addition to presenting the financial statement in AED, supplementary information in INR has been prepared for the convenience of users of the financial statements. All amounts are translated from AED to INR at the closing exchange rate at 31 March 2023 of INR 22.38 (31 March 2022: INR 20.62) to AED 1.

3.5 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in AED, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.6 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Leasehold improvements	**10**
Machinery and equipment	**7 - 8**
Prototype	**4**
Furniture and equipment	**4**
Motor vehicles	**4**

In the case of leasehold improvements, it is assumed that the lease will continue to be renewed over the useful life.

The assets’ residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the profit or loss.

3.7 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

– amounts expected to be payable under any residual value guarantee;
– the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
– any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right–of–use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

– lease payments made at or before commencement of the lease;
– initial direct costs incurred; and
– the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lease extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

– if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
– in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
– if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3.8 Investment in subsidiary

Subsidiaries are entities (including structured entities) controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements if control listed.

When the Company has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Investment in subsidiary is stated at cost less identified impairment losses, if any.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

Costs incurred in bringing each item to its present location and condition are accounted for as follows:

Steel & carpets and others	– purchase cost
Vehicles	– cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

3.10 Impairment of tangible and right-of-use assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

3.11 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; fair value through other comprehensive income ("FVTOCI") – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

All financial assets of the Company are classified as and are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

All financial liabilities of the Company are classified as and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

3.12 Impairment of financial assets

'Expected Credit Loss' (ECL) model requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company records an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments.

The Company measures impairment allowances using general or simplified approach as considered appropriate. Loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs under the general approach are a probability weighted estimate of credit losses which are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs under the standard's simplified approach are calculated based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Company.

3.13 Cash and bank balances

Cash and bank balances comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right prior to the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting date.

3.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

3.16 Provision for employees' benefits

Provision for employees' end of service benefits is made in accordance with the UAE labour laws, and is based on current remuneration and periods of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision relating to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

3.17 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods or rendering of services based on a five-step model as set out below:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or rendering of services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

of consideration to which the Company expects to be entitled in exchange for transferring promised goods or rendering of services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or rendering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of goods and issuance of the invoices to customers.

Rendering of services

Revenue from storage services is recognised as the services are rendered. Storage income is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company as the Company performs.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) *Estimated useful lives of property & equipment*

Management assigns useful lives and residual values to property and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) *Impairment of non-financial assets*

Assessments of net recoverable amounts of property & equipment, right-of-use assets and other non-financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) *Inventory provisions*

The Company reviews the carrying amounts of the inventories at the end of the reporting period and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, adequate provisions are made as at the end of the reporting period.

d) *Business model assessment*

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

e) *Significant increase in credit risk*

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

f) *Calculation of loss allowance*

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

g) *Lease term and useful lives of right-of-use assets*

The Company's management determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

h) *Provision for warranties*

"In respect of sale of manufactured goods, the estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures (except warranties backed by the supplier).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

5. PROPERTY AND EQUIPMENT :

Movement in property and equipment are detailed on pages herein.

6. RIGHT-OF-USE ASSETS :

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Cost				
Balance at beginning of year	**5,830,933**	**120,233,838**	5,830,933	117,784,846
Effects of foreign exchange differences	**–**	**10,262,442**	–	2,448,992
Balance at end of year	**5,830,933**	**130,496,280**	5,830,933	120,233,838
Accumulated depreciation				
Balance at beginning of year	**1,515,489**	**31,249,383**	1,010,326	20,408,585
Charge for the year	**505,163**	**11,305,547**	505,163	10,416,461
Effects of foreign exchange differences	**–**	**2,667,261**	–	424,337
Balance at end of year	**2,020,652**	**45,222,191**	1,515,489	31,249,383
Net book amount	**3,810,281**	**85,274,089**	4,315,444	88,984,455

Right-of-use assets represents long term usage rights of leased warehouses located in Al Hamra Free Zone, Ras Al Khaimah and are depreciated on a straight line basis over its estimated useful life. The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income are as detailed below:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Cost of revenue (Note 19)	**404,130**	**9,044,429**	322,276	6,645,331
Administrative expenses (Note 21)	**101,033**	**2,261,118**	182,887	3,771,130
	505,163	**11,305,547**	505,163	10,416,461

7. INVESTMENT IN SUBSIDIARY :

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Mahindra Armored Vehicles (Jordan) LLC	**25,900**	**579,642**	25,900	534,058

Mahindra Armored Vehicles (Jordan) LLC (the Subsidiary), is a Limited Liability Company incorporated in Jordan and the Company is holding 100% of its share capital. The principal activities of the Subsidiary are manufacturing, armoring & sales of armored vehicles, bullet-proof vehicles, security vehicles, military vehicles, cash in transit vehicles, police vehicles, ambulance and special-purpose vehicles.

8. INVENTORIES :

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Vehicles	**2,804,065**	**62,754,975**	7,657,066	157,888,701
Steel and carpets	**2,301,996**	**51,518,670**	2,136,186	44,048,155
Others	**990,718**	**22,172,269**	325,742	6,716,800
	6,096,779	**136,445,914**	10,118,994	208,653,656
Less: Provision for slow moving inventories	**(191,788)**	**(4,292,215)**	(227,646)	(4,694,060)
	5,904,991	**132,153,699**	9,891,348	203,959,596

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Movement of the provision for slow moving inventories is as follows:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Balance at beginning of year	**227,646**	**4,694,060**	217,047	4,384,349
(Reversal of excess provision)/provision made during the year (Note 19)	**(35,858)**	**(802,502)**	10,599	218,551
Effects of foreign exchange differences	**–**	**400,657**	–	91,160
Balance at end of year	**191,788**	**4,292,215**	227,646	4,694,060

9. TRADE AND OTHER RECEIVABLES :

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Trade receivables	**1,663,725**	**37,234,166**	1,531,488	31,579,283
Allowance for impairment of trade receivables	**(12,285)**	**(274,938)**	(1,107)	(22,826)
	1,651,440	**36,959,228**	1,530,381	31,556,457
Prepayments	**205,081**	**4,589,713**	208,924	4,308,013
Refundable deposits	**619,516**	**13,864,768**	1,113,484	22,960,040
Advance to suppliers	**800,735**	**17,920,449**	289,539	5,970,294
Advance to employees	**10,000**	**223,800**	74,558	1,537,386
VAT receivable[1]	**44,047**	**985,772**	104,790	2,160,770
	3,330,819	**74,543,730**	3,321,676	68,492,960

Trade receivables which are neither past due nor impaired amounted to AED 1,476,405/- equivalent to INR 33,041,945/- (2022: AED 191,150/- equivalent to INR 3,941,514/-).

An age analysis of trade receivables that were past due but not impaired is as follows:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Upto 30 days past due	**28,171**	**630,467**	1,328,727	27,398,351
31 - 60 days past due	**38,374**	**858,810**	–	–
61 - 90 days past due	**5,970**	**133,609**	10,504	216,592
91 - 180 days past due	**32,839**	**734,937**	–	–
Over 180 days past due	**69,681**	**1,559,460**	–	–
Total	**175,035**	**3,917,283**	1,339,231	27,614,943

An analysis of trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery is as follows:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Gross value	**12,285**	**274,938**	1,107	22,826
Allowance	**(12,285)**	**(274,938)**	(1,107)	(22,826)
Carrying value	**–**	**–**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Movement in the allowance for impairment of trade receivables is as follows:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Balance at beginning of year	**1,107**	**22,826**	36,679	740,916
Allowance made during the year (Note 22)	**11,178**	**250,164**	–	–
Excess allowance reversed during the year (Note 20)	–	–	(35,572)	(733,495)
Effects of foreign exchange differences	–	**1,948**	–	15,405
Balance at end of year	**12,285**	**274,938**	1,107	22,826

[1] Value Added Tax (VAT) receivable represents net VAT amount receivable from the U.A.E. Federal Tax Authority against the input tax charged by the suppliers on their taxable supplies to the Company in excess of the output tax charged to the customers on its taxable supplies to the customers as per the Federal Decree Law No. 8 of 2017 on Value Added Tax and its Executive Regulations (Cabinet Decisions No.52 of 2017 on Value Added Tax).

The following table provides information about the ECLs for trade receivables as at 31 March 2023:

	Weighted average loss rate %	Gross carrying amount AED	Loss allowance AED	Unaudited Supplementary Information (refer note 3.4) Loss allowance INR
Current (not past due)	**0.00%**	**1,476,405**	–	–
Upto 30 days past due	**0.00%**	**28,171**	–	–
31 - 60 days past due	**0.01%**	**38,377**	**3**	**67**
61 - 90 days past due	**0.05%**	**5,973**	**3**	**67**
91 - 180 days past due	**0.35%**	**32,955**	**116**	**2,596**
Over 180 days past due	**14.86%**	**81,844**	**12,163**	**272,208**
		1,663,725	**12,285**	**274,938**

The following table provides information about the ECLs for trade receivables as at 31 March 2022:

	Weighted average loss rate %	Gross carrying amount AED	Loss allowance AED	Unaudited Supplementary Information (refer note 3.4) Loss allowance INR
Current (not past due)	0.04%	191,231	81	1,670
Upto 30 days past due	0.07%	1,329,683	956	19,713
61 - 90 days past due	0.66%	10,574	70	1,443
		1,531,488	1,107	22,826

10. RELATED PARTY TRANSACTIONS :

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms agreed by the management.

a. During the year, the Company entered into the following transactions with related parties:

	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Revenue (Note 18)	**5,492,810**	**122,929,088**	7,688,569	158,538,293
Cost of revenue (Note 19)	**5,068,971**	**113,443,571**	–	–
Marketing & technical support	**232,400**	**5,201,112**	223,496	4,608,488
Key management remuneration	**1,066,750**	**23,873,865**	996,700	20,551,954

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Key management remuneration represents the compensation paid or payable to key management for employee services. Key management represents the Director & CEO and CFO of the Company and the remuneration is included in employee costs allocated to administrative expenses in the statement of profit or loss and other comprehensive income. The compensation of key management for the period is shown below:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Short-term benefits	**908,260**	**20,326,859**	847,760	17,480,811
End of service benefits	**51,410**	**1,150,556**	47,360	976,563
Other benefits	**107,080**	**2,396,450**	101,580	2,094,580
	1,066,750	**23,873,865**	996,700	20,551,954

The following related party balances were outstanding at the end of the reporting period:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
b. **Due from related parties:**				
Mahindra Defence Systems Limited, India	**–**	**–**	2,121,968	43,754,980
Mahindra Armoured Vehicles (Jordan) LLC, Jordan	**3,281,353**	**73,436,680**	1,100,949	22,701,568
	3,281,353	**73,436,680**	3,222,917	66,456,548

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
c. **Due to related party:**				
Mahindra & Mahindra Limited	**4,794**	**107,290**	–	–

Related party balances are unsecured and are expected to be settled by cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

11. CASH AND BANK BALANCES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Cash at bank:				
Current accounts	**118,265**	**2,646,771**	5,365,006	110,626,424
Fixed deposits	**8,807,927**	**197,121,406**	6,525,199	134,549,603
Cash and bank balances	**8,926,192**	**199,768,177**	11,890,205	245,176,027
Less : Fixed deposits with original maturity period of more than three months	**(8,807,927)**	**(197,121,406)**	(6,525,199)	(134,549,603)
Cash and cash equivalents	**118,265**	**2,646,771**	5,365,006	110,626,424

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

12. SHARE CAPITAL :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Authorised, issued and fully paid;				
1,000 (2022: 1,000) ordinary shares of AED 1,000/- each	**10,000,000**	**223,800,000**	10,000,000	206,200,000

During 2022, the Board of Directors and the shareholders of the Company, approved the transfer of shares from Mahindra Overseas Investment Company (Mauritius) Limited (retiring shareholder) to Mahindra Defence Systems Limited (new shareholder). Accordingly, the Memorandum of Association of the Company was amended on 3 August 2022.

13. STATUTORY RESERVE :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Balance at beginning of year	**1,281,141**	**26,417,127**	1,148,969	23,209,174
Transferred during the year	**155,224**	**3,473,913**	132,172	2,725,387
Effects of foreign exchange differences	**–**	**2,254,808**	–	482,566
Balance at end of year	**1,436,365**	**32,145,848**	1,281,141	26,417,127

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's memorandum of association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law.

14. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Balance at beginning of year	**1,117,559**	**23,044,067**	1,019,184	20,587,517
Provision made during the year (Note 24)	**273,285**	**6,116,118**	128,410	2,647,814
Payments during the year	**(53,299)**	**(1,192,832)**	(30,035)	(619,322)
Effects of foreign exchange differences	**–**	**1,966,904**	–	428,058
Balance at end of year	**1,337,545**	**29,934,257**	1,117,559	23,044,067

15. LEASE LIABILITIES :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Balance at beginning of year	**5,079,060**	**104,730,217**	5,265,669	106,366,513
Interest charged for the year (Note 23)	**285,573**	**6,391,124**	300,345	6,193,114
Repayments during the year	**(486,068)**	**(10,878,202)**	(486,954)	(10,040,991)
Effects of foreign exchange differences	**–**	**8,939,146**	–	2,211,581
Balance at end of year	**4,878,565**	**109,182,285**	5,079,060	104,730,217
Presented in the statement of financial position as:				
Non-current	**4,375,840**	**97,931,299**	4,776,184	98,484,914
Current	**502,725**	**11,250,986**	302,876	6,245,303
	4,878,565	**109,182,285**	5,079,060	104,730,217

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

16. TRADE AND OTHER PAYABLES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Trade payables	**909,880**	**20,363,114**	1,214,378	25,040,475
Advance from customers	**2,868,638**	**64,200,118**	10,404,639	214,543,656
Accruals for employees' benefits	**561,264**	**12,561,088**	584,531	12,053,029
Other payables	**95,043**	**2,127,062**	256,207	5,282,988
Accrued expenses	**967,622**	**21,655,380**	659,175	13,592,189
	5,402,447	**120,906,762**	13,118,930	270,512,337

17. BORROWINGS :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Bank overdraft	**56,691**	**1,268,745**	–	–

Bank facilities granted to the Company are secured by cash collateral in the form of fixed deposit receipts, comfort letters issued by shareholders, possessory pledge of machinery & equipment & inventories and assignment of receivables in favour of the bank.

18. REVENUE :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Revenue from:				
Sale of armoured vehicles and accessories	**34,729,464**	**777,245,404**	34,636,168	714,197,784
Storage income	**440,767**	**9,864,365**	357,864	7,379,156
	35,170,231	**787,109,769**	34,994,032	721,576,940

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Analysis of revenue is as follows:				
Related parties (Note 10.a)	**5,492,810**	**122,929,088**	7,688,569	158,538,293
Others	**29,677,421**	**664,180,681**	27,305,463	563,038,647
	35,170,231	**787,109,769**	34,994,032	721,576,940

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

19. COST OF REVENUE :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Purchases	**20,490,945**	**458,587,349**	30,440,569	627,684,533
Employee costs (Note 24)	**2,263,801**	**50,663,866**	1,990,709	41,048,420
Clearing and forwarding	**1,019,459**	**22,815,492**	1,350,148	27,840,052
Other direct costs	**875,914**	**19,602,955**	1,750,800	36,101,496
Depreciation of right-of-use assets (Note 6)	**404,130**	**9,044,429**	322,276	6,645,331
Depreciation of property and equipment (Note 5)	**143,968**	**3,222,004**	140,748	2,902,224
(Reversal of excess provision)/provision for slow moving inventories (Note 8)	**(35,858)**	**(802,502)**	10,599	218,551
Repairs and maintenance	**24,794**	**554,890**	25,005	515,603
Changes in inventories	**4,022,215**	**90,017,172**	(6,209,341)	(128,036,611)
	29,209,368	**653,705,655**	29,821,513	614,919,599

The above purchases include purchases from related parties amounting to AED 5,068,971/- equivalent to INR 113,433,571/- (2022: Nil) (Note 10.a).

20. OTHER INCOME :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Gain on disposal of property and equipment	**27,942**	**625,342**	69,729	1,437,812
Reversal of excess allowance for impairment of trade receivables (Note 9)	**–**	**–**	35,572	733,495
	27,942	**625,342**	105,301	2,171,307

21. ADMINISTRATIVE EXPENSES :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Employee costs (Note 24)	**2,666,930**	**59,685,893**	2,397,265	49,431,604
Office expenses	**205,174**	**4,591,793**	193,310	3,986,052
Depreciation of property and equipment (Note 5)	**127,510**	**2,853,674**	125,185	2,581,315
Travelling	**121,440**	**2,717,827**	91,586	1,888,503
Legal and professional charges	**114,996**	**2,573,610**	100,294	2,068,062
Depreciation of right-of-use assets (Note 6)	**101,033**	**2,261,118**	182,887	3,771,130
Communication	**79,850**	**1,787,043**	92,148	1,900,092
Insurance	**64,159**	**1,435,878**	59,999	1,237,179
Bank charges	**63,648**	**1,424,442**	69,138	1,425,626
Foreign currency exchange losses	**35,660**	**798,071**	18,932	390,378
Repairs and maintenance	**17,994**	**402,706**	6,287	129,638
Utilities	**10,956**	**245,195**	6,834	140,917
Operating lease charges	**7,190**	**160,912**	9,414	194,117
Other expenses	**4,507**	**100,867**	3,823	78,830
	3,621,047	**81,039,029**	3,357,102	69,223,443

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

22. SELLING AND DISTRIBUTION EXPENSES :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Advertisement & business promotion	**438,005**	**9,802,552**	208,725	4,303,910
Business travelling	**83,863**	**1,876,854**	47,969	989,121
Other expenses	**21,593**	**483,252**	61,447	1,267,037
Allowance for impairment of trade receivables (Note 9)	**11,178**	**250,164**	–	–
	554,639	**12,412,822**	318,141	6,560,068

23. FINANCE COSTS :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Interest on:				
Lease liabilities (Note 15)	**285,573**	**6,391,124**	300,345	6,193,114
Borrowings	**1,611**	**36,054**	1,273	26,249
	287,184	**6,427,178**	301,618	6,219,363

24. EMPLOYEE COSTS :

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Salaries and allowances	**3,603,385**	**80,643,756**	3,123,788	64,412,509
End of service benefits (Note 14)	**273,285**	**6,116,118**	128,410	2,647,814
Other benefits	**1,054,061**	**23,589,885**	1,135,776	23,419,701
	4,930,731	**110,349,759**	4,387,974	90,480,024

The employee costs have been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Cost of revenue (Note 19)	**2,263,801**	**50,663,866**	1,990,709	41,048,420
Administrative expenses (Note 21)	**2,666,930**	**59,685,893**	2,397,265	49,431,604
	4,930,731	**110,349,759**	4,387,974	90,480,024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

25. FINANCIAL INSTRUMENTS :

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified as follows:

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Financial assets - At amortised cost :				
Trade and other receivables (excluding prepayments and advance to suppliers)	**2,325,003**	**52,033,568**	2,823,213	58,214,653
Due from related parties	**3,281,353**	**73,436,680**	3,222,917	66,456,548
Cash and bank balances	**8,926,192**	**199,768,177**	11,890,205	245,176,027
Total	**14,532,548**	**325,238,425**	17,936,335	369,847,228

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Financial liabilities - At amortised cost :				
Trade and other payables (excluding advance from customers)	**2,533,809**	**56,706,644**	2,714,291	55,968,681
Due to related party	**4,794**	**107,290**	–	–
Borrowings	**56,691**	**1,268,745**	–	
Lease liabilities	**4,878,565**	**109,182,285**	5,079,060	104,730,217
Total	**7,473,859**	**167,264,964**	7,793,351	160,698,898

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

26. CAPITAL RISK MANAGEMENT :

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and related party, net of cash and bank balances.

27. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: interest rate risk and currency risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is AED. There is no significant foreign currency risk as all financial assets and financial liabilities are denominated in AED.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited to its interest bearing assets and liabilities.

The Company has interest bearing liabilities as disclosed in Notes 15 and 17. The interest rates on lease liabilities are at commercial rates which are generally obtained in UAE.

The Company's sensitivity to interest rates has not changed significantly from the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

Of the trade receivables balance of AED 1,663,725/- equivalent to INR 37,234,166/- (2022: AED 1,531,488/- equivalent to INR 31,579,283/-) at the end of the period, AED 1,425,695/- equivalent to INR 31,907,054/- (2022: AED 1,288,759/- equivalent to INR 26,574,211/-) is due from three customers (2022: one customer) (customers with more than 10% of total balance have been considered).

Significant concentration of credit risk by geography is as follows:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
UAE	**1,177,563**	**26,353,860**	119,279	2,459,533
Australia	**386,245**	**8,644,164**	5,973	123,163
Cameroon	**–**	**–**	1,288,759	26,574,211
Other countries	**99,917**	**2,236,142**	117,477	2,422,376
	1,663,725	**37,234,166**	1,531,488	31,579,283

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and bank balances to ensure funds are available to meet its commitments for liabilities as they fall due.

The table analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Less than 1 year				
Trade and other payables (excluding advance from customers) (Note 16)	**2,533,809**	**56,706,644**	2,714,291	55,968,681
Due to related party (Note 10.c)	**4,794**	**107,290**	–	–
Borrowings (Note 17)	**56,691**	**1,268,745**	–	–
Lease liabilities (Note 15)	**502,725**	**11,250,986**	302,876	6,245,303
	3,098,019	**69,333,665**	3,017,167	62,213,984
Between 1 to 2 years				
Lease liabilities (Note 15)	**505,986**	**11,323,967**	400,347	8,255,155
Between 2 to 5 years				
Lease liabilities (Note 15)	**1,946,414**	**43,560,751**	1,741,622	35,912,246
More than 5 years				
Lease liabilities (Note 15)	**1,923,440**	**43,046,582**	2,634,215	54,317,513
Total	**7,473,859**	**167,264,965**	7,793,351	160,698,898

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

28. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

29. COMMITMENTS AND CONTINGENCIES :

Details of the commitments and outstanding contingent liabilities of the Company which are in the normal course of the business activities are as follows:

29.1 Operating lease arrangements

The Company has entered into commercial leases of certain offices and other business related premises. These leases have an average life of one to ten years and the Company does not have an option to purchase the leased properties at the expiry of the lease period. The Company has recognised a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

29.2 Capital commitments

Except for the ongoing service commitments in the normal course of business against which no loss is expected, there has been no other known capital commitments on the Company's account.

29.3 Contingent liabilities

As at the end of the reporting period, the following contingent liabilities were outstanding:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2023 AED	**31.03.2023 INR**	31.03.2022 AED	31.03.2022 INR
Financial guarantee	**101,990**	**2,282,536**	-	-
Performance guarantees	**74,419**	**1,665,497**	656,959	13,546,495
	176,409	**3,948,033**	656,959	13,546,495

Property and equipment
(Ref. Note 5 on pages herein)

	Leasehold improvements AED	**Machinery and equipment AED**	**Prototype AED**	**Furniture and equipment AED**	**Motor vehicles AED**	**Capital work-in-progress AED**	**Total AED**
Cost							
At 1 April 2021	1,166,809	1,860,898	2,377,042	709,630	462,790	–	6,577,169
Additions	–	60,251	–	36,686	125,000	–	221,937
Disposals	–	–	(133,800)	–	–	–	(133,800)
At 31 March 2022	1,166,809	1,921,149	2,243,242	746,316	587,790	–	6,665,306
Additions	–	9,500	–	50,336	90,476	1,448,386	1,598,698
Disposals	–	–	–	–	(134,900)	–	(134,900)
At 31 March 2023	1,166,809	1,930,649	2,243,242	796,652	543,366	1,448,386	8,129,104
Accumulated depreciation							
At 1 April 2021	1,156,056	1,518,529	2,292,599	651,165	335,703	–	5,954,052
Charge for the year	10,753	132,696	34,950	34,748	52,786	–	265,933
Adjustment on write-offs	–	–	(133,800)	–	–	–	(133,800)
At 31 March 2022	1,166,809	1,651,225	2,193,749	685,913	388,489	–	6,086,185
Charge for the year	–	131,737	34,949	25,426	79,366	–	271,478
Adjustment on disposals	–	–	–	–	(112,366)	–	(112,366)
At 31 March 2023	1,166,809	1,782,962	2,228,698	711,339	355,489	–	6,245,297
Net book amount							
At 31 March 2023	–	147,687	14,544	85,313	187,877	1,448,386	1,883,807
At 31 March 2022	–	269,924	49,493	60,403	199,301	–	579,121

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Unaudited Supplementary Information (refer note 3.4)

	Leasehold improvements INR	Machinery and equipment INR	Prototype INR	Furniture and equipment INR	Motor vehicles INR	Capital work-in-progress INR	Total INR
Cost							
At 1 April 2021	23,569,542	37,590,140	48,016,248	14,334,526	9,348,358	–	132,858,814
Additions	–	1,242,376	–	756,465	2,577,500	–	4,576,341
Disposals	–	–	(2,758,956)	–	–	–	(2,758,956)
Effect of foreign exchange differences	490,060	781,577	998,358	298,045	194,372	–	2,762,412
At 31 March 2022	24,059,602	39,614,093	46,255,650	15,389,036	12,120,230	–	137,438,611
Additions	–	212,610	–	1,126,520	2,024,853	32,414,879	35,778,862
Disposals	–	–	–	–	(3,019,062)	–	(3,019,062)
Effect of foreign exchange differences	2,053,584	3,381,222	3,948,106	1,313,516	1,034,510	–	11,730,938
At 31 March 2023	26,113,186	43,207,925	50,203,756	17,829,072	12,160,531	32,414,879	181,929,349
Accumulated depreciation							
At 1 April 2021	23,352,331	30,674,286	46,310,500	13,153,533	6,781,201	–	120,271,851
Charge for the year	221,727	2,736,192	720,669	716,504	1,088,447	–	5,483,539
Adjustment on write-offs	–	–	(2,758,956)	–	–	–	(2,758,956)
Effect of foreign exchange differences	485,544	637,782	962,892	273,489	140,995	–	2,500,702
At 31 March 2022	24,059,602	34,048,260	45,235,105	14,143,526	8,010,643	–	125,497,136
Charge for the year	–	2,948,274	782,159	569,034	1,776,211	–	6,075,678
Adjustment on disposals	–	–	–	–	(2,514,751)	–	(2,514,751)
Effect of foreign exchange differences	2,053,584	2,906,156	3,860,998	1,207,207	683,741	–	10,711,686
At 31 March 2023	26,113,186	39,902,690	49,878,262	15,919,767	7,955,844	–	139,769,749
Net book amount							
At 31 March 2023	–	3,305,235	325,494	1,909,305	4,204,687	32,414,879	42,159,600
At 31 March 2022	–	5,565,833	1,020,545	1,245,510	4,109,587	–	11,941,475

Leasehold improvements represent the interior works carried out at the Company's leased premises and are fully depreciated as at the end of the reporting period.

Capital work-in-progress as at the end of the reporting period represents the cost incurred for prototype which is not ready for use as intended by the management.

The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2023 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR**	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR
Cost of revenue (Note 19)	143,968	3,222,004	140,748	2,902,224
Administrative expenses (Note 21)	127,510	2,853,674	125,185	2,581,315
	271,478	6,075,678	265,933	5,483,539

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNER'S:
MAHINDRA ARMORED VEHICLES JORDAN
A LIMITED LIABILITY COMPANY
AQABA - JORDAN

Opinion

We have audited the financial statements of **MAHINDRA ARMORED VEHICLE JORDAN LLC,** which comprise the statement of financial position as at 31, March 2023 and comprehensive income statement, statement of Changes in equity, statement of cash flows for the then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position as at 31, March 2023 and of its financial performance and its cash flows for the then ended accordance with International Financial Reporting Standards.

Basis Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibility in accordance with those standards have been mentioned more clearly in our report in "Auditor's Responsibility on the Audit of Financial Statements" paragraph.

We are independent of the company and in accordance with the requirements of The International Ethics Standards Board for Accountants (IESBA) "Code of Ethics for Professional Accountants" relevant to our audit conducted of the financial statements, and that we have fulfilled the ethical responsibilities in accordance with those requirements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility and those responsible for governance to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those who responsible for governance are responsible for monitoring the financial reporting process in the company.

Auditor's Responsibility on the Audit of Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report which includes our opinion.

Reasonable assurance is high level of assurance, but our audit in accordance with International Auditing Standards does not always guarantee the discovery of substantially errors, even if they exist.

Errors can arise from fraud or by error, and is considered essential if they are individually or cumulative may affect the economic decisions of users of financial statements reasonably.

As part of the audit process in accordance with International Auditing Standards, we exercise professional judgment and maintain the application of the principle of professional skepticism in all aspects of the audit, in addition to:

– Identify and assess material misstatement of the financial statements of risk, whether due to fraud or error, as well as the design and implementation of audit procedures that respond to those risks, and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of non-discovery material misstatement resulting from fraud is higher than of the error risk, and that fraud may include collusion and fraud, or deliberate deletion and misrepresentations, or bypass the internal control systems.
– Get an understanding of internal control systems relevant to the work for the purpose of checking design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control systems in the company.
– Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes prepared by the management of the relationship.
– Conclude on the appropriateness of management's use of going concern basis in accounting, based on the audit evidence obtained, whether there is presence of non-substantial uncertainties relevant to events or conditions that may cast significant doubt about the company's ability to continuity. If we conclude that there are no lack of substantial uncertainty, we are required to draw attention in the audit report to the relevant information contained in the financial statements notes, or if the disclosure of this information is not sufficient, we will modify our opinion, the conclusions based on the audit evidence obtained them until the date of the audit report. However, it may cause future events or conditions in the company ceased to continue as a going concern.
– The overall presentation, structure and content of financial statements, including notes and whether the financial statements represent transactions and events are to achieve equitable offer.
– We have communicated with those responsible for governance with respect to the scope and timing of the planned audit and observations important including audit any significant deficiencies in internal control system identified during our audit.

Report on Other Regulatory Requirements

The Company MAHINDRA ARMORED VEHICLE JORDAN LLC maintains proper accounting records and the financial statements and the financial information presented in the Board of Directors' report are in agreement therewith. We recommend approving these financial statements.

Orbit Bureau
Member of DFK International

Abdulraheem Sheeha
License No. (569)

Amman – Jordan
17 April 2023

STATEMENT OF FINANCIAL POSITION AS AT 31, MARCH 2023 & 2022 EXHIBIT (A)

	Notes	**2023**	2022
ASSETS:		**JD**	JD
Currents Assets:			
Cash and cash equivelant	8	**9,940**	26,310
Inventories		**699,760**	147,578
Other debit balances	9	**104,919**	42,631
Total Currents Assets		**814,619**	216,519
Non-Current Assets:			
Property & equipment's, net	10	**63,054**	98,458
Total Non-Currents Assets		**63,054**	98,458
Total Assets		**877,673**	314,977
LIABILITIES AND EQUITY			
Current liabilities			
Due to a related party		**633,465**	212,538
Other credit balances		**185,243**	54,489
Total Current Liabilities		**818,708**	267,027
Equity			
Capital		**5,000**	5,000
Statutory reserve		**5,000**	4,295
Retained earnings		**38,655**	23,878
Profit of the year - Exhibit (B)		**10,310**	14,777
Total Shareholders Equity		**58,965**	47,950
Total Liabilities & Shareholders Equity		**877,673**	314,977

Authorised for issue on 17 April 2023

For and on behalf of the Board

Rajiv Gupta - Chairman
Johnmon Xavier - Director

The accompanying notes constitute an integral part of these financial statements.

INCOME STATEMENT FOR THE YEAR ENDED 31, MARCH 2023 & 2022 EXHIBIT (B)

Description	Notes	2023	2022
		JD	JD
Revenues		**1,425,294**	1,957,541
Cost of revenues	12	**(1,024,742)**	(1,575,343)
Gross profit		**400,552**	382,198
General and administrative expenses	13	**(365,651)**	(329,884)
Depreciation expense		**(35,930)**	(35,926)
Other Income		**12,044**	31
Net profit before reserve and income tax:		**11,015**	16,419
Statutory reserve		**705**	1,642
Profit of the year - Exhibit (A)		**10,310**	14,777
Total		**11,015**	16,419

The accompanying notes constitute an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31, MARCH 2023 & 2022 EXHIBIT (C)

Description	Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 31 March 2021	**5,000**	**2,653**	**23,878**	**31,531**
Total comperhensive income for the period	**–**	**–**	**16,419**	**16,419**
Transfer to reserves	**–**	**1,642**	**(1,642)**	**–**
Balance as at 31 March 2022	**5,000**	**4,295**	**38,655**	**47,950**
Total comperhensive income for the period	–	–	**11,015**	11,015
Transfer to reserves	–	705	(705)	–
Balance as at 31 March 2023	**5,000**	**5,000**	**48,965**	**58,965**

The accompanying notes constitute an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31, MARCH 2023 & 2022 EXHIBIT (D)

Description	2023	2022
	JD	JD
Cash flow from operations:		
Profit for the year	**11,015**	16,419
Non-monetary items:		
Depreciation expense	**35,930**	35,926
Provisions	**–**	30,485
Profit before changes in working capital items	**46,945**	82,830
Change in current assets and liabilities:		
(Increase) decrease in current assets		
Inventories	**(552,182)**	(78,058)
Other debit balances	**(62,288)**	(2,983)
Increase (decrease) in current liabilities:		
Due to a related party	**420,927**	17,010
Other credit balances	**130,754**	(8,700)
Net cash flows from operating activities	**(15,844)**	10,099
Paid from provisions	**–**	(29,907)
Net Cash flows from operating activities	**(15,844)**	(19,808)
Cash flows provided by investing activities:		
Purchase of fixed assets	**(526)**	–
Net Cash (used in) investing activities	**(526)**	–
Cash flows provided by financing activities:		
Paid capital	**–**	–
Net cash provided by financing Activities	**–**	–
Cash at the beginning of reporting	**26,310**	46,118
decrease in cash	**(16,370)**	(19,808)
Cash at the ending of reporting period	**9,940**	26,310

The accompanying notes constitute an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General:

A - Foundation:

MAHINDRA ARMORED VEHICLES JORDAN LLC Was Established On March 31, 2019 As A LIMITED LIABILITY COMPANY In Accordance With The Aqaba Special Economic Zone Law No. (31) And Its Amendments, with a paid – up capital of JD 5,000 and it is registered under number (1219041105).

The company is located in South Aqaba Investment Park, Aqaba – Jordan.

The company is 100% owned by mahindra emirates vehicle armouring FZ-LLC.

The accompanying financial statements have been approved by the board of directors on April 17, 2023

B - Company Objectives:

The most important purpose of the company are:

The company main activities are manufacturing

- sales of armored vehicles
- bullet – proof vehicles
- security vehicles
- military vehicles cash in transit vehicles
- ambulances and special – purpose vehicles.
- In addition to the goals mentioned in the articles of association

2. Basis of Preparation:

- The financial statements have been prepared in accordance with International Financial Reporting Standards.
- These financial statements have been prepared on the basis that the company is continuing in the foreseeable future and in accordance with the historical cost basis except the financial assets that have presented at fair value through income and through other comprehensive income and any other items at fair value on the financial statements in accordance with international standards.
- These financial statements have been prepared on the accrual basis of accounting and whereby the recognition of the impact of financial transactions and other events when they occur, regardless of payment or cash receipt and therefore are recorded accounting records for the periods to which they relate (except the statement of cash flows).
- The accounting policies adopted in the financial statements are consistent with the accounting policies of the previous financial years.

3. Functional and presentation currency:

The financial statements have been presented in Jordanian dinars, which is the functional currency of the Company and all amounts in the financial statements have been rounded to the nearest JD unless otherwise indicated.

New standards or amendments	Application date
Loss Contracts (A contract in which the total cost required to fulfill the contract higher than the economic benefit that can be obtained from it) – the cost of performing the contract (Amendments to International Accounting Standards No. 37)	January 1, 2022
Annual Amendments to International Financial Reporting Standards 2018-2020	January 1, 2022
Property and equipment: obtained prior to intended or intended use Property and equipment are amendments to IAS 16	January 1, 2022

B - New and amended International Financial Reporting Standards issued but not yet effective:

A number of new standards, amendments to standards and interpretations that have been issued but not yet effective and not applied when preparing these financial statements:

New standards or amendments	Application date
IFRS 17 Insurance Contracts, Including Amendments for the Initial Application of IFRS 17and IFRS 9 Comparative Information	January 1, 2023
Definition of Accounting Estimates - Amendments to the Accounting Standard International and Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2023
Disclosure of accounting policies (amendments to International Accounting Standard 1 and Statement of Practice of International Financial Reporting Standards 2)	January 1, 2023
arising deferred tax assets and liabilities For a single transaction (amendments to IAS 12).	January 1, 2023
Lease obligations in sale and lease back (Amendments to the standard International Accounting No. 16	January 1, 2024

The management does not expect that there will be a material impact upon the application of these new standards and amendment.

4. The principal accounting policies adopted:

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value if any.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with expected pattern of economic benefits from items of property and equipment.

Inventories

Inventories are stated at the lower of cost or net realizable value. Finished goods (vehicles) and raw materials costs are determined using the weighted average method. Net realizable value represents the estimated selling price less all estimated completion costs and costs to be Incurred in marketing, selling and distribution.

Accounts Receivable

Accounts receivable are stated at net realizable value after deducting a provision for expected credit loss.

A provision for doubtful debts is booked when there is objective evidence that the Company will not be able to recover

whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it

recognizes the collected amounts in other revenues in the statement of income and comprehensive Income.

Furthermore, revenue and commission from doubtful debts are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible or are derecognized.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on Initial recognition.

Financial Assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or Issue of financial assets (except for financial assets at fair value through statement of profit or loss and other comprehensive income) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset Is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances. with an original maturity of three months or less.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts.

Provisions

Provisions are recognized when the Company has liabilities as of the date of the statement of financial position arising from previous events, settlement of the liabilities is probable and the liabilities can be reliably measured.

Warranty Provision

Warranty provision is recognized for 1% of total cost of armor-related items installed, and conversion-related custom workmanship, including transparent armor, for the period of 2 years or 20,000km, whichever comes first.

Provision for slow-moving inventory

Management estimates the provision for slow-moving and obsolete inventories on the basis of prior experience, physical condition and expected future use of such inventory in conformity with International Financial Reporting Standards (IFRSs).

Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projection. The Company recognizes revenue when it transfer control over goods or services to its customer.

The Company is involved in the sale of goods in the form of armored vehicles. Revenue is recognized at point in time when control of the goods has transferred, being when the goods have been shipped to customer's specific location. Following delivery, the customer has full control over the goods, and the primary responsibility of the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the entity when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue represents the invoiced value of goods sold during the year, net of discounts and returns. Revenue from the sale of goods is recognised when all the following conditions are satisfied:

The Company has transferred to the buyer the significant risk and rewards of ownership of the goods;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the entity: and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Finance cost

Interest on bank overdrafts is recognized as an expense in the period in which it is incurred, which covers the grace period if any.

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the financial statements because the latter includes non-taxable revenue or non-deductible tax expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and nontaxable items.

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions in Jordan.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated according to the tax rates expected to be applied upon the settlement of tax liability and the realization of the deferred tax assets.

Deferred tax assets or liabilities are reviewed as the statement of financial position date and are reduced in case they are expected not to be utilized, upon the settlement of tax, wholly or partially.

NOTES TO THE FINANCIAL STATEMENTS

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the Central Bank of Jordan average exchange rates prevailing at the reporting of date. Foreign currency transactions during the year are recorded using exchanger rates that are effective at the date of the each transaction. Foreign exchange gains or losses are recorded in the statement of comprehensive income.

Related parties transactions

The company enters into transactions with related parties i.e., major shareholders, directors and key management personnel of the company, and companies which they are principle owner.

Pricing policies and terms of these transactions with related parties are approved by the company's management.

Related parties details are as follows:

Description	2023	2022
	JD	JD
Mahindr Emirates Vehicles Armoring	**633,465**	212,538

Fair value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the financial statements.

In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and Amortising premium / discount using the effective interest rate method within interest revenue / expense in the statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

5. Use Of Estimates:

The preparation of financial statements and implementation of accounting policies requires company management to make judgments and estimates that depend on future conditions that may affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, as they may affect the revenues and expenses and allowances and accumulated variable in the fair value and, in particular requires the Company's management issuance of important provisions to estimate the amounts of future cash flows, times, taking into account that the estimates and judgments made by management, which depend on future conditions based on assumptions and multiple factors involving varying degrees of judgment and uncertainty and therefore the future actual results may differ from the actual results due changes in future conditions and based on the above, we believe that our estimates are reasonable within the financial statements and detailed as follows

- The company prepare an estimate useful lives of intangible assets and calculating the annual depreciation based on these estimates are recorded any losses on those assets decline in the income statement.
- The company is dedicated to taking the interview doubtful debts after studying the viability of the debt for collection.
- The company loads the fiscal year, including its own income tax expense and in accordance with the laws and regulations in force.
- The company's provision for cases filed against it take, depending on the reasonable estimates of the company's lawyer.

6. Financial Instruments and Risk management

Risk management is how to deal with the conditions of uncertainty and contain risk assessments facing the facility and the development of policies and strategies internal to deal with these risks allowing the facility up on the competition and achieve its objectives, in addition to dealing with the fundamental risks in the framework of Activity its normal as an entity to reap revenues mainly to do its operational activities and its business is exposed mainly to the following risks:

Interest rate risk

The company is exposed to interest rate risk on its interest-bearing assets and liabilities such as due to banks. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the company profit for one year, based on the floating rate financial assets held at 31 December.

Exchange rate risk:

The exchange rate risk is result of the fluctuation of the value of financial instruments due to fluctuations in foreign currency exchange rates, the key processes in the company are in Jordanian Dinars and believes the company's management that the exchange rate risk lies in dealing in foreign currencies except the US dollar that the dinar Jordanian (the functional currency of the company) fixed to the US dollar, and therefore do not represent any significant risk.

Market risk:

Market risk is the risk that the fair value of the cash flows of financial instruments arising from the possibility of future changes in market prices as the change in exchange rates, interest rates and prices of equity instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is exposed to credit risk on its bank balance and accounts receivable as reflected in the statement of financial position.

Liquidity risk

It is associated with the possibility that facing the established difficulty in providing the necessary funds to meet its financial obligations at maturity Risk to avoid such risks, the company has diversified its sources of funding and management of assets and adapt the schedule and keep an adequate balance of cash and cash equivalents.

Capital risk management:

The company's capital managed in the manner that maintains the rights of partners to ensure the continuity of the company and meet its obligations to third parties and that the preservation of capital ratios to maximize property rights and to support the company's activity and keep track of the company to maintain a reasonable rate of debt relative to equity and policy Investment in assets provides an acceptable return for partners.

7. Comparative Figures:

Some of comparative figures of the previous year were re-tabulated to confirm with the comparative figures of the present year.

8. Cash & Cash equivelant:

Description	2023	2022
	JD	JD
Current accounts at bank	**9,940**	26,310
Total	**9,940**	26,310

NOTES TO THE FINANCIAL STATEMENTS

9. Other debit balances:

Description	2023	2022
	JD	JD
Employee receivable	7,000	2,201
Prepaid expenses	9,124	9,016
Refundable Deposits	25,575	27,163
Other	63,220	4,251
Total	**104,919**	42,631

10. Proprety, plant & Equipment:

This Item Consists of:

	Machinery & equipment	Furnitures & Decorations	Computers	Total
Description	JD	JD	JD	JD
At 31/3/2022	111,090	81,386	748	193,224
Additions	–	–	526	526
At 31/3/2023	111,090	81,386	1,274	193,750
Accumulated Depreciation:				
At 31/3/2022	39,407	54,820	539	94,766
Depreciation	15,870	19,870	190	35,930
At 31/3/2023	55,277	74,690	729	130,696
Book Value As:				
At 31/3/2023	55,813	6,696	545	63,054
At 31/3/2022	71,683	26,566	209	98,458

11. Tax Position

The Company is located within Aqaba Special Economic Zone in Aqaba - The Hashemite Kingdom of Jordan (ASEZA). The Company is exempted from sales and income tax as per article No. 14 of the Investment Law.

In the opinion of the management and the tax advisor, there is no need to record income tax provision.

Tax department reviewed and accepted the company tax file till 2021 and there is no tax exposure

12. Cost of revenue

Description	2023	2022
	JD	JD
Begining inventory	147,578	69,520
purchases	1,512,553	1,601,173
Other direct costs	64,371	52,228
Cost of goods available for sale	1,724,502	1,722,921
Ending inventory	(699,760)	(147,578)
Total	**1,024,742**	1,575,343

13. General and administrative expenses:

Description	2023	2022
	JD	JD
Salaries and employees benefits	215,613	198,153
Social Security contribution	21,872	20,581
Medical insurance	11,075	8,226
Marketing expenses	7,504	4,067
Staff uniforms	4,248	4,421
Rent	46,068	44,550
Travel expenses	32,295	22,872
Professional fees	6,654	5,304
Bank charges	676	603
Other	19,646	21,107
Total	**365,651**	329,884

14. Legal Cases

As of March 31, 2023, the Company was not a defendant in any legal case.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA FIRST CHOICE WHEELS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra First Choice Wheels Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 25 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 35(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the Note 35(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN:23136565BGZFPN6334

Place: Mumbai
Date: 29 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to any other entity as below:

Particulars	Advances in nature of loans (Rs. In lakhs)
Aggregate amount during the year	
- Subsidiary	2,939.41
Balance outstanding as at balance sheet date	
- Subsidiary	NIL

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of advances in the nature of loan given to subsidiary company is repayable on demand. During the current year, the subsidiary company has repaid the entire balance of advances in nature of loan to the Company. The payment of interest has been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"). During the current year, the Company has recalled the entire balance of advance in nature of loan.

	Subsidiary Company (Rs. in Lakhs)
Aggregate of loans/advances in nature of loan	
- Repayable on demand	2,939.41
Percentage of loans/advances in nature of loan to the total loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Duty of customs, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Tax deducted at source and provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Sales Tax and Value Added Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Amount deposited under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	62.99	NIL	AY 2008-09, AY 2013-14 & AY 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.11	NIL	AY 2018-19	Income tax Officer
Income Tax Act, 1961	Income Tax	21.71	21.71	AY 2021-22	Deputy Commissioner of Income Tax
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	35.49	18.45	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Central Sales Tax	97.12	5.18	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	679.59	52.89	FY 2008-09, FY 2012-13 & FY 2016-17	Joint Commissioner of Sales Tax (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	12.22	5.00	FY 2018-19	Joint Commissioner of GST (Appeals)
The Kerala Value Added Tax Rules, 2005	Value Added Tax	1.55	1.16	FY 2007-08	Commercial Tax Officer

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 9888.80 lakhs in the current financial year and Rs 1,921.10 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN:23136565BGZFPN6334

Place: Mumbai
Date: 29 April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra First Choice Wheels Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN:23136565BGZFPN6334

Place: Mumbai
Date: 29 April 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Currency : Indian rupees in lakhs)	Note No.	31 March 2023	31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**1,628.37**	1,107.84
Goodwill		**113.00**	113.00
Other intangible assets	4	**12.54**	26.86
Intangible assets under development	4A	**1,021.43**	690.31
Financial assets			
(i) Investments	5	**10,097.68**	6,511.64
(ii) Loans	6	**326.61**	329.95
(iii) Other financial assets	7	**190.76**	152.30
Income tax assets		**1,350.15**	1,364.12
Other non-current assets	8	**110.93**	90.57
		14,851.47	10,386.59
CURRENT ASSETS			
Inventories		**3,421.75**	4,170.29
Financial assets			
(i) Investments	5	**58.09**	-
(ii) Trade receivables	9	**11,483.18**	11,534.17
(iii) Cash and cash equivalents	10	**5,503.37**	1,192.62
(iv) Bank balances other than (iii) above	10	**9.44**	118.24
(v) Loans	6	**5,057.69**	14.65
(vi) Other financial assets	7	**4,238.69**	171.28
Other current assets	8	**3,107.60**	3,976.33
		32,879.81	21,177.58
TOTAL ASSETS		**47,731.28**	31,564.17
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**8,784.32**	7,950.99
Other equity			
Equity component of compound financial instruments	12A	**7,287.75**	6,027.75
Reserves and Surplus	12B	**11,189.02**	33.88
Items of other comprehensive income	12C	**27.01**	25.71
		27,288.10	14,038.33
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**585.75**	160.18
(ii) Other financial liabilities	13	**308.91**	308.91
Provisions	14	**1,474.09**	1,234.59
Deferred tax liabilities (Net)	15	**20.79**	20.80
		2,389.54	1,724.48
CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**602.83**	499.65
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	16	**10.94**	70.76
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	**11,108.51**	9,596.13
(iii) Other financial liabilities	13	**3,452.58**	3,418.90
Other current liabilities	17	**2,601.25**	2,000.53
Provisions	14	**277.53**	215.39
		18,053.64	15,801.36
TOTAL EQUITY AND LIABILITIES		**47,731.28**	31,564.17

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nupur Ashar
Partner
Membership number: 136565

Place : Mumbai
Date : 29 April 2023

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)	Note No.	31 March 2023	31 March 2022
INCOME			
Revenue from operations	18	**1,10,166.13**	84,911.33
Other income	19	**1,146.25**	624.64
Total Income		**1,11,312.38**	85,535.97
EXPENSES			
Purchases of stock-in-trade		**80,766.68**	60,520.90
Changes in inventories of stock-in-trade	20	**748.54**	(2,010.93)
Employee benefits expense	21	**11,929.77**	9,258.74
Finance costs	22	**64.43**	72.64
Depreciation and amortisation expense	3 & 4	**938.77**	781.67
Other expenses	23	**27,919.90**	19,990.43
Total Expenses		**1,22,368.09**	88,613.45
(Loss) before tax		**(11,055.71)**	(3,077.48)
Tax Expense			
Current tax		**–**	–
Deferred tax	15	**(0.01)**	(1.57)
Adjustment in respect of earlier years		**–**	94.10
Total tax expense		**(0.01)**	92.53
(Loss) for the year		**(11,055.70)**	(3,170.01)
Other comprehensive (loss)/profit			
Items that will not be reclassified to profit or loss and its related income			
(i) Remeasurements of the defined benefit plans		**14.23**	23.56
(ii) Equity instruments through other comprehensive income		**(12.93)**	(0.02)
Total other comprehensive income		**1.30**	23.54
Total comprehensive (loss) for the year		**(11,054.40)**	(3,146.47)
Earnings per equity share:			
(Face value Rs. 10/- per share) (Rupees)			
Basic and Diluted	24	**(13.06)**	(3.99)

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nupur Ashar
Partner
Membership number: 136565

Place : Mumbai
Date : 29 April 2023

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)	**31 March 2023**	31 March 2022
A. Cash flows from operating activities		
(Loss) before tax	**(11,055.71)**	(3,077.48)
Adjustments for:		
Finance costs	**64.43**	72.64
Interest income	**(593.79)**	(222.51)
Dividend income	**(0.10)**	–
Loss on property, plant and equipment sold/scrapped/written off (net)	**–**	42.84
Net gain recorded in profit or loss on sale of Mutual Funds	**(114.77)**	(19.64)
Bad debts written off	**1,401.58**	131.74
Sundry balances written back	**(383.43)**	(338.85)
Allowance for expected credit losses	**432.25**	425.33
Provision for doubtful advances	**818.34**	288.22
Depreciation and amortisation expense	**938.77**	781.67
Share based payment expenses	**44.16**	24.48
Total	**2,607.44**	1,185.92
Operating profit before working capital changes	**(8,448.27)**	(1,891.56)
Movements in working capital:		
(Increase) in trade receivables	**(1,399.42)**	(2,915.41)
Decrease/(increase) in inventories	**748.54**	(2,010.93)
(Increase) in other assets	**(3,054.76)**	(1,380.52)
Increase in trade payables	**1,452.55**	3,165.37
(Decrease)/increase in borrowings - lease liabilities	**528.74**	(483.76)
Increase in provisions	**315.86**	410.43
Increase /(decrease) in other current liabilities	**571.65**	(285.70)
	(836.84)	(3,500.51)
Cash (used in) operations	**(9,285.11)**	(5,392.07)
Income taxes refund/(direct taxes paid)	**13.97**	(465.37)
Net cash (used in) operating activities (A)	**(9,271.14)**	(5,857.44)
B. Cash flows from investing activities		
Inter corporate deposits given	**(5,000.00)**	–
Inter corporate deposits matured	**–**	2,500.00
Payments to acquire mutual funds	**(14,453.02)**	(3,099.85)
Proceeds on sale of mutual funds	**14,509.49**	3,119.49
Bank deposits placed	**(24,801.35)**	(5,245.15)
Bank deposits matured	**24,906.42**	5,402.59
Payments to acquire non-current investments in subsidiary	**(3,599.99)**	(2,999.98)
Proceeds on sale of shares of The Zoroastrian Co-op. Bank Ltd.	**1.00**	–
Interest received	**358.79**	221.91
Dividends received	**0.10**	–
Payments to acquire property, plant and equipment and other intangible assets	**(1,846.43)**	(900.34)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD...)

(Currency : Indian rupees in lakhs)	**31 March 2023**	31 March 2022
Proceeds from sale of property, plant and equipment	**11.29**	6.43
Net cash (used in) investing activities (B)	**(9,913.70)**	(994.89)
C. Cash flows from financing activities		
Payment for principal portion of lease liability	**(764.41)**	(619.63)
Proceeds from Preference Shares Infusion	**24,260.00**	6,027.75
Net cash generated financing activities (C)	**23,495.59**	5,408.12
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**4,310.75**	(1,444.21)
Cash and cash equivalents at the beginning of the year	**1,192.62**	2,636.84
Cash and cash equivalents at the end of the year	**5,503.37**	1,192.62

Notes to the statement of cash flows:

(a) The above Cash Flow statement has been prepared under the ‘Indirect Method’ as set out in the Accounting Standard (Ind AS) 7 - “Statement of Cash Flows” notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	31 March 2023	31 March 2022
(b) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	**0.17**	0.41
Balance with banks:		
In current accounts	**5,503.20**	1,192.21
Balances as per statement of cash flows	**5,503.37**	1,192.62

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nupur Ashar
Partner
Membership number: 136565

Place : Mumbai
Date : 29 April 2023

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2023

(Currency : Indian rupees in lakhs)

A (i) Equity share capital

	31 March 2023	31 March 2022
Issued, subscribed and paid up		
Balance as at the beginning of the year	**7,950.99**	8,244.03
Add: Equity shares issued during the year	**833.33**	–
Less: Allotment of shares by ESOP Trust to employees	**–**	293.04
Balance as at the end of the year	**8,784.32**	7,950.99
(ii) Preference share capital		
Balance as at the beginning of the year	**6,027.75**	6,027.75
Add: Preference shares issued during the year	**1,260.00**	–
Balance as at the end of the year	**7,287.75**	6,027.75

B. Other Equity

	Reserves and Surplus			Items of other comprehensive income			
	Retained Earnings	**Securities Premium**	**Share options outstanding account**	**Equity instruments through other comprehensive income**	**Remeasurements of the defined benefit obligations**	**Non Cumulative Compulsory Convertible Preference Shares (NCCCPS)**	**Total**
Balance as at 31 March 2021	(19,040.90)	22,215.09	76.58	12.95	(10.78)	–	3,252.94
Loss for the year	(3,170.01)						(3,170.01)
Remeasurements of the defined benefit plans	–	–	–	–	23.56	–	23.56
Equity instruments through other comprehensive income	–	–	–	(0.02)	–	–	(0.02)
Equity/Pref. shares issued during the year	–	–				6,027.75	6,027.75
Total Comprehensive income for the year	(22,210.91)	22,215.09	76.58	12.93	12.78	6,027.75	6,134.22
Share based payment to employees	–	–	24.48	–	–	–	24.48
Preference Shares - Issuance Cost	(71.36)	–	–	–	–	–	(71.36)
Balance as at 31 March 2022	(22,282.27)	22,215.09	101.06	12.93	12.78	6,027.75	6,087.34
Loss for the year	(11,055.70)			–			(11,055.70)
Remeasurements of the defined benefit plans	–	–	–	–	14.23	–	14.23
Equity/Pref. shares issued during the year	–	–	–	–		1,260.00	1,260.00
Loss on sale of long term investment	–	–	–	(12.93)	–	–	(12.93)
Total Comprehensive income for the year	(33,337.97)	22,215.09	101.06	(0.00)	27.01	7,287.75	(3,694.13)
Share based payment to employees	–	–	44.16	–	–	–	44.16
Equity shares issued during the year	–	22,166.67	–	–	–	–	22,166.67
Balance as at 31 March 2023	**(33,337.97)**	**44,381.76**	**145.23**	**(0.00)**	**27.01**	**7,287.75**	**18,516.70**

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nupur Ashar
Partner
Membership number: 136565

Place : Mumbai
Date : 29 April 2023

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information:

The financial statements comprise financial statements of Mahindra First Choice Wheels Limited ("the Company" or "MFCWL") for the year ended 31 March 2023. The Company is an unlisted Public Company domiciled in India.

Mahindra First Choice Wheels Limited is principally engaged in the business of facilitating trading in used vehicles through its Franchise network and electronic platform and providing allied products and services, including online pricing guidance, used vehicle inspection and valuation services, yard management services and used vehicles inspection services for insurance.

2. Significant Accounting Policies:

2.1 Statement of Compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of preparation and presentation:

These financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.3 Business combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

2.4 Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Estimated impairment of goodwill

The Company tests annually goodwill for any impairment, in accordance with the above accounting policy. The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations require the use of estimates.

2.5 Revenue recognition:

Effective 1 April 2018, Ind AS 115 'Revenue from contracts with customers' has replaced Ind AS 18' Revenue' and Ind AS 11 'Construction contracts'. The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("herein after referred to as Ind AS 115") effective from 1 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company. Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers.

Sale of goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on are as on able credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services:

i) Franchise fee - The Company recognizes revenue from the date of activation of the dealer's account on receipt of security deposit.

ii) Commission Income - The Company recognizes revenue on receipt of seller's confirmation for auction.

iii) Vehicle valuation fee - The Company recognizes revenue on release of valuation report.

iv) Inspection Fee - The Company recognizes revenue on release of inspection report.

v) Yard Management fees - The Company recognizes revenue on accrual basis of entry of the vehicle in the yard.

vi) Wholesale Bulk Income – The Company recognizes revenue on issue of release order of vehicle.

vii) Repo Management Service – The Company recognizes revenue on receipt of seller's confirmation.

viii) Other Operating Income:

– Warranty income - The Company recognizes revenue on sale of warranty product of a third-party warranty service provider, with no obligations to the Company. A part of warranty income related to road side assistance is deferred over the period of warranty with the Company being the primary obligor.

– Registration Income – The Company recognizes revenue over the term of registration.

– Others – The Company recognizes revenue on satisfaction of performance obligation towards rendering of such services.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.6 <u>Dividend and interest income:</u>

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 <u>Operating lease rental income:</u>

The income arising from operating leases is accounted on a straight-line basis over the lease terms.

The Company's policy for recognition of revenue from operating leases is described in Note No.- 2.15 below.

2.8 <u>Foreign currencies:</u>

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9 <u>Employee benefits:</u>

a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Post-employment benefits

i) Defined Contribution Plan: Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred.

ii) Defined Benefit Plan: Gratuity (unfunded)

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company accounts the gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year which is determined using the Projected Unit Credit method. Actuarial gains and losses are recognised in the Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested.

c) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

2.10 <u>Share-based payment arrangements:</u>

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 <u>Taxation:</u>

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Property, plant and equipment:

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Costs comprise purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses directly attributable to acquisition of assets up to the date the asset is ready for its intended use

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful life of the assets are given below:

- Leasehold improvements over the period of the lease.
- Office equipment - 2 to 5 years.
- Furniture & Fixtures - 1 to 10 years,
- Computers and servers - 3 to 8 years
- Vehicles - 3 years for used vehicles or 5 years for new vehicles.
- Plant and equipment - 5 to 15 years
- Electrical Fitting - 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Intangible assets:

a) Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b) Intangible assets under development:

The Company capitalise costs incurred during IT Development phase, such expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

The expenditure incurred is amortised over the estimated period of benefit. The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d) Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software	5 years
Website	5 years
Non-Compete Fees	Contractual Terms
Market Information	Contractual Terms
Customer Relationships	7 years
Service Provider Contracts and intellectual property	3 years

2.14 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extendor terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.16 Inventories:

Inventories beyond 90 days from the date of valuation or purchase except for stock held as part of Pilot Projects and Finance funding cases, as the case may be, are valued at Cost or Net Realisable Value whichever is lower.

2.17 Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.18 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at fair value.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

2.20 Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c) **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.21 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of Property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Vehicles - 3 years in case of used vehicles or 5 years in case of new vehicles.

Recent Pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

- Ind AS 16, Property, Plant and Equipment

  Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

  Onerous Contracts – Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

- Ind AS 103, Business combinations

  References to the conceptual framework

  The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

- Ind AS 109, Financial Instruments

  Fees included in the 10% test for derecognition of financial liabilities

  The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- Ind AS 41, Agriculture

  Taxation in fair value measurements

  The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

(Currency : Indian rupees in lakhs)

3. Property, Plant and Equipment

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Improvements to Leasehold Property	**9.80**	20.70
Office Equipment	**31.58**	44.52
Furniture and Fixtures	**34.17**	3.64
Electrical Fittings	**3.11**	0.65
Computers	**293.92**	366.74
Vehicles	**118.78**	108.12
Total - (a)	**491.36**	544.37
Right-of-use asset	**1,137.01**	563.47
Total	**1,628.37**	1,107.84

(a) Property, plant and equipment (owned)

Description of Assets	Improvements to Leasehold Property	Office Equipment	Furniture and Fixtures	Electrical Fittings	Computers	Vehicles	Total
Cost							
Balance as at 01 April 2021	**56.17**	**207.87**	**10.79**	**154.17**	**821.70**	**141.05**	**1,391.75**
Additions during the year	–	6.62	–	–	252.84	92.05	351.51
Disposal during the year		103.96	1.81	151.51	139.12	37.58	433.98
Balance as at 31 March 2022	**56.17**	**110.53**	**8.98**	**2.66**	**935.42**	**195.52**	**1,309.28**
Additions during the year	–	8.45	33.72	3.15	115.40	67.89	228.61
Disposal during the year	–	–	–	–	114.27	29.26	143.53
Balance as at 31 March 2023	**56.17**	**118.98**	**42.70**	**5.81**	**936.55**	**234.15**	**1,394.36**
Accumulated depreciation							
Balance as at 01 April 2021	**24.57**	**141.50**	**8.64**	**98.08**	**546.35**	**85.60**	**904.74**
Depreciation expense for the year	10.90	22.89	1.69	29.45	147.44	32.60	244.97
Disposal during the year		98.38	4.99	125.52	125.11	30.80	384.80
Balance as at 31 March 2022	**35.47**	**66.01**	**5.34**	**2.01**	**568.68**	**87.40**	**764.91**
Depreciation expense for the year	10.90	21.39	3.19	0.69	182.33	51.83	270.33
Disposal during the year	–	–	–	–	108.38	23.86	132.24
Balance as at 31 March 2023	**46.37**	**87.40**	**8.53**	**2.70**	**642.63**	**115.37**	**903.00**
Net carrying amount							
Net carrying amount as at 31 March 2022	20.70	44.52	3.64	0.65	366.74	108.12	544.37
Net carrying amount as at 31 March 2023	**9.80**	**31.58**	**34.17**	**3.11**	**293.92**	**118.78**	**491.36**

(b) Right of use assets

Description of Assets	Property	Vehicles	Total
Cost			
Balance as at 01 April 2021	1,929.47	–	1,929.47
Additions during the year	53.97	–	53.97
Disposal during the year	–		–

(Currency : Indian rupees in lakhs)

Description of Assets	Property	Vehicles	Total
Balance as at 31 March 2022	**1,983.44**	**–**	**1,983.44**
Additions during the year	1,058.78	170.27	1,229.05
Disposal during the year	738.33	–	738.33
Balance as at 31 March 2023	**2,303.89**	**170.27**	**2,474.16**
Accumulated depreciation			
Balance as at 01 April 2021	**904.06**	**–**	**904.06**
Depreciation expense for the year	515.91	–	515.91
Disposal during the year	–	–	–
Balance as at 31 March 2022	**1,419.97**	**–**	**1,419.97**
Depreciation expense for the year	633.19	22.32	655.51
Disposal during the year	738.33	–	738.33
Balance as at 31 March 2023	**1,314.83**	**22.32**	**1,337.15**
Net carrying amount			
Net carrying amount as at 31 March 2022	**563.47**	**–**	**563.47**
Net carrying amount as at 31 March 2023	**989.06**	**147.95**	**1,137.01**

4. Other Intangible Assests

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Computer Software	**8.06**	11.30
Websites	**4.47**	4.47
Non-Compete Fees	**(0.00)**	(0.00)
Customer Relationships	**(0.00)**	11.08
Service Provider Contracts	**0.01**	0.01
Acquisition of service contracts and Intellectual Property	**(0.00)**	(0.00)
Total	**12.54**	26.86

Description of Assets	Computer Software	Websites	Non-Compete Fees	Customer Relationships	Service Provider Contracts	Acquisition of service contracts and Intellectual Property	Total
Cost							
Balance as at 01 April 2021	139.93	450.72	4.00	145.00	25.00	33.50	798.15
Additions during the year	–	–	–	–	–	–	–
Disposal during the year	–	59.75	0.83	–	–	–	60.58
Balance as at 31 March 2022	**139.93**	**390.97**	**3.17**	**145.00**	**25.00**	**33.50**	**737.57**
Additions during the year	–	–	–	–	–	–	–
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2023	**139.93**	**390.97**	**3.17**	**145.00**	**25.00**	**33.50**	**737.57**
Accumulated Amortisation Expenses							
Balance as at 01 April 2021	**124.17**	**446.04**	**3.99**	**113.21**	**24.99**	**33.49**	**745.89**
Amortisation expense during the year	4.46	0.13	–	20.71	–	0.01	25.31
Disposal during the year	–	59.67	0.82	–	–	–	60.49
Balance as at 31 March 2022	**128.63**	**386.50**	**3.17**	**133.92**	**24.99**	**33.50**	**710.71**
Amortisation expense during the year	3.24	–	–	11.08	–	–	14.32
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2023	**131.87**	**386.50**	**3.17**	**145.00**	**24.99**	**33.50**	**725.03**
Net carrying amount							
Net carrying amount as at 31 March 2022	**11.30**	**4.47**	**(0.00)**	**11.08**	**0.01**	**(0.00)**	**26.86**
Net carrying amount as at 31 March 2023	**8.06**	**4.47**	**(0.00)**	**(0.00)**	**0.01**	**(0.00)**	**12.54**

4A. Intangible assets under development

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	**1,021.43**	690.31
Total	**1,021.43**	690.31

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2023	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	331.12	690.31	–	–	**1,021.43**
Projects temporarily suspended	–	–	–	–	**–**

As at 31 March 2022	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	499.39	190.92	–	–	**690.31**
Projects temporarily suspended	–	–	–	–	**–**

(Currency : Indian rupees in lakhs)

5. Investments

	As at 31 March 2023			As at 31 March 2022		
	Number of shares	**Non-current**	**Current**	Number of shares	Non-current	Current
A. Fair value through Other Comprehensive Income						
Unquoted (fully paid-up)						
Equity shares in The Zoroastrian Co-operative Bank Ltd. (Face value - Rs 25 per share)	**–**	**–**	**–**	4,000	13.95	–
B. Investment in Equity Instruments						
Unquoted - At Cost						
In Subsidiary						
Fifth Gear Ventures Limited (Face value Rs 10 per share)	**3,07,131**	**10,097.68**	**–**	1,98,144	6,497.69	–
C. Fair Value through Profit and Loss						
Quoted Investments in Mutual funds						
Carried at FVTPL						
HDFC Liquid Fund - Growth	**1,759**	**–**	**58.09**	–	–	–
	3,08,890	**10,097.68**	**58.09**	2,02,144	6,511.64	–
Other disclosures						
Aggregate amount of unquoted investments		**10,097.68**	**–**		6,511.64	–
Aggregate amount of quoted investments		**–**	**58.09**		–	–
Aggregate Market value of quoted investments		**–**	**58.09**		–	–
Aggregate amount of impairment in the value of investments		**–**	**–**		–	–

Refer Note 26 and 28 for disclosures related to liquidity risk and related financial instrument disclosures.

6. Loans

	31 March 2023		31 March 2022	
	Non-current	**Current**	Non-current	Current
Loans to related parties				
Unsecured, considered good				
Employee Stock Option Scheme Trust	**319.19**	**–**	318.96	–
Other Loans				
Unsecured, considered good				
Corporate deposits with HDFC Ltd.	**–**	**5,000.00**	–	–
Loans to employees	**7.42**	**57.69**	10.76	14.65
	326.61	**5,057.69**	329.95	14.65

Except for above loans to related parties, there are no loans due by directors or other officers of the Company or any of them severally or jointly with other persons or amounts due by firms or private Companies in which any director is a partner or a director or a member.

Refer note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

7. Other financial assets

	31 March 2023		31 March 2022	
	Non-Current	**Current**	Non-Current	Current
Security Deposits				
Unsecured, considered good	**182.88**	**213.98**	148.14	165.42
Doubtful	**0.29**	**–**	13.68	–
Less: Allowance for expected credit loss	**(0.29)**	**–**	(13.68)	–
	182.88	**213.98**	**148.14**	**165.42**
Financial assets at amortised cost:				
Bank Deposits with more than 12 months maturity	**7.88**	**–**	4.16	–
Interest accrued but not due	**–**	**240.86**	–	5.86
Other financial assets*	**–**	**3,783.85**	–	–
	190.76	**4,238.69**	152.30	171.28

Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

* Includes trade financing to select dealers with a return commensurate with performance.

8. Other current and Non-current financial assets

	31 March 2023		31 March 2022	
	Non-Current	**Current**	Non-Current	Current
Capital advances	**–**	**3.71**	–	–
Balance with Government autorities (other than income taxes)	**98.61**	**–**	90.57	–
Advances to Suppliers				
Considered good	**–**	**2,087.51**	–	3,493.02
Doubtful	**–**	**832.30**	–	288.22
Less: Provision for doubtful advances	**–**	**(832.30)**	–	(288.22)
	–	**2,087.51**	–	3,493.02
Prepaid Expenses	**12.32**	**317.22**	–	458.84
Deferred expenses	**–**	**42.91**	–	24.47
Goods and Services Tax (GST)	**–**	**656.25**	–	–
TOTAL	**110.93**	**3,107.60**	90.57	3,976.33

9. Trade receivables

	31 March 2023	31 March 2022
Unsecured, considered good	**11,483.18**	11,534.17
Doubtful	**580.57**	926.43
Less: Allowance for expected credit loss	**(580.57)**	(926.43)
	11,483.18	11,534.17
Dues from related parties	**745.52**	677.22

Except for above dues from related parties, there are, no trade or other receivables due from directors or other officers of the Company either severally

(Currency : Indian rupees in lakhs)

or jointly with any other person and no trade or other receivable due from firms or private companies respectively in which any director is a partner or a director or a member.

For terms and conditions relating to related party receivables, refer Note 29.

As at 31 March 2023	Outstanding for following periods from date of invoice						
	Unbilled	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**2,925.34**	**6,530.82**	**1,069.87**	**911.44**	45.71	–	**11,483.18**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	**100.00**	**149.73**	**330.84**	**580.57**
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F23	**2,925.34**	**6,530.82**	**1,069.87**	**1,011.44**	**195.44**	**330.84**	**12,063.74**

As at 31 March 2022	Outstanding for following periods from date of invoice						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	–	–	11,534.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–		539.03	256.69	130.71	926.43
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F22	2,338.64	8,697.06	453.83	583.67	256.69	130.71	12,460.60

Refer Note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

10. Cash and bank balances

	31 March 2023	31 March 2022
Cash and cash equivalents		
Balances with banks		
– In current accounts	**5,503.20**	1,192.21
Cash on hand	**0.17**	0.41
	5,503.37	1,192.62
Other bank balances		
Balances with Banks:		
– Fixed deposits with original maturity greater than 3 months but less than 12 months	**9.44**	118.24
	9.44	118.24

11. Equity share capital

	31 March 2023		31 March 2022	
	Number of shares	**Amount**	Number of shares	Amount
Authorised:				
Number of equity shares of face value Rs 10 each	**95,000,000**	**9,500.00**	90,000,000	9,000.00
Number of Preference Shares of face value Rs.10 each	**75,000,000**	**7,500.00**	75,000,000	7,500.00
Issued, subscribed and paid up:				
Number of equity Shares of face value Rs 10 each fully paid up	**90,773,504**	**9,077.36**	82,440,171	8,244.03
Equity Shares				
Less: Equity shares of Rs 10 each fully paid up issued to ESOP Trust constituted under the Employees' Stock Option Scheme (ESOS) but not yet allotted to employees	**2,930,401**	**293.04**	2,930,401	293.04
Total Equity Share Capital	**87,843,103**	**8,784.32**	79,509,770	7,950.99

(Currency : Indian rupees in lakhs)

	31 March 2023 Number of shares	Amount	31 March 2022 Number of shares	Amount
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid	**60,277,500**	**6,027.75**	60,277,500	6,027.75
Add: Issued During the year	**12,600,000**	**1,260.00**	–	–
Total	**72,877,500**	**7,287.75**	60,277,500	6,027.75

Note:

The reduction of Rs 293.04 lakhs (29,30,401 Equity shares of Rs 10/- each), (As at 31 March 2020 – Rs. 293.04 lakhs (29,30,401 equity shares of Rs 10/- each)) and Rs 15.87 lakhs (As at 31 March 2020 – Rs 15.87 lakhs) from securities premium are in respect of 3,17,423 Equity Shares of face value Rs 10 each issued at a premium in earlier years, held by ESOS Trust as per the Employee Stock Option Scheme (ESOS).

For details of shares reserved for issue under the Share based payment plan of the company, Refer Note No.- 21A.

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	31 March 2023 Number of shares	Amount	31 March 2022 Number of shares	Amount
Issued, subscribed and paid up:				
Equity Share Capital Balance at the beginning of the year	**82,440,171**	**8,244.03**	82,440,171	8,244.03
Add: shares issued during the year	**8,333,333**	**833.33**	–	–
Adjusted Issued, Subscribed and Paid up share capital	**90,773,504**	**9,077.36**	82,440,171	8,244.03

Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Preference Shares

During the year, the Company has Non cumulatative Complusarily Convertible preference shares having par value of Rs. 10 per share.

Conversion: The Conversion shall be mandatorily made on the earlier of i) next round of external investment in the Company or ii) end of 24 months from the date of allotment of NCCCPS. The Conversion shall be at a price/ rate which is at 10% discount to the value per share as per the valuation at the time of such fund infusion, subject to necessary compliances under FEMA and also subject to minimum floor price of Rs. 223 per NCCCPS. The discount of 10% shall be adjusted to the extent of the dividends paid to the NCCCPS holders. In the event of the next round of fund infusion by an external investment not occurring within the period of 24 months, then at the end of 24 (Twenty Four) months from the date of allotment of the Preference Shares, the NCCCPS would be mandatorily converted into Equity Shares at the minimum floor price of Rs. 223/- (Rupees Two Hundred and Twenty three) per NCCCPS (including a premium of Rs.213 per share).

Dividend: The holders of the NCCPs shall carry a non-cumulative dividend at the fixed rate of 0.001% per year, out of the profits of the company.

Voting and other rights: (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

(ii) Details of shares held by the holding company and the ultimate holding company

	Number of Shares Equity Shares with Voting rights As at 31 March 2023	Number of Shares Equity Shares with Voting rights As at 31 March 2022
Mahindra Holdings Limited, Holding Company	**48,471,363**	40,231,037
Mahindra & Mahindra Limited, Ultimate Holding Company	**–**	–

(iii) The details of shares held by each shareholder holding more than 5% shares:

Name of the shareholder	31 March 2023 No. of shares	% held	31 March 2022 No. of shares	% held
Mahindra Holdings Limited	**48,471,363**	**53.40%**	40,231,037	48.80%
PHI Management Solutions Pvt Ltd	**16,184,054**	**17.83%**	16,184,054	19.63%
Valiant Mauritius Partners FDI Limited	**10,928,388**	**12.04%**	10,928,388	13.26%
Manheim Export SARL	**7,325,181**	**8.07%**	7,325,181	8.89%

Preference Shares

Name of the shareholder	31 March 2023 No. of shares	% held	31 March 2022 No. of shares	% held
Mahindra Holdings Limited	**66,213,008**	**90.86%**	53,613,008	88.94%
Manheim Export SARL	**6,664,492**	**9.14%**	6,664,492	11.06%

(iv) Shares reserved for issue under ESOP options:

ESOPs administered under two schemes by a Trust and the Company, have been granted to certain executives and senior employees which will vest in a period of time ranging from 36 months to 60 months from date of grant. The share option outstanding account is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 21A.

(v) Details of shares held by promoters:

As at 31 March 2023

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	**Equity Shares**	**48,471,363**	**53.40%**	**4.60%**
Mahindra Holdings Limited, Holding Company	**Convertible Preference Shares**	**66,213,008**	**90.86%**	**1.92%**

As at 31 March 2022

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	40,231,037	48.80%	–
Mahindra Holdings Limited, Holding Company	Convertible Preference Shares	53,613,008	88.94%	100.00%

(Currency : Indian rupees in lakhs)

(vi) Utilisation of proceeds from issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')

During the current year Company has raised a sum of Rs 1260.00 Lakhs by alloting 1,26,00,000 shares of 0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid.

Particulars	As at 31 March 2023	As at 31 March 2022
Proceeds from the issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')	**7,287.75**	6,027.75
Utilisation during the year	**7,287.75**	6,027.75
Balance unutilised amount outstanding	**–**	–

12. Other Equity

	31 March 2023	31 March 2022
12A) Equity component of compound financial instruments		
Equity component of Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	**7,287.75**	6,027.75
Total	**7,287.75**	6,027.75

12B) Reserves & Surplus	31 March 2023	31 March 2022
Retained earnings	**(33,337.97)**	(22,282.27)
Securities premium	**44,381.76**	22,215.09
Share option outstanding account	**145.23**	101.06
Total	**11,189.02**	33.88

Retained earnings		
Balance as at the beginning of the year	**(22,282.27)**	(19,040.90)
(Loss) for the year	**(11,055.70)**	(3,170.01)
Preference Shares - Issuance Cost	**–**	(71.36)
Balance at the end of year	**(33,337.97)**	(22,282.27)

Securities premium

Particulars		
Balance as at the beginning of the year	**22,215.09**	22,215.09
Shares issue at premium	**22,166.67**	–
Balance as at the end of the year	**44,381.76**	22,215.09

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

ii) for the purchase of its own shares or other securities;

iii) in writing off the preliminary expenses of the Company;

iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Share option outstanding account

	31 March 2023	31 March 2022
Balance as at the beginning of the year	**101.06**	76.58
Add:- allotment of shares by ESOP Trust to employees	**44.16**	24.48
Balance at the end of year	**145.22**	101.06

The above reserve relates to share options granted by the Company to its employees under its Employee Share Option Plan (ESOP). Further information about share-based payments to its employees is set out in note 21A.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company's revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option outstaning account.

12C) Items of other comprehensive income	31 March 2023	31 March 2022
Equity instruments at fair value through other comprehensive income	**-**	12.93
Remeasurements of the defined benefit plans	**27.01**	12.78
Total other equity	**27.01**	25.71

Equity instruments through other comprehensive income		
Balance as at the beginning of the year	**12.93**	12.95
Remeasurements of the equity instruments through other comprehensive income	**–**	(0.02)
Sale of long term investment	**(12.93)**	–
Balance at the end of year	**–**	12.93

This reserve represents the cumulative gains arising on the revaluation of equity instruments measured at fair value through other comprehensive income. (FVOCI)

Remeasurements of the defined benefit plans		
Balance as at the beginning of the year	**12.78**	(10.78)
Remeasurements of the defined benefit plans	**14.23**	23.56
Balance at the end of year	**27.01**	12.78

This reserve represents the cumulative gains arising on remeasurement of the employee's defined benefit plan.

13. Other financial liabilities

	31 March 2023		31 March 2022	
	Non-Current	Current	Non-Current	Current
Other financial liabilities measured at amortised cost				
Security Deposits*	–	**2,513.22**	–	2,603.52
Monies adjusted from share capital and reserves and surplus on account of shares held by ESOP trust	**308.91**	**–**	308.91	–
Capital creditors	**–**	**202.14**	–	139.40
Other employee related liabilities	**–**	**737.22**	–	675.98
Total other financial liabilities	**308.91**	**3,452.58**	308.91	3,418.90

Note:

* Deposits are re-payable on demand.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

(Currency : Indian rupees in lakhs)

14. Provisions

	31 March 2023		31 March 2022	
	Non-Current	**Current**	Non- Current	Current
Provision for employee benefits				
– Compensated absences	**833.04**	**191.49**	681.55	150.70
– Gratuity (Refer Note 27)	**641.05**	**86.04**	553.04	64.69
Total provisions	**1,474.09**	**277.53**	1,234.59	215.39

15. Deferred tax liablities (net)

(i) Movement of Deferred Tax

31 March 2023

	As at beginning of the year	**Acquired in Business Combination and recognised in Profit and Loss**	**As at end of the year**
Tax effect of items constituting deferred tax liabilities on account of Business combination	**(20.80)**	**0.01**	**(20.79)**

(i) Movement of Deferred Tax

31 March 2022

	As at beginning of the year	Acquired in Business Combination and recognised in Profit and Loss	As at end of the year
Tax effect of items constituting deferred tax liabilities on account of Business combination	(22.36)	1.57	(20.80)

ii) Deferred tax assets have not been recognised in respect of following items, as it is not probable that future taxable profit will be available against which the Company can utilise the benefit therefrom.

	31 March 2023	31 March 2022
Unabsorbed depreciation	**2,794.31**	2,550.38
Unabsorbed business losses	**6,133.01**	5,324.89
Total	**8,927.32**	7,875.27

The unrecognised tax losses carried forward expire as follows:

Expiry Year	**31 March 2023**	31 March 2022
Financial year 2023-2024	**567.39**	567.39
Financial year 2024-2025	**938.64**	938.64
Financial year 2025-2026	**2,191.97**	2,191.97
Financial year 2026-2027	**772.83**	772.83
Financial year 2027-2028	**783.77**	783.77
Financial year 2028-2029	**70.29**	70.29
Financial year 2029-2030	**808.12**	-
Total	**6,133.01**	5,324.89

The income tax expense for the year can be reconciled to the accounting Loss as follows :

	31 March 2023	31 March 2022
Loss before tax	**(11,055.71)**	(3,077.48)
Income tax expense calculated at 26%	**(2,874.48)**	(800.14)
Effect of expenses that is non-deductible in determining taxable profit	**–**	(465.24)
Effect of unused tax losses for which no deferred tax asset is recognised	**2,874.48**	1,265.38
	2,874.48	800.14
Income tax expense recognised in Statement of Profit and Loss	**–**	–

16. Trade Payables

	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	**10.94**	70.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	**11,108.51**	9,596.13
Total Trade Payables	**11,119.45**	9,666.89

As at 31 March 2023	**Outstanding for following periods from date of invoice**					
	Unbilled*	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	**–**	**10.94**	**–**	**–**	**–**	**10.94**
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	**2,009.84**	**7,622.66**	**772.36**	**596.45**	**107.20**	**11,108.51**
(iii) Disputed dues of Micro enterprises and Small Enterprises	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	**–**	**–**	**–**	**–**	**–**	**–**

As at 31 March 2022	Outstanding for following periods from date of invoice					
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	–	70.76	–	–	–	70.76
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	4,420.83	3,364.46	1,294.58	295.86	220.40	9,596.13

(Currency : Indian rupees in lakhs)

As at 31 March 2022	Outstanding for following periods from date of invoice					
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(iii) Disputed dues of Micro enterprises and Small Enterprises	–	–	–	–	–	–
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	–	–	–	–	–	–

*Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

17. Other Non Financial Liabilities

		31 March 2023	31 March 2022
Contract liabilities		**1,570.09**	1,159.57
Government dues			
i)	Provident fund	**104.14**	91.34
ii)	Employees' state insurance and Profession tax	**4.45**	2.52
iii)	Tax deducted at source	**468.53**	392.24
iv)	Goods and Services Tax (GST)	**401.96**	317.23
v)	Others	**52.08**	37.63
Total other liabilities		**2,601.25**	2,000.53

18. Revenue from operations

	31 March 2023	31 March 2022
Revenue from contract with customers:-		
Sale of products	**82,983.39**	60,408.26
Sale of services	**26,235.91**	23,841.19
Other operating revenues	**946.82**	661.88
	110,166.13	84,911.33

The management determines that the segment information reported under Note 18 above Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

Reconciliation of revenue from sale of products	31 March 2023	31 March 2022
Revenue as per contracted price	**82,983.39**	60,408.26
Sales returns	**–**	–
Rebates/ Discounts	**–**	–
Sale of products	**82,983.39**	60,408.26

Contract Balances	31 March 2023	31 March 2022
Trade receivables (Note 9)	**11,483.18**	11,534.17
Contract assets	**–**	–
Contract Liabilities (Note 17)	**1,570.09**	1,159.57

Significant changes in contract assets and liabilities during the period	31 March 2023	31 March 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	**1,159.57**	1,832.74
Sale of services comprises of:		
– Franchisee fees	**2,062.93**	1,811.94
– Commission income	**2,442.70**	2,021.23
– Vehicle valuation fees	**6,720.29**	4,550.47
– Vehicle preinspection fees	**1,797.49**	1,689.63
– Yard management parking fees	**9,491.07**	9,868.31
– Indian blue book income	**1,265.52**	919.03
– Others services *	**2,455.91**	2,980.58
Revenue from rendering of services	**26,235.91**	23,841.19
Other operating revenues comprises of:		
– Warranty income	**560.18**	415.37
– Forfeiture of Earnest Money Deposits collected	**386.65**	246.51
Other operating revenues	**946.82**	661.88

* During the year, the Company has enabled an unique feature of allowing customers to reserve specific cars online by paying a token amount. This allows the dealers to get highly interested customers to their store and hence increases chances of their conversions to sale, thus adding value for dealers. In lieu of this, the Company charges the dealers a commission of Rupees 2,57,08,292/- of the sale value of the car. However, since this was a pilot program for the first 2 years, against this revenue, the Company spent an equivalent amount in promoting the ECommerce program on behalf of the dealers by offering this as an incentive.

19. Other Income

	31 March 2023	31 March 2022
Interest Income (On financial assets measured at amortised cost)		
– On inter-corporate deposits	**–**	77.92
– Bank deposits	**416.56**	36.04
– Others	**177.23**	108.55
Dividend income		
– on investments carried at fair value through other comprehensive income	**0.10**	–
Operating lease rental income	**44.95**	43.64
Gain on sale/discardment of Property, plant and equipment	**9.21**	–
Net gain recorded in profit or loss on sale of Mutual Funds	**114.77**	19.64
Sundry balances written back (net)	**383.43**	338.85
Total Other Income	**1,146.25**	624.64

20. Changes in inventories of stock-in-trade

	31 March 2023	31 March 2022
Opening Stock-in-trade	**4,170.29**	2,159.36
Closing Stock-in-trade	**3,421.75**	4,170.29
Changes in inventories of stock-in-trade	**748.54**	(2,010.93)

(Currency : Indian rupees in lakhs)

21. Employee benefits expense

	31 March 2023	31 March 2022
Salaries and wages, including bonus (Refer Note 27)	**10,758.33**	8,624.12
Contribution to provident and other funds (Refer Note 27)	**653.77**	477.44
Share based payments to employees (see Note 21A)	**44.16**	24.48
Staff welfare expenses	**473.51**	132.70
Total Employee benefits expense	**11,929.77**	9,258.74

21A Employee share option plan of the company

1.1. Details of the employees share option plan of the Company

Mahindra First Choice Wheels Limited has share option schemes under which the employees have an option to subscribe for the Company's shares which have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Each employee share option converts into the equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria from various financial and customer service measures.

The Company has framed an Equity settled "Employee Stock Option Scheme (ESOS), 2010" for its employees. It has a trust viz. Mahindra First Choice Wheels Limited Employees' Stock Option Trust" (ESOS trust), which would hold the shares for the benefit of the eligible employees, including Directors of the Company and its subsidiaries. In addition to the above, the Company has also settled "Employee Stock Option Scheme (ESOS), 2015" for its employees.

The following share-based payment arrangements were in existence during the current and prior years.

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date (Rs per option)
1	2,336,483	04-Oct-10	03-Oct-15	10	0.70
2	420,015	31-Aug-12	30-Aug-17	10	2.46
3	752,226	25-Apr-13	20-Apr-18	10	2.93
4	267,463	02-Sep-13	01-Sep-18	10	2.93
5	1,676,702	30-Jul-15	29-Jul-20	10	0.69
6	115,357	27-Jan-16	26-Jan-21	10	0.69
7	375,307	25-Oct-16	24-Oct-21	10	1.25
8	33,937	25-Jan-17	24-Jan-22	10	1.25
9	57,348	27-Jul-17	26-Jul-22	10	2.41
10	448,180	16-Oct-17	15-Oct-22	10	2.41
11	308,555	15-Oct-18	14-Oct-23	10	2.49
12	61,348	16-Jan-19	16-Jan-24	10	2.49
13	158,802	21-Oct-19	21-Oct-24	10	4.14
14	237,003	09-Dec-19	03-Feb-25	10	4.14
15	32,059	19-Oct-20	19-Oct-25	10	4.04
16	242,023	20-Jan-21	20-Jan-26	10	4.04
17	38,351	19-Jan-21	20-Jan-22	10	4.04
18	36,559	29-Apr-21	29-Apr-26	10	7.79
19	484,501	22-Jul-21	22-Jul-26	10	7.76
20	499,764	28-Jan-22	28-Jan-27	10	15.04
21	478,752	29-Apr-22	06-May-27	10	3.73
22	227,275	28-Feb-23	28-Feb-28	10	9.46

1.2 Fair value of share options granted in the year

	Option series																					
Inputs into the model	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**
Grant date share price (Rs.)	**5/-**	**8/-**	**9/-**	**9/-**	**5/-**	**5/-**	**6/-**	**6/-**	**8/-**	**8/-**	**7/-**	**7/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**
Exercise price (Rs.)	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-
Expected volatility	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Option life (Years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	1	5	5	5	5.5	5.5
Dividend yield	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Risk-free interest rate	7.64%-8.38%	8.16%-8.36%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6.25%	6.25%		5.96%-6.08%			6.14%-6.77%		7.39%-7.46%	

1.3 Movements in share options during the year

The following reconciles share options outstanding at the beginning and end of the year :

	31 March 2023 Number of options	31 March 2023 Weighted average exercise price	31 March 2022 Number of options	31 March 2022 Weighted average exercise price
Balance at beginning of the year	**4,538,809**	**Rs. 10**	4,090,085	Rs. 10
Granted during the year	**706,027**	**Rs. 10**	1,020,825	Rs. 10
Forfeited during the year	**552,324**	**–**	572,101	–
Exercised during the year	**–**	**–**	–	–
Lapsed/expired during the year	**–**	**Rs. 10**	–	Rs. 10
Balance at end of the year	**4,692,512**	**Rs. 10**	4,538,809	Rs. 10

All outstanding options are exercisable at the end of the respective reporting period.

1.4 Share options outstanding at the end of the year

The share option outstanding at the end of the year had weighted average exercise price of Rs.10 (as at 31 March 2022: Rs. 10), and the weighted average remaining contractual life of 33 months (as at 31 March 2022: 33 months).

(Currency : Indian rupees in lakhs)

22. Finance cost

	31 March 2023	31 March 2022
Interest expense		
– On leased assets	**64.43**	72.64
Total Finance cost	**64.43**	72.64

23. Other Expenses

	31 March 2023	31 March 2022
Power and fuel	**50.73**	43.31
Repairs and maintenance - others	**130.89**	197.42
Rent - yards	**8,331.55**	7,574.26
Rent- others	**61.00**	90.21
Rates and taxes	**4.49**	0.59
Warranty related expenses	**113.37**	56.05
Vehicle valuation expenses	**3,177.80**	2,186.38
Preinspection expenses	**1,497.49**	1,391.47
Repo Management expenses	**488.32**	956.78
Field Inspection expenses	**62.60**	123.53
Printing and stationary	**54.25**	36.47
Office expenses	**85.02**	79.00
Bad debts written off (net)	**1,401.58**	131.74
Information technology costs	**1,842.41**	957.79
Internet charges	**38.60**	42.92
Communication charges	**307.45**	285.78
Insurance charges	**175.74**	159.34
Allowance for Expected Credit Losses	**432.25**	425.33
Provision for doubtful advances	**818.34**	288.22
Auditor's remuneration and out-of-pocket expenses (See Note below)	**31.00**	26.00
Director Sitting Fees	**11.40**	6.75
Professional fees	**2,059.54**	1,225.19
Advertisement, promotion and selling expenses	**4,340.45**	2,434.15
Travelling expenses	**1,337.35**	663.92
Loss on sale/discardment of Property, plant and equipment	**–**	42.84
Commission expenses	**464.34**	306.25
Miscellaneous expenses	**601.94**	258.74
Total Other Expenses	**27,919.90**	19,990.43

Note:

Auditor's remuneration and out-of-pocket expenses details:		
Audit Fees	**30.00**	26.00
Reimbursement of expenses	**1.00**	–
Total	**31.00**	**26.00**

24. Earnings per share

Basic and Diluted Earnings Per Share

Particulars	**Year ended 31 March 2023 Per Share**	Year ended 31 March 2022 Per Share
Basic and Diluted loss per share (Rs.)	**(13.06)**	(3.99)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31 March 2023	31 March 2022
Loss for the year	**(11,055.70)**	(3,170.01)
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share.	**8,46,82,675**	**7,95,09,770**
Basic loss per share (Rs.)	**(13.06)**	**(3.99)**

	31 March 2023	31 March 2022
Weighted average number of equity shares for the purpose of dilutive earnings per share	**8,46,82,675**	10,83,52,270
Diluted loss per share (Rs.)	**(13.06)**	#

The effect of conversion of 0.001% non-cumulative compulsorily convertible preference shares (‘NCCCPS’) being anti-dilutive, has not been considered for the purpose of computing diluted loss per share

25. Contingent liabilities and commitments

Claims against the Company not acknowledged as debts comprise of:

Demands raised by Income tax department where the Company is in appeal	**85.81**	35.98
Demand raised by VAT & GST Department where the Company is in appeal	**824.50**	770.84
Total	**910.31**	806.82

Note: In respect of above items, till the matters are finally decided, the financial effect cannot be ascertained.

In February 2019, Supreme court of India in its judgement opined on the applicability of allowances that should be considered to measure obligation under Employee Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligation for past period.

26. Financials Instruments

Capital management

The company’s capital management objectives are:
- to ensure the company’s ability to continue as a going concern
- to maximise the shareholders value.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Categories of financial assets and financial liabilities

			31 March 2023	
Particulars	**Amortised Cost**	**Fair value through Profit or loss**	**Fair Value through other comprehensive income**	**Total**
Non-current Assets				
Investments	**10,097.68**	**–**	**–**	**10,097.68**
Loans	**326.61**	**–**	**–**	**326.61**
Bank deposits with more than 12 months maturity	**7.88**	**–**	**–**	**7.88**
Security Deposits	**182.88**	**–**	**–**	**182.88**
Other financial assets	**110.93**	**–**	**–**	**110.93**
Current Assets				
Trade receivables	**11,483.18**	**–**	**–**	**11,483.18**
Cash and Cash equivalents	**5,503.37**	**–**	**–**	**5,503.37**
Bank balances other than cash and cash equivalents	**9.44**	**–**	**–**	**9.44**
Secutiry Deposits	**213.98**	**–**	**–**	**213.98**
Loans	**5,057.69**	**–**	**–**	**5,057.69**
Other financial assets	**240.86**	**–**	**–**	**240.86**
Other non-financial assets	**3,107.60**	**–**	**–**	**3,107.60**
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	**585.75**	**–**	**–**	**585.75**
Shares held by ESOS trust	**308.91**	**–**	**–**	**308.91**

(Currency : Indian rupees in lakhs)

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
				31 March 2023
Current Liabilities				
Lease Liability	**602.83**			**602.83**
Trade payables	**11,119.45**	**–**	**–**	**11,119.45**
Other financial liabilities				
Deposits received from dealers	**2,513.22**	**–**	**–**	**2,513.22**
Capital creditors	**202.14**	**–**	**–**	**202.14**
Other employee related liabilities	**737.22**	**–**	**–**	**737.22**
Others non-financial liabilities	**2,601.25**	**–**	**–**	**2,601.25**
Non-current Assets				
Investments	**6,497.69**	**–**	**13.95**	**6,511.64**
Loans	**329.95**	**–**	**–**	**329.95**
Bank deposits with more than 12 months maturity	**4.16**	**–**	**–**	**4.16**
Security Deposits	**148.14**	**–**	**–**	**148.14**
Other financial assets	**90.57**	**–**	**–**	**90.57**

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
				31 March 2022
Current Assets				
Trade receivables	11,534.17	–	–	11,534.17
Cash and Cash equivalents	1,192.62	–	–	1,192.62
Bank balances other than cash and cash equivalents	118.24	–	–	118.24
Security Deposits	165.42	–	–	165.42
Loans	14.65	–	–	14.65
Other financial assets	5.86	–	–	5.86
Other non-financial assets	3,976.33	–	–	3,976.33
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	160.18	–	–	160.18
Shares held by ESOS trust	308.91	–	–	308.91
Current Liabilities				
Lease Liability	499.65			499.65
Trade payables	9,666.89	–	–	9,666.89
Other financial liabilities				
Deposits received from dealers	2,603.52	–	–	2,603.52
Capital creditors	139.40	–	–	139.40
Other employee related liabilities	675.98	–	–	675.98
Other non-financial liabilities	2,000.53	–	–	2,000.53

CREDIT RISK

(i) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken security deposits which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Amounts pertaining to these collaterals are as given below:-

The loss allowance provision is determined as follows:

		Outstanding for following periods from date of invoice					
As at 31 March 2023	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**2,925.34**	**6,530.82**	**1,069.87**	**911.44**	**45.71**	**–**	**11,483.18**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**100.00**	**149.73**	**330.84**	**580.57**
(iii) Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables– considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(v) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Trade Receivables Ageing Schedule FY23	**2,925.34**	**6,530.82**	**1,069.87**	**1,011.44**	**195.44**	**330.84**	**12,063.74**

		Outstanding for following periods from date of invoice					
As at 31 March 2022	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	–	–	11,534.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	539.03	256.69	130.71	926.43

(Currency : Indian rupees in lakhs)

As at 31 March 2022	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from date of invoice						
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule FY22	2,338.64	8,697.06	453.83	583.67	256.69	130.71	12,460.59

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Reconciliation of loss allowance provision for Trade receivables

Particulars	**31 Mar 2023**	31 Mar 2022
Balance as at beginning of the year	**926.43**	501.10
Impairment losses recognised in the year based on lifetime expected credit losses	**432.25**	425.33
Amounts written off during the year as uncollectible	**(778.11)**	–
Balance at end of the year	**580.57**	926.43

Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Default rate	**0%**	**0%**	**0%**	**10%**	**77%**	**100%**

MARKET RISK

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which provides guidance for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by efficient management of surplus cash and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
31 March 2023				
Non-interest bearing				
- Trade payable for goods and services	**11,119.44**	**–**	**–**	**–**
- Security Deposit	**2,513.22**	**–**	**–**	**–**
- Capital creditors	**202.14**	**–**	**–**	**–**
- Shares held by ESOS trust	**–**	**–**	**–**	**308.91**
- Other employee related liabilities	**737.22**	**–**	**–**	**–**
Total	**14,572.02**	**–**	**–**	**308.91**
31 March 2022				
Non-interest bearing				
- Trade payable for goods and services	9,666.89	–	–	–
- Security Deposit	2,603.52	–	–	–
- Capital creditors	139.40	–	–	–
- Shares held by ESOS trust	–	–	–	308.91
- Other employee related liabilities	675.98	–	–	–
Total	13,085.79	–	–	308.91

27. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and other funds aggregating Rs.653.77 lakhs (31 March 2022: Rs.477.44 lakhs) has been recognised in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

(Currency : Indian rupees in lakhs)

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31 March 2023	31 March 2022
Discount rate(s)	**7.40%**	6.90%
Expected rate(s) of salary increase	**8.00%**	8.00%

	Unfunded Plan Gratuity	
	31 March 2023	31 March 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
I. Amounts recognised in profit or loss		
Current Service Cost	**165.32**	118.64
Past service cost	**–**	–
Net interest expense	**40.39**	32.00
Total amount included in employee benefit expense	**205.71**	150.64
II. Amounts recognised in other comprehensive income		
Remeasurement (gain)/losses:		
Actuarial (gain)/losses arising from changes in -		
– financial assumptions	**(29.28)**	(28.20)
– experience adjustments	**15.05**	4.64
– demographic adjustments	**–**	–
Total amount recognised in other comprehensive income	**(14.23)**	(23.56)
III. Changes in the obligation		
Opening defined benefit obligation	**617.74**	529.59
Current service cost	**165.32**	118.64
Past service cost	**–**	–
Interest expense	**40.39**	32.00
Remeasurement gains/(losses) arising from changes in -		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**(29.28)**	(28.20)
iii. Experience Adjustments	**15.05**	4.64
Benefits paid	**(82.13)**	(38.94)
Closing defined benefit obligation	**727.08**	617.74
Current portion of the above	**86.04**	64.69
Non-Current portion of the above	**641.05**	553.04
IV. Actuarial assumptions		
1. Discount rate	**7.40%**	6.90%
2. Attrition rate		
Age in Years 21-44	**18.00%**	18.00%
Age in Years 45-59	**1.00%**	1.00%

SENSITIVITY ANALYSIS	**31 March 2023**		31 March 2022	
	Discount Rate	**Salary Escalation Rate**	Discount Rate	Salary Escalation Rate
Defined Benefit obligation plus 100bps	**674.25**	**778.17**	571.72	662.52
Defined Benefit obligation minus 100bps	**787.79**	**679.89**	670.72	577.40

The above sensitivities analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

PROJECTED PLAN CASH FLOW

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	**31 March 2023**	31 March 2022
Expected Benefits for Year 1	**86.04**	64.69
Expected Benefits for Year 2	**89.09**	73.18
Expected Benefits for Year 3	**105.55**	73.26
Expected Benefits for Year 4	**83.34**	86.81
Expected Benefits for Year 5	**57.71**	62.79
Expected Benefits for Year 6	**47.85**	40.81
Expected Benefits for Year 7	**43.14**	33.47
Expected Benefits for Year 8	**54.50**	29.86
Expected Benefits for Year 9	**57.47**	42.94
Expected Benefits for Year 10 and above	**888.29**	724.18

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 7.77 years (31 March 2022: 7.98 years)

Experience Adjustments:	**Year Ended**				
	2023	2022	2021	2020	2019
	Gratuity				
1. Defined Benefit Obligation	**727.08**	617.74	529.59	526.58	401.82
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**(727.08)**	(617.74)	(529.59)	(526.58)	(401.82)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**15.05**	4.64	(44.02)	(18.64)	(6.76)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(Currency : Indian rupees in lakhs)

28. Fair Value Measurement

Fair Valuation Techiques and Inputs used - Recurring Items

Financial assets/ financial liabilities	Fair value as at 31 March 2023	Fair value as at 31 March 2022	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in equity instruments at amortised cost (Unquoted)	**10,097.68**	6,497.69	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
2) Investment in equity instruments at FVTOCI (Unquoted)	**–**	13.95	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
3) Mutual Fund Investments (Quoted)	**58.09**	–	Level 1	Quoted bid prices in an active market	–	–

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	31 March 2023	31 March 2022
Opening balance (investment in The Zoroastrian Co-operative Bank Ltd.)	**13.95**	13.97
Total gains or losses:		
Sale of shares	**1.00**	–
– In other comprehensive income	**(12.96)**	(0.02)
Closing balance	**–**	13.95

Fair value of financial assets and financial liabilities that are not measured at fair value i.e. measured using amortised cost

The carrying value of other financial assets and liabilities represent reasonable estimate of fair value.

Fair Valued Hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	**–**	**–**	**10,097.68**	**10,097.68**
Current Financials Assets carried at Amortised Cost				
– Current Investments	**58.09**	**–**	**–**	**58.09**
TOTAL	**58.09**	**–**	**10,097.68**	**10,155.77**
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
– Deposits received from Dealers	**–**	**–**	**–**	**–**
– Shares held by ESOS trust	**–**	**–**	**308.91**	**308.91**
Current Financial liabilities not carried at Fair Value				
– Trade payable for goods & services	**–**	**–**	**11,119.44**	**11,119.44**
– Deposits received from Dealers	**–**	**–**	**2,513.22**	**2,513.22**
– Capital creditors	**–**	**–**	**202.14**	**202.14**
– Other employee related liabilities	**–**	**–**	**737.22**	**737.22**
Total	**–**	**–**	**14,880.93**	**14,880.93**

Fair Valued Hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	–	–	6,497.69	6,497.69
Current Financials Assets carried at Amortised Cost				
– Current Investments	–	–	–	–
TOTAL	–	–	6,497.69	6,497.69
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
– Shares held by ESOS trust	–	–	308.91	308.91

(Currency : Indian rupees in lakhs)

	Level 1	Level 2	Level 3	Total
Current Financial liabilities not carried at Fair Value				
– Trade payable for goods & services	–	–	9,666.89	9,666.89
– Deposits received from Dealers	–	–	2,603.52	2,603.52
– Capital creditors	–	–	139.40	139.40
– Other employee related liabilities	–	–	675.98	675.98
Total	–	–	13,394.70	13,394.70

29. Related Party Transactions:

List of Related Parties and Relationships:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Holdings Limited	Holding Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Private Limited)	Fellow Subsidiary Company
Mahindra Agri Solutions Limited	Fellow Subsidiary Company
Mahindra Summit Agriscience Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Mahindra Rural Housing Finance Limited	Fellow Subsidiary Company
Mahindra Two Wheelers Limited	Fellow Subsidiary Company
Mahindra Holiday & Resorts India Limited	Fellow Subsidiary Company
Mahindra Lifespace Developers Limited	Fellow Subsidiary Company
Mahindra Retail Limited	Fellow Subsidiary Company
Mahindra Emarket Limited	Fellow Subsidiary Company
Mahindra Chemical & Engineering	Fellow Subsidiary Company
Meru Mobility Tech Private Ltd	Fellow Subsidiary Company
Mahindra Vehicle Manufacturers Limited	Fellow Subsidiary Company
MFCWL Employees Stock Option Trust	ESOS Trust Company
Fifth Gear Ventures Limited (w.e.f. 17 Jan 2020)	Wholly Owned Subsidiary Company
Mahindra MSTC Recycling Pvt Ltd	Fellow Subsidiary Company
Tech Mahindra	Associates
Zoomcar India Private Limited	JV of Holding Company
Ashutosh Pandey (w.e.f. 2 July 2018)	Chief Executive Officer - Key Management Personnel
V. Janakiraman	Chief Financial Officer - Key Management Personnel

Details of transaction between the company and other related parties are disclosed below:

	31 March 2023	31 March 2022
Trade Payables		
Ultimate holding company	**1,557.00**	807.24
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	**4.15**	19.35
Mahindra & Mahindra Synergy Division	**13.41**	–
NBS International Limited	**–**	0.08
Wholly owned subsidiary Company		
Fifth Gear Ventures Limited	**(131.86)**	89.66
JV of Holding Company		
Zoomcar India Private Limited	**(128.04)**	–
Director		
Phi Advisors Private Limited	**54.63**	–
Trade Receivables		
Ultimate holding company	**22.19**	–
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	**718.98**	671.05
NBS International Limited	**–**	0.59
Mahindra Rural Housing Finance Limited	**1.74**	5.58
Mahindra MSTC Recycling Private Limited	**24.80**	–
JV of Holding Company		
Zoomcar India Private Limited	**0.09**	–
Loan Given		
MFCWL Employees Stock Option Trust	**319.19**	319.19
Investments		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**10,097.68**	6,497.69
Investment during the year		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**3,599.99**	–
Purchases		
Ultimate holding company	**146.95**	237.14
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	**18,011.80**	23,266.68
Mahindra Lifespace Developers Limited	**4.00**	–
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**44.58**	–
JV of Holding Company		
Zoomcar India Private Limited	**161.24**	–
Equity shares issued during the year		
Holding Company	**22,743.30**	–
Preference shares issued during the year		
Holding Company	**1,260.00**	–
Expenditure		
Rent		
Ultimate holding company	**25.59**	10.00

(Currency : Indian rupees in lakhs)

	31 March 2023	31 March 2022
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**44.95**	43.64
Sales Promtion Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**2,563.80**	154.46
Reimbursement of Cost		
Ultimate holding company	**–**	13.97
Fellow subsidiary companies		
Mahindra Emarket Limited	**–**	146.97
Mahindra & Mahindra Synergy Division	**53.21**	–
Meru Mobility Tech Private Ltd	**–**	0.51
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**558.58**	144.55
Amortisation and Finance Cost		
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	**13.93**	–
Refurbishment Expenses		
Fellow subsidiary companies		
NBS International Limited	**5.62**	0.74
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	11.02
Server Software & Telephone Cost		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	30.26
Travelling Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	0.51
Professional Fees		
Ultimate holding company	**721.52**	554.29
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	**42.98**	98.48
Tech Mahindra	**10.59**	73.00
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	196.35
Interest Received on ICD		
Mahindra Rural Housing Finance Limited	**–**	77.92
Interest Received from Subsidiary		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**95.67**	83.88
Purchase of Leads		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	473.88
Income from Services		
Ultimate holding company	**298.71**	123.34
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	**1,896.93**	1,513.57
NBS International Limited	**6.99**	6.32
Mahindra MSTC Recycling Pvt Ltd	**2.78**	18.59
Mahindra Rural Housing Finance Limited	**25.42**	–
Recovery From Group Companies		
Wholly owned subsidiary company		
Fifth Gear Ventures Limited	**2,869.42**	2,850.08
Receivable from Group Companies		
Key Management Personnel Remuneration		
Chief Financial Officer, Chief Executive Officer and Managing Director	**433.32**	378.80
Reimbursement of expense	**6.80**	–
Director Sitting Fees		
Narendra Mairpady	**4.70**	–
Phi Advisors Private Limited	**50.00**	–
Rajeev Dubey	**2.10**	–
Sangeeta Talwar	**4.60**	–

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31 March 2023	31 March 2022
i. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	**10.94**	70.76
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
vi. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	**–**	–

(Currency : Indian rupees in lakhs)

31. Ratio Analysis

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.8	1.4	30%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Not applicable since company does not have any borrowings			
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	Not applicable since company does not have any borrowings			
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-54%	-25%	116%	Due to Lower margin revenue share increased current year losses drives this ratio
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	21.47	18.49	16%	
6	Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	9.57	8.34	15%	Variance in ratio is on account of increase in sales
7	Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	7.77	7.49	4%	Variance on account of increase in payables credit period.
8	Net Capital Turnover Ratios	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.43	12.60	(41%)	Variance in ratio is on account of increase in sales
9	Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	(10%)	(4%)	150%	Due to Lower margin revenue share increased current year losses drives this ratio
10	Return on Capital Employeed Ratio	Profit before interest and taxes	Capital Employed = Average Total Equity + Average Total Debt for the period	(54%)	(24%)	119%	Current year, there is Equity and Preference Shares infusion drives Capital employeed
11	Return on Investment Ratio	Interest (Finance Income)	Average of (Fixed Deposits + Inter Company Deposit + Advances in nature loans)	20%	7%	186%	Variance in ratio is on account of maturity of ICD during current year

32. Struck-off Companies details:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st Mar 2023	Balance outstanding as at 31st Mar 2022	Relationship with the struck off company, if any, to be disclosed
AB Motors Private Limited	Receivables	**–**	0.42	Not Applicable
Automax Solutions India Private Limited	Receivables	**–**	0.71	Not Applicable
Ayushman Infotech Private Limited	Receivables	**–**	0.07	Not Applicable
Elite Enterprises	Receivables	**2.28**	–	Not Applicable
Gehlot Cars Private Limited	Payables	**–**	(0.18)	Not Applicable
Leader Ship Centre Private Limited	Payables	**–**	(0.81)	Not Applicable
Retona Motors Private Limited	Payables	**–**	(0.98)	Not Applicable
Nandprabhawati Ent Private Limited	Payables	**–**	(0.01)	Not Applicable
Acme D' Ace Marketing Solutions	Payables	**0.68**	–	Not Applicable

33. Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2022	Investment made during the year	Investment sold during the year	Equity instruments through other comprehensive income	As at 31 March 2023
1	The Zoroastrian Co-operative Bank Ltd.	31-Mar-23	13.95	–	13.95	(13.95)	**–**
		31-Mar-22	13.97	–	–	0.01	**13.95**
2	Fifth Gear Ventures Limited	31-Mar-23	6,497.69	3,599.99	–	–	**10,097.68**
		31-Mar-22	3,497.71	2,999.98	–	–	**6,497.69**

34. Segment Information

The Company is engaged in providing various value added services to their customers in the used vehicle segment. The information reported to the Chief Operating Decision Maker (CODM) primarily revolves around the revenue generated by each area of business, while he evaluates operational performance on an overall company basis, both from cost and profitability perspectives. Similarly the Board reviews the results from an organizational perspective as well.

Manpower, which is a critical resource, is fungible between the areas of business to maximize effectiveness. Similarly, the Company leverages its product and service delivery structures for offering a suite of services to its customers across all areas of business. Additionally, there are costs incurred towards advertisement, which is another major cost driver, such that its impact permeates across all areas of the Company's. Thus, considering the high interchangeability of its resources and processes for delivering its objective of serving the used car eco market and the fact that its results are reviewed at an organizational level, the company is a single operating segment.

35. Other matters

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Other than amount shown below, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Details of Funds received by the Company

Funding Party		Date of Transaction	Amount (Rs. In Lakhs)
(i)	**Equity Shares**		
	Mahindra Holdings Limited	01-07-2022	17,134.18
	Brij Mohan Kataria	06-07-2022	4.80
	Sanjay Labroo jointly with Leena Labroo	07-07-2022	167.98
	Sanjay Labroo jointly with Leena Labroo	16-08-2022	83.91
	Mahindra Holdings Limited	18-08-2022	5,606.74
	Sanjay Labroo jointly with Leena Labroo	14-09-2022	0.02
	Mahindra Holdings Limited	15-09-2022	2.38
			23,000.00
(ii)	**Preference Shares**		
	Mahindra Holdings Limited	22-04-2022	1,260.00
Total (i+ii)			**24,260.00**

Details of investment made from the funds received

Ultimate Beneficiary	Date of Transaction	Amount (Rs. In Lakhs)
Fifth Gear Ventures Limited	07-12-2022	3,599.99

Above transactions are in compliance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act, 2013 and Prevention of Money-Laundering Act, 2002.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nupur Ashar
Partner
Membership number: 136565

Place : Mumbai
Date : 29 April 2023

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

Form AOC-1

(Pursuant to First Proviso to sub-section (3) of section 129 read with rule 5 of companies [Accounts] Rules,2014

Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Fifth Gear Ventures Limited
2.	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	31st March 2023 (Same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share Capital	Rs.30.71
5.	Reserves & Surplus	Rs.1897.62
6.	Total assets	Rs.3830.28
7.	Total Liabilities	Rs.1901.95
8.	Investments	NIL
9.	Turnover	Rs.6313.68
10.	Profit / (Loss) before taxation	(Rs.2656.81)
11.	Provision for Taxation	NIL
12.	Profit / (Loss) after Taxation	(Rs.2656.81)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operation – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. Not Applicable

Part " B ": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 29 April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS
OF FIFTH GEAR VENTURES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fifth Gear Ventures Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 33(a) to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 23136565BGZFPM1622

Place: Mumbai
Date: 28 April 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Fifth Gear Ventures Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies/discrepancy were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of

Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Paid under Protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	35.36	35.36	AY 2020-21	Commi-sioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 2,414.38 lakhs in the current financial year and Rs. 1,875.46 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 23136565BGZFPM1622

Place: Mumbai
Date: 28 April 2023

Annexure B to the Independent Auditor's Report on the financial statements of Fifth Gear Ventures Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fifth Gear Ventures Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 23136565BGZFPM1622

Place: Mumbai
Date: 28 April 2023

BALANCE SHEET AS AT 31 MARCH 2023

(Currency :Indian rupees in lakhs)

	Note	**As at 31 March 2023**	As at 31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**52.17**	64.32
Other intangible assets	4	**1,347.00**	19.61
Intangible assets under development	4	**–**	992.73
Income tax assets (net)	5	**197.32**	61.83
		1,596.49	1,138.49
CURRENT ASSETS			
Inventories	6	**69.88**	20.08
Financial assets			
Trade receivables	7	**1,133.27**	1,288.38
Cash and cash equivalents	8	**262.31**	67.84
Bank balances other than above	9	**60.00**	–
Other current financial assets	10	**26.88**	26.14
Other current assets	11	**681.45**	500.99
		2,233.79	1,903.43
TOTAL ASSETS		**3,830.28**	3,041.92
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**30.71**	19.81
Other equity	13	**1,897.62**	943.86
		1,928.33	963.67
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	14(a)	**36.20**	48.66
		36.20	48.66
CURRENT LIABILITIES			
Financial liabilities			
Trade payables			
– total outstanding dues of micro enterprises and small enterprises	15	**32.58**	7.10
– total outstanding dues of creditors other than micro enterprises and small enterprises	15	**1,450.08**	1,523.13
Other current financial liabilities	16	**173.21**	344.98
Provisions	14(b)	**17.77**	19.93
Other current liabilities	17	**192.11**	134.45
		1,865.75	2,029.59
		1,901.95	2,078.25
TOTAL EQUITY AND LIABILITIES		**3,830.28**	3,041.92

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 28 April 2023

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Rajeev Dubey**	**Ashish Diwanji**
Director	Director	CFO
DIN : 06994031	DIN : 00104817	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 28 April 2023	Date: 28 April 2023	Date: 28 April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

	Note	**For the year ended 31 March 2023**	For the year ended 31 March 2022
INCOME			
Revenue from operations	18	**6,308.20**	2,863.54
Other income	19	**5.48**	0.20
Total income		**6,313.68**	2,863.74
EXPENSES			
Purchase of Stock-in-trade		**782.86**	217.24
Changes in inventories of Stock-in-trade	20	**(49.80)**	(20.08)
Employee benefits expense	21	**1,756.49**	1,169.08
Finance costs	22	**98.58**	83.88
Depreciation and amortisation expense	23	**225.86**	53.27
Other expenses	24	**6,156.50**	3,322.23
Total Expenses		**8,970.49**	4,825.62
(Loss) before tax		**(2,656.81)**	(1,961.88)
Tax Expense			
Current tax		**–**	–
Deferred tax		**–**	–
Total tax expenses		**–**	–
(Loss) after tax for the year		**(2,656.81)**	(1,961.88)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss and its related income		**–**	–
Re-measurement of the defined benefit plans		**21.48**	(3.28)
Total other comprehensive (loss) / income		**21.48**	(3.28)
Total comprehensive (loss) for the year		**(2,635.33)**	(1,965.16)
(Loss) per equity share: Basic and Diluted (in Rs.)	27	**(1,163.73)**	(1,769.19)
(Face value Rs. 10/- per share) (Rupees)			

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 28 April 2023

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Rajeev Dubey**	**Ashish Diwanji**
Director	Director	CFO
DIN : 06994031	DIN : 00104817	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 28 April 2023	Date: 28 April 2023	Date: 28 April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Currency : Indian rupees in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
(Loss) before tax	**(2,656.81)**	(1,961.88)
Adjustments for:		
Finance costs	**98.58**	83.88
Interest income on fixed deposits	**(0.85)**	(0.10)
Loss allowance on trade receivables	**16.57**	33.15
(Profit) on sale of property, plant and equipment (net)	**(0.22)**	–
Depreciation and amortisation expense	**225.86**	53.27
	(2,316.87)	(1,791.68)
Movements in working capital		
(Increase)/Decrease in trade receivables	**138.53**	(948.41)
(Increase) in inventories	**(49.80)**	(20.08)
(Increase) in other assets	**(181.19)**	(408.84)
Increase/(Decrease) in trade payables	**(47.57)**	748.39
Increase/(Decrease) in other financial liabilities	**20.39**	98.92
Increase in other liabilities	**79.14**	85.82
Increase/(Decrease) in provisions	**(14.62)**	33.90
	(55.12)	(410.30)
Cash used in operation	**(2,371.99)**	(2,201.98)
Income tax refund (net)	**(135.49)**	(45.24)
Net cash used in operating activities (A)	**(2,507.48)**	(2,247.22)
Cash flows from investing activities		
Purchase of Property, Plant and Equipments (including Intangible assets and Intangible assets under development)	**(740.96)**	(764.39)
Proceed from Sale of Property, Plant and Equipments	**0.65**	–
Bank deposit placed	**(60.00)**	–
Bank deposit matured	**–**	56.47
Interest received	**0.85**	0.10
Net cash used in investing activities (B)	**(799.46)**	(707.82)
Cash flows from financing activities		
Proceeds from issue of equity shares	**3,599.99**	2,999.98
Loan received from Holding Company	**2,939.41**	2,521.83
Loan repaid to Holding Company	**(2,939.41)**	(2,521.83)
Interest paid	**(98.58)**	(83.88)
Net cash generated from financing activities (C)	**3,501.41**	2,916.10
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**194.47**	(38.94)
Cash and cash equivalents at the beginning of the year	**67.84**	106.78
Cash and cash equivalents at the end of the year (refer note 7)	**262.31**	67.84

(Currency : Indian rupees in lakhs)

Notes to the statement of cash flows:

(a) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	**–**	0.00
Balance with banks:		
– In current accounts	**262.31**	67.84
Balances as per statement of cash flows	**262.31**	67.84
(c) Movement in financial liabilities		
Opening balance	**–**	–
Interest expense	**98.58**	83.88
Finance cost paid	**(98.58)**	(83.88)
Closing Balance	**–**	–

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 28 April 2023

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031
Place: Mumbai
Date: 28 April 2023

Rajeev Dubey
Director
DIN : 00104817
Place: Mumbai
Date: 28 April 2023

Ashish Diwanji
CFO
Place: Mumbai
Date: 28 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023
(Currency : Indian rupees in lakhs)

I) Equity share capital

Particulars	Amounts
Balance as at 1 April 2021	**10.73**
Issue of Share Capital	9.08
Balance as at 31 March 2022	**19.81**
Issue of Share Capital	10.90
Balance as at 31 March 2023	**30.71**

II) Other equity

	Reserves and Surplus			Items of OCI	
Particulars	**Securities premium reserve**	**General Reserve**	**Retained earnings**	**Remeasurements of defined benefit obligations**	**Total**
Balance as at 31 March 2021	2,154.04	1,290.59	(3,518.15)	(8.36)	(81.88)
Loss for the year	–	–	(1,961.88)	–	(1,961.88)
Other comprehensive income/ (loss), net of tax	–	–	–	(3.28)	(3.28)
Total comprehensive income/ (loss) for the year	**–**	**–**	**(1,961.88)**	**(3.28)**	**(1,965.16)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	2,990.90	–	–	–	2,990.90
Total transactions with owners	**2,990.90**	**–**	**–**	**–**	**2,990.90**
Balance as at 31 March 2022	**5,144.94**	**1,290.59**	**(5,480.03)**	**(11.64)**	**943.86**
Loss for the year	–	–	(2,656.81)	–	(2,656.81)
Other comprehensive income/ (loss), net of tax	–	–	–	21.48	21.48
Total comprehensive income/ (loss) for the year	**–**	**–**	**(2,656.81)**	**21.48**	**(2,635.33)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	3,589.09	–	–	–	3,589.09
Total transactions with owners	**3,589.09**	–	–	–	**3,589.09**
Balance as at 31 March 2023	**8,734.03**	**1,290.59**	**(8,136.84)**	**9.84**	**1,897.62**

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 28 April 2023

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Rajeev Dubey**	**Ashish Diwanji**
Director	Director	CFO
DIN : 06994031	DIN : 00104817	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 28 April 2023	Date: 28 April 2023	Date: 28 April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

1 Basis of Preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs Pursuant to section 133 of the Companies Act, 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Company has incurred losses in current and previous year, however Company continues to maintain positive net worth as at 31 March 2023. The Company is 100% subsidiary of Mahindra First Choice Wheels Limited (“the Holding Company”). Holding Company will support by additional funding as and when required to enable the Company to continue its operations and to meet its financial obligations. In view of the above, the use of going concern assumption has been considered appropriate in the preparation of these financial statements and assets and liabilities have been recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The financial statements were authorized for issue by the Company’s Board of Directors on **28 April 2023**

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain Financial assets	Fair value
Certain financial liabilities	Fair value

d. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(i) Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management exercises judgement in applying the Company’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(ii) Assumptions and estimation uncertainties:

The areas involving critical estimates are:

- Recognition and measurement of provisions and contingencies;
- Estimation of defined benefit obligation;
- Estimated useful life of intangible assets;
- Impairment test of non-financial assets; and
- Impairment of trade receivables and other financial assets.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Management.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the note on financial instruments.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of standalone financial statements. The accounting policies adopted are consistent with those of the previous financial year, except if mention otherwise.

a. Foreign currency

Foreign currency transactions:

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

b. Financial instruments

Financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- FVOCI – fair value through other comprehensive income
- FVTPL – fair value through profit and loss account

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI, if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in the profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

(iv) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

c. Property, plant and equipment

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

(iii) Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the Statement of Profit and Loss.

The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used:

Asset Class	Useful life (in years)
Computers	3-5
Office equipments	2
Furniture and fixtures	5
Plant and Equipments	8

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets

(i) Recognition and measurement:

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Intangibles assets under development:

The company expenses cost incurred during research phase to profit or loss in the year in which they are incurred.Development phase expenses are initially recognized as intangible assets under development until the development phase is complete upon which the amount is capitalised as intangible asset.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iv) Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset Class	Useful life (in years)
Computer Software	6
Website	5
Trade Mark	3
Copy Rights	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(v) Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

e. Impairment

(i) Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(ii) Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Loss allowances for trade receivables are measured at an amount at least equal to the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(iii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f. Employee benefits

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability , taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment.The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

(v) Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

(vi) Employee share based payments:

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee benefits expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

g. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

h. Revenue from contracts with customers

The Company earns revenue primarily from income from services relating to advertisement and sale of products.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Advertisement revenue - the Company recognizes revenue from the display of graphical advertisements (“display advertising”) on the website as “impressions” are delivered. An “impression” is delivered when an advertisement appears in pages viewed by users. The Company recognizes revenue from the display of text based links to the websites of its advertisers (“search advertising”) which are placed on the website. Search advertising revenue is recognized as “click through” occur. A “click-through” occurs when a user clicks on an advertiser’s listing.
- Affiliate revenue is recognized as per the terms of the contract with customers once the services are rendered.
- Sale of Products - The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Revenue is measured based on the transaction price, which is the consideration and excludes taxes collected from customers.

Revenue from holding company is recognised based on transaction price which is at arm’s length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities primarily relate to the consideration received from customers in advance for the Company’s performance obligations which is classified as advance from customers and deferred revenue which is recognised when there is billings in excess of revenues.

i. Lease

(i) Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straightline basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

Lease (policy applicable from 1 April 2019)

The Company’s lease asset classes primarily consist of lease for building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a leases if the contract conveys the right to use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefit from use

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement in which it is a lessees, except for leases with a term of twelve month or less (short-term leases) and low value leases, For these short-term and low value leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease.

Impact: There is no impact of IND AS 116 on financials of the Company as on assessment of lease contract, none of the lease has term period more than 12 month which requires recognition of right-to-use asset ("ROU") and corresponding lease liability. For all short-term leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease

j. Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for :

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

l. Cash and cash equivalent

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

m. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

n. Earnings per share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized, however, are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

p. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

- Ind AS 1 – Presentation of Financial Statements

  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 12 – Income Taxes

  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Note 3. Property, plant and equipment

Particulars	**Plant and Equipments**	**Computers**	**Office equipment**	**Furniture and fixtures**	**Total**
Gross Block					
Balance as at 1 April 2021	**0.74**	**47.56**	**10.25**	**0.23**	**58.78**
Additions	13.62	23.71	3.72	11.17	52.22
Disposals	–	–	–	–	–
Balance as at 31 March 2022	**14.36**	**71.27**	**13.97**	**11.40**	**111.00**
Additions	0.96	7.24	2.23	2.32	12.75
Disposals	–	8.85	–	–	8.85
Balance as at 31 March 2023	**15.32**	**69.66**	**16.20**	**13.72**	**114.90**

Accumulated depreciation

Particulars	**Plant and Equipments**	**Computers**	**Office equipment**	**Furniture and fixtures**	**Total**
Balance as 1 April 2021	0.34	26.29	4.28	0.23	31.14
Depreciation for the year	0.74	9.53	4.63	0.64	15.54
Deletion / adjustments	–	–	–	–	–
Balance as at 31 March 2022	**1.08**	**35.82**	**8.91**	**0.87**	**46.68**
Depreciation for the year	1.75	16.24	4.15	2.33	24.47
Deletion / adjustments	–	8.42	–	–	8.42
Balance as at 31 March 2023	**2.83**	**43.64**	**13.06**	**3.20**	**62.73**
Carrying amount (net)					
Balance as at 31 March 2022	**13.28**	**35.45**	**5.06**	**10.53**	**64.32**
Balance as at 31 March 2023	**12.49**	**26.02**	**3.14**	**10.52**	**52.17**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 4A. Other intangible assets

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Total
Gross Block					
Balance as at 1 April 2021	161.31	22.31	10.00	10.00	203.62
Additions	–	–	–	–	–
Balance as at 31 March 2022	161.31	22.31	10.00	10.00	203.62
Additions	1,528.78	–	–	–	1,528.78
Balance as at 31 March 2023	**1,690.09**	**22.31**	**10.00**	**10.00**	**1,732.40**

Accumulated amortization

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Total
Balance at 1 April 2021	124.42	14.08	3.89	3.89	146.28
Amortization for the year	26.88	4.19	3.33	3.33	37.73
Balance at 31 March 2022	151.29	18.27	7.22	7.22	184.01
Amortization for the year	192.10	3.73	2.78	2.78	201.39
Balance at 31 March 2023	**343.39**	**22.00**	**10.00**	**10.00**	**385.40**
Carrying amount (net)					
Balance at 31 March 2022	10.01	4.04	2.78	2.78	19.61
Balance at 31 March 2023	**1,346.69**	**0.31**	**–**	**–**	**1,347.00**

Note 4B Intangible Assets under development

Carrying amount of :-	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Opening Balance	**992.73**	143.21	–
Additions during the year	**536.05**	849.52	143.21
Less: Capitalisation during the year	**1528.78**	–	–
Closing Balance	**–**	992.73	143.21

a) Intangible assets under development Ageing Schedule for the year ended 31 March 2023

	Amount in IAUD for a period of				
Intangible assets under development (IAUD)	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

b) Intangible assets under development Ageing Schedule for the year ended 31 March 2022

	Amount in IAUD for a period of				
Intangible assets under development (IAUD)	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	849.52	143.21	–	–	992.73
Projects temporarily suspended	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 5. Income tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (Net of provision)	**197.32**	61.83
	197.32	61.83

Note 6. Inventories

(Valued at the lower of cost or net realizable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Stock-in-trade (Goods in transit Rs.0.88 lakhs, PY: Rs. NIL)	**69.88**	20.08
	69.88	20.08

Note 7. Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Considered good *	**1,133.27**	1,288.38
Doubtful	**56.63**	40.06
	1,189.90	1,328.44
Less: Allowance for expected credit loss	**(56.63)**	(40.06)
	1,133.27	1,288.38

Refer note 26 and 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related party disclosures.

Trade Receivables Ageing Schedule for the year ended 31 March 2023

		Outstanding for following periods from date of invoice					
Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	407.82	576.91	148.54	–	–	–	1,133.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	19.02	22.73	14.88	–	56.63
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**407.82**	**576.91**	**167.56**	**22.73**	**14.88**	**–**	**1,189.90**

Trade Receivables Ageing Schedule for the year ended 31 March 2022

		Outstanding for following periods from date of invoice					
Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	226.90	988.13	59.71	13.64	–	–	1,288.38
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	39.85	0.21	–	40.06
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**226.90**	**988.13**	**59.71**	**53.49**	**0.21**	**–**	**1,328.44**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 8. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with banks		
– in current accounts	**262.31**	67.84
Cash on hand	**–**	0.00
	262.31	67.84

Note 9. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with bank having maturity within 12 months of the reporting date	**60.00**	–
	60.00	–

Note 10. Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued on fixed deposits	**0.74**	–
Security Deposits	**26.14**	26.14
	26.88	26.14

Note 11. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Dues recoverable from government	**633.41**	314.64
Employee advances	**1.76**	7.54
Prepaid expenses	**6.69**	13.43
Advance to vendors	**36.96**	165.35
Other Advances	**2.63**	0.03
	681.45	500.99

Note 12. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorized		
500,000 (previous year 200,000) equity shares of INR 10 each	**50.00**	20.00
	50.00	20.00
Issued		
307,131 (previous year 198,144) equity shares of INR 10 each	**30.71**	19.81
	30.71	19.81

Particulars	As at 31 March 2023	As at 31 March 2022
Subscribed and fully paid up		
307,131 (previous year 198,144) equity shares of INR 10 each	**30.71**	19.81
	30.71	19.81

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
As at 1st April 2021	**107,322**	10.73
Issued during the year	**90,822**	9.08
As at 31 March 2022	**198,144**	19.81
Issued during the year	**108,987**	10.90
As at 31 March 2023	**307,131**	30.71

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion of the number of equity shares held.

C. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
Name of shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Mahindra First Choice Wheels Limited	307,131	100.00%	198,144	100.00%

D. Details of shareholding of its promoters of the Company

Shares held by promoters as at 31 March 2023

Promoter Name	No. of share	% of Total Share	% change during the year
Mahindra First Choice Wheels Limited	307,131	100.00%	NIL

E. Utilisation of Proceeds from issue of equity shares

During the year company has raised Rs. 3,599.99 lakhs by alloting 108,987 equity shares of Rs.10/- each for cash at a premium of Rs. 3,293.14 per Equity Share.

Particulars	For the year ended
Proceeds from the issue of equity shares	3,599.99
Utilisation during the year	3,277.68
Balance available with Company	322.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 13. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
General reserve[a]	**1,290.59**	1,290.59
Retained earnings[b]	**(8,127.00)**	(5,491.67)
Securities premium[c]	**8,734.03**	5,144.94
	1,897.62	943.86

a) General reserve

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	**1,290.59**	1,290.59
Additions during the period	**–**	–
Balance at the end of year	**1,290.59**	1,290.59

b) Retained earnings

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	**(5,491.67)**	(3,526.51)
Loss for the year	**(2,635.33)**	(1,965.16)
Closing balance	**(8,127.00)**	(5,491.67)

Retained earnings are the profits/ (loss) that the Company has earned till date and it includes remeasurements of defined benefit obligations.

c) Securities premium

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	**5,144.94**	2,154.04
Additions during the year	**3,589.09**	2,990.90
Balance at the end of year	**8,734.03**	5,144.94

Securities premium is used to record the premium received on issue of shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

Note 14(a). Non Current Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
- Compensated absences	**17.69**	20.26
- Gratuity (Refer Note 29)	**18.51**	28.40
	36.20	48.66

Note 14(b). Current Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
- Compensated absences	**10.85**	6.72
- Gratuity (Refer Note 29)	**6.92**	13.21
	17.77	19.93

Note 15. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	**32.58**	7.10
- total outstanding dues of creditors other than micro enterprises and small enterprises *	**1,450.08**	1,523.13
	1,482.66	1,530.23

Trade Payable ageing schedule for the year ended 31 March 2023

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	32.58	–	–	–	32.58
(ii) Others	459.34	873.13	111.76	5.85	–	1,450.08
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**459.34**	**905.71**	**111.76**	**5.85**	**–**	**1,482.66**

Trade Payable ageing schedule for the year ended 31 March 2022

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	7.10	–	–	–	7.10
(ii) Others	695.16	597.35	161.41	28.81	40.40	1,523.13
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**695.16**	**604.45**	**161.41**	**28.81**	**40.40**	**1,530.23**

*** Refer Note 28 for related party diclosure**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note:

Micro and Small Enterprises under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) have been determined based on the information available with the Company and the required disclosures are given below:

	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	the principal amount remaining unpaid to any supplier as at the end of the year;	**32.58**	7.10
(ii)	the interest due on the principal remaining outstanding as at the end of the year;	**0.07**	–
(iii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
(iv)	the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year;	**–**	–
(v)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**–**	–
(vi)	the amount of interest accrued and remaining unpaid at the end of the year;	**–**	–
(vii)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**–**	–

Note 16. Other Current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payable to employees	**169.62**	149.22
Capital creditors	**3.59**	195.76
	173.21	344.98

Note 17. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable		
i) Provident fund	**9.40**	9.52
ii) Profession tax	**0.06**	0.05
iii) Tax deducted at source	**36.60**	55.82
iv) Goods and Services Tax (GST)	**6.70**	1.16
Advances from customers*	**139.35**	67.90
	192.11	134.45

*** Refer Note 28 for disclosure of related parties**

Note 18. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of Services	**5,434.23**	2,620.69
Sale of products	**873.97**	242.85
Total revenue from operations	**6,308.20**	2,863.54

Notes:

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per Contracted Price for sale of products	**886.14**	245.28
Sales returns	**(12.17)**	(2.43)
Revenue from contracts with customers for sale of products	**873.97**	242.85

b) Contract balances

	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables (Note 7)	**1,133.27**	1,288.38
Contract assets (Note 11)	**36.96**	165.35
Contract liabilities (Note 17)	**139.35**	67.90

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

Note 19. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income measured at amortized cost:		
- Fixed deposits	**0.85**	0.10
- Income tax refund	**4.08**	–
Profit on sale of property, plant and equipment	**0.22**	–
Miscellaneous income	**0.33**	0.10
	5.48	0.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 20. Changes in inventories of Stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Inventories		
Stock-in-trade	**20.08**	–
Less: Closing Inventories		
Stock-in-trade	**69.88**	20.08
	(49.80)	(20.08)

Note 21. Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	**1,648.87**	1,099.94
Gratuity (refer note 29)	**16.01**	11.63
Contribution to provident and other funds	**60.86**	43.78
Staff welfare expenses	**30.75**	13.73
	1,756.49	1,169.08

Note 22. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense		
- On others	**98.58**	83.88
	98.58	83.88

Note 23. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	**24.47**	15.54
Amortisation on intangible assets	**201.39**	37.73
	225.86	53.27

Note 24. Other expenses

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Business Support Expense		**3,800.61**	1,435.04
Production, Consultancy Expenses		**483.98**	393.64
Marketing and distribution expenses		**1,216.84**	1,055.97
Rent (refer note 30)		**101.02**	71.09
Electricity and water		**19.36**	5.77
Printing and stationery		**6.33**	0.62
Postage and courier		**7.37**	3.31
Office and Admin expense		**9.32**	–
Travelling expenses		**65.44**	7.44
Advertisement and sales promotion		**0.15**	4.88
Repairs and maintenance - computers		**13.70**	4.44
Auditor's remuneration (excluding tax) [a]		**7.82**	7.00
Bank charges		**9.24**	5.09
Insurance		**5.81**	6.34
Communication		**31.08**	9.22
Software & Information Technology		**234.33**	217.12
Legal and professional fees		**56.25**	55.14
Bad debts w/off	**46.78**		
Less: Utilised agaisnt provision	**46.78**	**–**	–
Allowance for Doubtful Receivables		**63.35**	33.15
Miscellaneous expenses		**24.50**	6.97
		6,156.50	3,322.23

a) Auditor's remuneration

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditors:		
Audit fee	**7.50**	7.00
Out of pocket expense	**0.32**	–
	7.82	7.00

Note: 25A. Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's objective for capital management is to manage its capital so as to safeguard its ability to continue as a going concern and to support the growth of the Company. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The funding requirements are met through equity and operating cash. The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note: 25B. Key Financial Ratios of the Company:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.20	0.94	**28%**	Improvement in operational capabilities
Debt-Equity Ratio						
Debt Service Coverage Ratio	Not applicable since company doesn't carry any debt for this financial year.					
Return on Equity Ratio	Profit after tax	Average Shareholders Equity	-184%	-244%	**33%**	Focus on margin and market share improvement in Return on equity
Inventory Turnover Ratio	Sales	Average inventory	19.43	24.19	**-20%**	Increased inventory holding for higher market share.
Trade Receivables Turnover Ratio	Sales	Average receivable	5.21	3.45	**51%**	Improvement in ratio due to better collection mechanism implemented.
Trade Payables Turnover Ratio	Purchase	Average payable	4.56	3.03	**50%**	The company has postponed some payment due to effectively manage working capital
Net Capital Turnover Ratios	Net sales	Working capital	17.14	-22.70	**232%**	Improvement in ratio due to improvement on working capital ratio
Net Profit Ratio	Net profit	Net sales	-42%	-69%	63%	Improvement over previous year due to changes in revenue mix.
Return on Capital Employeed Ratio	EBIT	Capital Employed	-133%	-195%	47%	Improvement over previous year due to changes in revenue mix.
Return on Investment Ratio	Not applicable since company doesn't have any investment activities during this financial year.					

Note 26. Financial instruments - fair value measurements and financial risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2023

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Trade receivables*	7	–	1,133.27	1,133.27	–	1,133.27
Cash and cash equivalents*	8	–	262.31	262.31	–	262.31
Bank balances other than cash and cash equivalents*	9	–	60.00	60.00	–	60.00
Other Current Financial assets*	10	–	26.88	26.88	–	26.88
Total		–	1,482.46	1,482.46	–	1,482.46
Financial liabilities						
Trade payables*	15	–	1,482.66	1,482.66	–	1,482.66
Payable to employees*	16	–	169.62	169.62	–	169.62
Capital creditors*	16	–	3.59	3.59	–	3.59
Total		–	1,655.87	1,655.87	–	1,655.87

As on 31 March 2022

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Trade receivables*	7	–	1,288.38	1,288.38	–	1,288.38
Cash and cash equivalents*	8	–	67.84	67.84	–	67.84
Bank balances other than cash and cash equivalents*	9	–	–	–	–	–
Other Current Financial assets*	10	–	26.14	26.14	–	26.14
Total		–	1,382.36	1,382.36	–	1,382.36
Financial liabilities						
Trade payables*	15	–	1,530.23	1,530.23	–	1,530.23
Payable to employees*	16	–	149.22	149.22	–	149.22
Capital creditors*	16	–	195.76	195.76	–	195.76
Total		–	1,875.21	1,875.21	–	1,875.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

* The carrying amounts of security deposit, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents mentioned above, interest accrued on fixed deposit, trade payables, payable against fixed assets, payable to employees and interest payable on loan and others approximates the fair values due to their short-term nature.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2023 and for the previous year ended 31 March 2022.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow method.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk - interest rate

(i) Risk management framework

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market condition and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

(ii) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	**1,133.27**	1,288.38
Cash and cash equivalents	**262.31**	67.84
Bank balances other than cash and cash equivalents mentioned above	**60.00**	–
Other financial assets	**26.88**	26.14

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Trade receivables as at year end includes INR 1048.22 lakhs (previous year INR 929.51 lakhs) as amount recoverable from others and INR 141.68 lakhs (previous year INR 398.92 lakhs) recoverable from related parties.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	**40.06**	6.91
Loss allowance on trade receivables	**63.35**	33.15
Utilized	**46.78**	–
Balance as at the end of the year	**56.63**	40.06

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the iwmpairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

		Outstanding for following periods from date of invoice				
Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Default rate as at 31 March 2023	0%	0%	11%	100%	100%	0%

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable equity investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2023	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	**1,482.66**	**1,482.66**	**–**	**–**	**1,482.66**
Other financial liabilities	**173.21**	**173.21**	**–**	**–**	**173.21**
	1,655.87	**1,655.87**	**–**	**–**	**1,655.87**

As at 31 March 2022	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	1,530.23	1,530.23	–	–	1,530.23
Other financial liabilities	344.98	344.98	–	–	344.98
	1,875.21	1,875.21	–	–	1,875.21

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Company operated domestically and not exposed to foreign currency fluctuation risk for the financial year ended 31 march 2023.

The company does not have any borrowing during the financial year ended 31 march 2022, accordingly not exposed to interest rate risk.

Note 27. Earnings per share ('EPS')

The calculations of profit / (loss) attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings / (loss) per share calculations are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss for the year - (A)	**(2,656.81)**	(1,961.87)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	**198,144**	107,322
Number of equity shares outstanding at the end of the year	**307,131**	198,144
Weighted average number of shares outstanding during the year - (B)	**228,302**	110,891
Face value of each equity share (INR)	**10**	10
Basic and diluted loss per equity share (INR) - (A)/(B)	**(1,163.73)**	(1,769.19)

Note 28. Related party disclosures

(a) List of related parties and nature of relationship

Ultimate Holding Company

Mahindra and Mahindra Limited

Holding Company

Mahindra First Choice Wheels Limited

Fellow subsidiary of Holding Company

Mahindra Two Wheelers Limited

Mahindra Emarket Limited

Gromax Agri Equipment Limited

Mahindra Electric Mobility Limited (merged with Mahinda & Mahindra Limited w.e.f. 01.04.2021)

Mahindra Insurance Brokers Limited

Mahindra Logistics Limited

Mahindra Intertrade Limited

NBS International Limited

Mahindra Engineering & Chemical Products Limited

Mahindra & Mahindra Financial Services Limited

Mahindra Intergrated Business Solutions Private Limited

Entities over which key management personnel have significant influence

Classic Legends Private Limited

Mahindra & Mahindra Emp Co-op Consumer Society

Zoomcar India Private Limited

Key management personnel

Rajeev Bidyanand Dubey	Director
Anupam Thareja	Director
Kavinder Singh	Director
Ashish Nilkanth Diwanji	CFO (effective 18 October 2022)
Amit Kumar Sinha	Director (Resigned w.e.f. 28 March 2023)
Nalin Kapoor	CEO (Resigned w.e.f. 13 July 2022)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

(b) Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties, in the ordinary course of business:

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2023	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Sale of Asset						
Mahindra First Choice Wheels Limited	**–**	5.85	**–**	–	**–**	–
Sale of Services						
Mahindra & Mahindra Limited	**847.04**	331.81	**–**	–	**–**	–
Gromax Agri Equipment Limited	**–**		**18.04**			
Mahindra Electric Mobility Limited		–	**–**	42.79	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**6.00**	2.50	**–**	–
NBS International Limited	**–**	–	**–**	1.01	**–**	–
Mahindra & Mahindra Financial Services Limited	**–**	–	**0.84**	–	**–**	–
Mahindra First Choice Wheels Limited	**2,563.81**	627.99	**–**	–	**–**	–
Sale of Goods						
Gromax Agri Equipment Limited	**–**	–	**–**	9.25	**–**	–
Mahindra & Mahindra Emp Co-op Consumer Society	**–**	–	**–**	–	**–**	0.16
Mahindra Logistics Limited	**–**		**0.38**			
Mahindra & Mahindra Limited	**–**	2.56	**–**	–	**–**	–
Mahindra First Choice Wheels Limited	**44.62**	11.02	**–**	–	**–**	–
Mahindra Insurance Brokers Limited	**–**	–	**0.86**	–	**–**	–
Mahindra Intertrade Limited	**–**	–	**–**	0.16	**–**	–
Sale of Leads						
Mahindra & Mahindra Limited	**–**	82.05	**–**	–	**–**	–
Zoomcar India Private Limited					**7.41**	
Classic Legends Private Limited	**–**	–	**–**	–	**–**	47.99
Website Development & Call Center Income						
Classic Legends Pvt Limited	**–**	–	**–**	–	**113.56**	145.36
Mahindra & Mahindra Financial Services Limited	**–**	–	**–**	8.54	**–**	–
Purchase of Goods						
Mahindra & Mahindra Limited	**678.01**	154.84	**–**	–	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**38.49**	12.63	**–**	–
NBS International Limited	**–**	–	**–**	0.19	**–**	–
Mahindra Engineering & Chemical Products Limited	**–**	–	**–**	0.70	**–**	–
Mahindra eMarket Limited	**–**	–	**–**	18.06	**–**	–
IT Expense & Platform License Fees						
Mahindra & Mahindra Limited	**8.31**	2.87	**–**	–	**–**	–
Mahindra eMarket Limited	**–**	–	**12.00**	12.00	**–**	–
Mahindra First Choice Wheels Limited	**–**	30.26	**–**	–	**–**	–
Purchase of fixed assets						
Mahindra Emarket Limited	**–**	–	**–**	20.34	**–**	–
Issue of Shares						
Mahindra First Choice Wheels Limited	**3,599.99**	2,999.98	**–**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2023	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Cost of Service						
Mahindra & Mahindra Limited	**–**	4.53	**–**	–	**–**	–
Mahindra Intergrated Business Solutions Private Limited	**–**	–	**10.87**	17.00	**–**	–
Professional & Consultancy Charges						
Mahindra First Choice Wheels Limited	**558.58**	341.41	**–**	–	**–**	–
Interest Expense						
Mahindra First Choice Wheels Limited	**95.61**	83.88	**–**	–	**–**	–
Rent						
Mahindra First Choice Wheels Limited	**44.95**	43.64	**–**	–	**–**	–
Loan taken						
Mahindra First Choice Wheels Limited	**2,939.41**	–	**–**	–	**–**	–
Loan repaid						
Mahindra First Choice Wheels Limited	**2,939.41**	–	**–**	–	**–**	–

(c) Key management personnel compensation

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Short term employee benefits	**92.09**	141.59

(d) Outstanding balances

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2023	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Trade payable			–	–	–	–
Mahindra First Choice Wheels Limited	49.14	–	–	–	–	–
Mahindra & Mahindra Limited	76.51	76.88	–	–	–	–
Mahindra Intergrated Business Solutions Private Limited	**–**	–	**0.81**	0.65	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**–**	5.56	**–**	–
Trade receivable						
Classic Legends Private Limited	**–**	–	**–**	–	**7.43**	113.36
Gromax Agri Equipment Limited	**–**	–	**5.35**	4.37	**–**	–
Mahindra & Mahindra Limited	**113.87**	156.65	**–**	–	**–**	–
Mahindra Electric Mobility Limited	**–**	–	**–**	21.78	**–**	–
Mahindra First Choice Wheels Limited	**–**	89.66	**–**	–	**–**	–
Mahindra & Mahindra Financial Services Limited	**–**	–	**0.99**	10.07	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**4.21**	2.36	**–**	–
Mahindra Insurance Brokers Limited			**1.09**	–		
NBS International Limited	**–**	–	**–**	0.67	**–**	–
Zoomcar India Private Limited	**–**	–	**–**	–	**8.75**	–
Advance from Customer						
Mahindra First Choice Wheels Limited	**82.72**	–				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 29. Employee Benefits

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(a) Changes in present value of defined benefit obligation:

Particulars	**Present value of obligation**
Balance as at 1 April 2021	29.03
Current service cost	9.91
Interest expense / (income)	1.72
Total amount recognized in profit or loss	**11.63**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	0.45
(Gain) / loss from change in financial assumptions	(5.37)
Experience (gains) / losses	8.20
Total amount recognized in other comprehensive income	**3.28**
Benefit payments	(2.33)
Balance as at 31 March 2022	**41.61**
Current service cost	13.87
Interest expense / (income)	2.14
Total amount recognized in profit or loss	**16.01**

Particulars	**Present value of obligation**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	(1.25)
(Gain) / loss from change in financial assumptions	(4.30)
Experience (gains) / losses	(15.93)
Total amount recognized in other comprehensive income	**(21.48)**
Benefit payments	**(10.71)**
Balance as at 31 March 2023	**25.43**

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	**As at 31 March 2023**	As at 31 March 2022
Present value of obligations	**25.43**	41.61
Deficit of gratuity plan	**25.43**	41.61

(b) Assumptions:

1. Economic assumptions

Particulars	**As at 31 March 2023**	As at 31 March 2022
Discount rate	**7.25%**	6.10%
Salary growth rate	**8.00%**	8.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	**As at 31 March 2023**	As at 31 March 2022
Withdrawal rate as on 31 Mar 2022		20%
Age in years 21 - 30	**29%**	
Age in years 31 - 40	**37%**	
Age in years 41 - 50	**23%**	
Age in years 51 - 59	**4%**	

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

			Impact on defined benefit obligation			
	Change in assumption		**Increase in assumption**		**Decrease in assumption**	
Particulars	**As at 31 March 2023**	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Discount rate	**1%**	1%	**(1.00)**	(1.73)	**1.08**	1.90
Salary growth rate	**1%**	1%	**1.06**	1.82	**(1.00)**	(1.70)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

(d) Projected Plan Cash Flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	As at 31 March 2023	As at 31 March 2022
Within 1 year	**6.92**	13.21
Between 2 and 5 years	**15.63**	18.87
Between 6 and 9 years	**6.25**	11.72
10 years and above	**7.40**	13.27

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 4.08 years (31 March 2022: 5.48 years)

Note 30. Lease commitments

Non-cancellable operating leases

The Company has taken a commercial premises under cancellable operating lease. The rental expense for the current year, in respect of operating leases is INR 101.02 lakhs (previous year INR 71.09 lakhs). The future minimum lease payments in respect of such leases is Nil.

Note 31. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108. The CODM is considered to be Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of e-commerce market place connecting buyers and sellers in respect of products related to cars and bikes, accordingly, the Company has one reportable segment.

Note 32. Taxation

A) The reconciliation of estimated income tax to income tax expense is as follows:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
Loss before taxes		(2,656.81)		(1,961.87)
Tax using the Company's applicable tax rate	25.17%	(668.67)	25.17%	(493.76)
Tax effect of :				
Non deductible expenses	–0.01%	0.24	0.00%	–
Change in temporary differences	1.89%	(50.29)	–3.54%	69.48
Current year losses for which no deferred tax asset was recognized	–27.05%	718.72	–21.63%	424.28
Effective tax rate	**–**	**–**	**–**	**–**

B) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of following items:

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liability		
- Deductible temporary differences	**(39.45)**	–
Deferred tax assets		
- Tax loss carry forwards	**718.72**	424.28
- Deductible temporary differences	**39.01**	69.48
Total deferred tax assets	**757.73**	493.76

As at 31 March 2023, the Company did not recognize deferred tax assets on tax losses and other temporary differences because a trend of future profitability is not yet clearly discernible.

C) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to following:

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
- Property, plant and equipments and intangible asset	**(39.45)**	–
Total deferred tax liabilities	**(39.45)**	–
Deferred tax assets		
- Deductible temporary differences	**(39.45)**	–
Total deferred tax assets	**(39.45)**	–
Net deferred tax assets/(liability)	**–**	–

D) Movement in deferred tax assets/(liabilities) during the year:

Movement in deferred tax assets during the year	Balance as at 1 April 2021	Recognized in profit or loss	Balance as at 31 March 2022	Recognized in profit or loss	Balance as at 31 March 2022
- Deductible temporary differences	(0.38)	6.11	5.73	(39.45)	(33.72)
- Tax loss carry forwards	0.38	(6.11)	(5.73)	39.45	33.72
Total	**–**	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency : Indian rupees in lakhs)

Note 33. Contingent liabilities and commitments

a) Contingent liabilities

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Claims against the Company not acknowledged as debts comprise of Rs. 35.36 lacs pertains to demand raised by Income tax Department where the company is in appeal.

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR NIL (Previous year INR NIL).

34. To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35. To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36. Other Statutory Information

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company do not have any transactions with companies struck off.

(iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.”

37. Previous year’s figures have been regrouped/reclassified wherever necessary to correspond with the current year’s classification/disclosure

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 28 April 2023

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Rajeev Dubey**	**Ashish Diwanji**
Director	Director	CFO
DIN : 06994031	DIN : 00104817	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 28 April 2023	Date: 28 April 2023	Date: 28 April 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Integrated Business Solutions Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Integrated Business Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Michigan, USA and Banbury, UK.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate financial statements of the branches referred to in the Other Matters section below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Financial Statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two branches included in the Financial Statements of the Company whose financial statements reflect total assets of Rs. 17,693.02 Lakhs as at March 31, 2023 and total revenue of Rs. 26,878.63 Lakhs for the year ended on that date, as considered in the Financial Statements. The financial statements of these branches have been audited by the branch auditors and other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

Our opinion on the Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company and its branches so far as it appears from our examination of those books and the reports of the branch auditors and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account.
   (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position;

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(es), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(es), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

   (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

   (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAN8705
Place: Mumbai

Date: April 27, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mahindra Integrated Business Solutions Private Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm’s Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAN8705
Place: Mumbai
Date: April 27, 2023

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements for the year ended March 31, 2023

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURAN8705
Place: Mumbai
Date: April 27, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rupees lakhs

Particulars				Note No.	As at March 31, 2023	As at March 31, 2022
I	**ASSETS**					
	NON-CURRENT ASSETS					
	(a)	Property, Plant and Equipment		4	**4,715.92**	2,150.34
	(b)	Capital Work-in-Progress		28	**2.35**	22.58
	(c)	Intangible assets		5	**40.24**	60.87
	(d)	Financial Assets			**–**	–
		(i)	Other Financial Assets	6	**264.14**	237.06
	(e)	Deferred Tax Assets (Net)		8	**470.01**	167.99
	(f)	Income Tax assets (net)			**1,100.99**	3,164.25
	(g)	Other Non-current Assets		7	**32.61**	6.09
	SUB-TOTAL				**6,626.27**	5,809.18
	CURRENT ASSETS					
	(a)	Financial Assets				
		(i)	Investments	9	**702.90**	14.40
		(ii)	Trade Receivables	10	**10,231.62**	11,776.07
		(iii)	Cash and Cash Equivalents	11	**6,120.80**	2,912.66
		(iv)	Other Bank Balances	11	**793.66**	672.93
		(v)	Other Financial Assets	6	**12.48**	7.13
	(b)	Other Current Assets		7	**2,013.59**	1,139.80
	SUB-TOTAL				**19,875.03**	16,522.99
	TOTAL ASSETS				**26,501.30**	22,332.17
II	**EQUITY AND LIABILITIES**					
1	**EQUITY**					
	(a)	Equity Share Capital		12	**977.95**	977.95
	(b)	Other Equity			**17,473.77**	15,096.38
	SUB-TOTAL				**18,451.72**	16,074.33
	LIABILITIES					
2	**NON-CURRENT LIABILITIES**					
	(a)	Financial Liabilities				
		(i)	Lease liabilities	13	**1,911.92**	294.83
	(b)	Provisions		14	**301.14**	297.73
	SUB-TOTAL				**2,213.06**	592.56
3	**CURRENT LIABILITIES**					
	(a)	Financial Liabilities				
		(i)	Trade Payables	15		
			Total outstanding dues of Micro and small Enterprises		**11.86**	17.57
			Total outstanding dues of creditors other than Micro and small Enterprises (including acceptances)		**1,983.65**	2,228.45
		(ii)	Lease Liability	13	**778.67**	464.90
		(iii)	Other Financial Liabilities	13	**0.23**	0.22
	(b)	Provisions		14	**464.64**	56.21
	(c)	Other Current Liabilities		16	**2,597.45**	2,897.93
	SUB-TOTAL				**5,836.52**	5,665.28
	TOTAL				**26,501.30**	22,332.17

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2022-23

Rupees lakhs

	Particulars	Note No.	For the Year 2022-23	For the Year 2021-22
	Continuing Operations			
I	Revenue from operations	17	**47,465.05**	42,719.05
II	Other Income	18	**1,637.62**	57.32
III	**Total Revenue (I + II)**		**49,102.68**	42,776.37
IV	**EXPENSES**			
	(a) Employee benefit expense	19	**28,859.48**	25,529.15
	(b) Finance costs	20	**100.71**	54.49
	(c) Depreciation and amortisation expense	21	**1,318.16**	1,081.99
	(d) Other expenses	22	**15,441.37**	14,321.99
	Total Expenses (V)		**45,719.72**	40,987.62
	Profit/(loss) before exceptional items and tax (I - IV)		**3,382.96**	1,788.75
	Exceptional Items			
VI	**Share of profit / (loss) of joint ventures and associates**		**–**	–
VII	**Profit/(loss) before tax (VII - VIII)**		**3,382.96**	1,788.75
VIII	**Tax Expense**			
	(1) Current tax	23	**997.93**	506.67
	(2) Deferred tax	23	**(304.99)**	(18.79)
	Total tax expense		**692.94**	487.88
IX	**Profit/(loss) after tax from continuing operations (IX - X)**		**2,690.01**	1,300.87
X	Discontinued Operations			
	(1) Profit/(loss) from discontinued operations		**–**	–
	(2) Tax Expense of discontinued operations		**–**	–
XI	**Profit/(loss) after tax from discontinued operations (XII + XIII)**		**–**	–
XII	**Profit/(loss) for the period (XI + XIV)**		**2,690.01**	1,300.87
XIII	**Other comprehensive income**		**8.82**	19.94
	A (i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities/(asset)		**11.78**	26.64
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(2.96)**	(6.70)
XIV	**Total comprehensive income for the period (XII + XIII)**		**2,698.83**	1,320.81
XV	**Earnings per equity share:**			
	(1) Basic	24	**27.60**	13.51
	(2) Diluted	24	**27.60**	13.51

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR 2022-23

Particulars	Year ended 31 March 2023	Rupees lakhs Year ended 31 March 2022
Cash flow from operating activities		
Profit after tax	**2,690.01**	1,300.87
Adjustments for:		
Income tax expenses	**692.94**	487.88
Finance cost	**100.71**	49.72
Investment income recognised in profit or loss	**(34.66)**	(15.62)
Dividend income	**(3.64)**	(0.43)
Depreciation and amortisation expenses	**1,318.16**	1,081.99
Loss on sale of assets	**(719.79)**	(0.36)
Write down of CWIP	**–**	–
Write back of liabilities	**–**	–
Operating profit before working capital changes	**4,043.74**	2,904.05
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	**(175.00)**	687.60
(Decrease)/Increase in trade and other payables	**(54.66)**	(1,183.85)
Cash generated from operations	**3,814.07**	2,407.79
Income taxes paid	**1,065.34**	(2,474.97)
Net cash generated by operating activities	**4,879.41**	(67.17)
Cash flow from investing activities		
Maturity/(Investments) of Fixed Deposits	**(120.73)**	(408.21)
Proceeds from disposal of Mutual Fund investments	**(684.86)**	0.01
Proceeds from disposal of property, plant & equipment	**1,215.74**	16.49
Payments for acquisition of property, plant & equipment and intangible assets	**(1,768.09)**	(140.58)
Payments for acquisition of CWIP	**(1.18)**	(22.58)
Interest received	**29.31**	9.77
Net cash (used in)/generated by investing activities	**(1,329.81)**	(545.11)
Cash flow from financing activities		
Interest paid on borrowings	–	–
Transfer from/To General Reserve	**(0.00)**	–
Proceeds from borrowings	–	–
Dividends including dividend distribution tax	**(70.00)**	(49.97)
Repayments of lease liabilities (including interest thereon)	**(649.18)**	(602.96)
Net cash used in financing activities	**(719.18)**	(652.93)
Net increase in cash and cash equivalents	**2,830.42**	(1,265.21)
Cash and cash equivalents at the beginning of the year	**2,912.67**	3,926.20
add acquistion date balance		–
add Exchange Gain/(loss)	**377.72**	251.67
Cash and cash equivalents at the end of the year	**6,120.80**	2,912.66

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

SEGMENT REPORTING FOR THE YEAR 2022-23

Rs. In lakhs

Sr. No.	Particulars	For the year 2022-23 Revenue (INR Lakhs)	% of revenue	For the year 2021-22 Revenue (INR Lakhs)	% of revenue
1	Segmental Revenue from operations				
	India	22,157	46.7%	17,985	42.1%
	United States of America	17,934	37.8%	21,793	51.0%
	United Kingdom	7,373	15.5%	2,941	6.9%
	Revenue from operations	**47,465**	**100%**	42,719	100%
2	Segment results	**Margin (INR Lakhs)**	**Margin %**	Margin (INR Lakhs)	Margin %
	India	582	18.4%	622	21.7%
	United States of America	1,575	49.8%	1,972	68.8%
	United Kingdom	1,007	31.8%	273	9.5%
	Total	**3,164**	**100%**	2,868	100%
3	Unallocable expenses (net)*	–		–	
	Other Income	1,638		57	
	Finance costs	101		54	
	Depreciation & amortisation expense	1,318		1,082	
	Profit before tax	**3,383**		1,789	

		For the year 2022-23		For the year 2021-22	
4	**Segment Revenue- Geography-wise**	**Revenue (INR Lakhs)**	**% of revenue**	Revenue (INR Lakhs)	% of revenue
	India	22,224	45.3%	18,047	42.2%
	United States of America	19,595	39.9%	21,789	50.9%
	United Kingdom	7,284	14.8%	2,941	6.9%
	Rest of the world (ROW)	–		–	
	Revenue from operations	**49,103**	**100.0%**	42,776	100.0%

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

(1) As at 31 March 2023

Rupees lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
977.95	–	977.95	–	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra & Mahindra Ltd	8,279,511	84.66	–
Mahindra Holdings Limited	1,500,000	15.34	–

(2) As at 31 March 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
977.95	–	977.95	–	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra Vehicle Manufacturers Limited	–	–	(84.66)
Mahindra & Mahindra Ltd	8,279,511	84.66	84.66
Mahindra Holdings Limited	1,500,000	15.34	–

	Rupees lakhs	India	US Branch	UK Branch
As at 31 March 2019	150.00	150.00	–	–
Changes in equity share capital during the year	–			
As at 31 March 2020	150.00	150.00	–	–
Changes in equity share capital during the year	827.95	–	827.95	–
As at 31 March 2021	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2022	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2023	**977.95**	**150.00**	**827.95**	**–**

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED MARCH 31, 2023

B. Other Equity

Rupees lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		Total
	Retained Earnings	General Reserve	Capital Reserve	Remeasurements of the defined benefit liabilities/ (asset)	Foreign currency translation reserve	
As at 31 March 2020	873.86	–	–	8.04	–	881.90
Profit / (Loss) for the period	345.09	13,187.13	–	–	10.19	13,542.41
Other Comprehensive Income / (Loss)	–		–	10.19	–	10.19
Total Comprehensive Income for the year	345.09	13,187.13	–	10.19	10.19	13,552.60
Movement						
Issue of shares		(827.95)				(827.95)
Dividend paid on Equity Shares	(22.50)					(22.50)
Dividend Distribution Tax	–					–
As at 31 March 2021	1,196.45	12,359.18	–	18.23	10.19	13,584.05
Profit / (Loss) for the period	1,300.88					1,300.88
Other Comprehensive Income / (Loss)	–			19.94	241.48	261.42
Total Comprehensive Income for the year	1,300.88	–	–	19.94	241.48	1,562.30
Movement						
Issue of shares	–					–
Dividend paid on Equity Shares	(49.97)					(49.97)
Dividend Distribution Tax	–	–	–	–	–	–
As at 31 March 2022	2,447.36	12,359.18	–	38.17	251.67	15,096.38
Profit / (Loss) for the period	2,690.01	(0.00)	–	8.82	(251.67)	2,447.16
Other Comprehensive Income / (Loss)	–	–	–	–	–	
Total Comprehensive Income for the year	2,690.01	(0.00)	–	8.82	(251.67)	2,447.16
Movement						
Issue of shares	–	–	–	–	–	–
Dividend paid on Equity Shares	(70.00)	–	–	–	–	(70.00)
Dividend Distribution Tax	–	–	–	–	–	–
As at 31 March 2023	**5,067.37**	**12,359.18**	**–**	**46.99**	**–**	**17,473.77**

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
27th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No.

1 Company overview

Mahindra Integrated Business Solutions Private Limited is a Private Limited Company incorporated and domiciled in India on 18th January 2011 and it started its operations from 1st May 2011. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company. The Company is rendering back office accounting & payroll services. Currently though a captive service provider, it intends to extend the services to corporate sector at large.

The immediate parent Company is Mahindra Holdings Limited. and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in India.

2.1 Statement of compliance and basis for preparation

a. These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows

c. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

d. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

f. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

g. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

2.2 Significant accounting policies

a. Operating Cycle:

Assets and Liabilities are classified as Current or Non – Current as per the provisions of the Schedule III notified under the Companies Act, 2013 and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non – Current classification of Assets & Liabilities.

b. Property, plant and equipment:

i. Property, plant and equipment are carried at their original cost less accumulated depreciation and accumulated impairment losses.

ii. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life used to determine depreciation is:

Building	24 - 30 years
Leasehold improvements	3 – 15 years or the lease period
Machinery & equipment	3 - 10 years
Furniture & fixtures	5 - 10 years
Computers	3 - 5 years
Vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iii. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c. Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life considered for assets in this class is 3 - 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d. Investments:

Investment held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Current investments are valued at the lower of cost and fair value.

e. Revenue Recognition:

i. Sale of services is recognized when the services are rendered.

ii. Revenues on time & material contracts are recognized as the related services are performed and revenues from the end of the last billing to the Balance sheet date is recognized as Unbilled revenues. The unbilled revenues primarily consists of cost which needs to be billed to client on cost plus margin basis where there is no uncertainty as to measurement or collectability of consideration.

iii. Fee based income is accounted for on achieving specified milestones as per mutual agreement.

iv. Further, revenue is recognised when there is no uncertainty as to the measurement or collectability of consideration.

v. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

f. Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

g. Taxes on Income:

Tax expense comprises of both current and deferred tax only.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Provision for Current tax is measured at the amount computed under section 115BAA of the Income Tax Act, 1961 and hence provision of MAT under section 115JB is not applicable

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

h. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

i. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
ii. Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

i. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

j. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

l. Government incentive

The Branch receives incentives in the form of reimbursement of expenses incurred under the New Jobs Training Program agreement with Oakland Community College. These grants are netted off against the training expenses in the statement of income when there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

3.1 Pursuant to acquisition of US Branch from Mahindra Vehicle Manufacturing Limited w.e.f. January 1, 2022, the amounts pertaining to year from April 2020 to March 2021 includes amounts for 3 Months from January 2021 to March 2021 related to US Branch operations. UK branch has started their operations from October 2021. Accordingly, no amount related to UK Branch was included in amounts for the year from April 2020 to March 2021.Consequently, the amounts for the year from April 2020 to March 2021 are not comparable to amounts for the year from April 2021 to March 2022

3.2 Segment Reporting - The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geography. Accordingly, segment information has been presented for geography. Each segment item is presented at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance. CODM does not review assets and liabilities at reportable segments level, hence Management believes that it is currently not practicable to provide disclosure of assets by geographical location

3.3 Recent Accounting Pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1st April, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to :

a) Change in existing presentation requirements for certain items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on equity share capital.

b) Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for eg.,compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

The amendments are extensive and the Group is evaluating the same.

3.4 Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares, if any, issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Note No. 4 Property, Plant and Equipment

Property, plant and equipment comprise of owned and leased assets.

Rupees lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
(a) Property, Plant and Equipment Owned	**1,757.15**	799.58
(b) Right of Use asset	**2,958.77**	1,350.76
Total	**4,715.92**	2,150.34

Note No. 4 (a) Property, Plant and Equipment Owned

Rupees lakhs

Particulars	**Land – Freehold**	**Buildings**	**Leasehold Improvements**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
<u>Cost</u>								
Balance as at April 1, 2020	–	–	–	249.69	84.96	30.39	44.35	409.39
Ind	–	–	–	249.69	84.96	30.39	44.35	409.39
US	–	–	–	–	–	–	–	–
Additions	93.51	374.04	–	2,045.33	4.91	651.56	172.72	3,342.07
Ind				6.76	4.91		–	11.67
US	93.51	374.04	–	2,038.57	–	651.56	172.72	3,330.40
Disposals	–	–	–	(129.63)	–	(97.28)	(11.90)	(238.81)
Ind				(0.69)	–			(0.69)
US			–	(128.94)	–	(97.28)	(11.90)	(238.12)
Balance as at March 31, 2021	93.51	374.04	–	2,165.39	89.87	584.67	205.17	3,512.65
Ind	–	–	–	255.76	89.87	30.39	44.35	420.37
US	93.51	374.04	–	1,909.63	–	554.28	160.82	3,092.28
UK	–	–	–	–	–	–	–	–
Additions	–	–	–	66.55	17.79	12.12	36.16	132.61
Ind	–	–	–		6.65		–	6.65
US	–	–	–	–	–	–	36.16	36.16
UK	–	–	–	66.55	11.13	12.12	–	89.80
Disposals	–	–	–	(54.65)	–	–	(35.96)	(90.61)
Ind		–		(0.02)			(15.48)	(15.50)
US	–	–	–	(54.63)	–	–	(20.48)	(75.11)
UK								

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Balance as at March 31, 2022	**93.51**	**374.04**	**–**	**2,177.29**	**107.66**	**596.79**	**205.37**	**3,554.65**
Ind	–	–	–	255.74	96.52	30.39	28.87	411.52
US	93.51	374.04	–	1,855.00	–	554.28	176.50	3,053.33
UK	–	–	–	66.55	11.13	12.12	–	89.80
Additions	–	–	758.98	705.05	142.70	186.99	–	1,793.73
Ind	–	–	–	63.54	8.60		–	72.14
US	–	–	–	66.16	–	–	–	66.16
UK	–	–	758.98	575.35	134.10	186.99	–	1,655.43
Disposals	(93.51)	(374.04)	–	(88.32)	(1.53)	(105.34)	(23.46)	(686.20)
Ind		–		–	(1.53)		–	(1.53)
US	(93.51)	(374.04)	–	(88.32)	–	(105.34)	(23.46)	(684.68)
UK								–
Balance as at March 31, 2023	–	–	758.98	2,794.02	248.83	678.44	181.90	4,662.18
Ind	–	–	–	319.28	103.60	30.39	28.87	482.14
US	–	–	–	1,832.84	–	448.94	153.04	2,434.82
UK	–	–	758.98	641.90	145.24	199.11	–	1,745.23
Accumulated depreciation								
Balance as at April 1, 2020	–	–	–	209.19	36.84	13.88	14.59	274.50
Ind				209.19	36.84	13.88	14.59	274.50
US	–	–	–	–	–	–	–	–
Additions	–	76.89	–	1,629.85	16.20	538.39	131.57	2,392.90
Ind				27.31	16.20	3.99	9.17	56.67
US	–	76.89		1,602.54	–	534.40	122.40	2,336.23
Disposals	–	–	–	(124.55)	–	(97.15)	(11.90)	(233.60)
Ind				(0.66)	–			(0.66)
US			–	(123.89)		(97.15)	(11.90)	(232.94)
Balance as at March 31, 2021	–	76.89	–	1,714.49	53.04	455.12	134.26	2,433.80
Ind	–	–	–	235.84	53.04	17.87	23.76	330.51
US	–	76.89	–	1,478.65	–	437.25	110.50	2,103.29
UK	–	–	–	–	–	–	–	–
Additions	–	12.46	–	251.32	16.17	76.05	39.73	395.72
Ind				3.35	15.99	3.57	7.20	30.11
US	–	12.46	–	234.00	–	70.96	32.53	349.95
UK		–	–	13.97	0.18	1.52	–	15.66
Disposals	–	–	–	(47.70)	–	–	(26.76)	(74.46)
Ind	–	–	–	–	–	–	(14.71)	(14.71)
US	–	–	–	(47.70)	–	–	(12.05)	(59.75)
UK	–	–	–	–	–	–	–	–
Balance as at March 31, 2022	**–**	**89.35**	**–**	**1,918.12**	**69.21**	**531.17**	**147.23**	**2,755.07**
Ind	–	–	–	239.19	69.03	21.44	16.25	345.91
US	–	89.35	–	1,664.95	–	508.21	130.98	2,393.49
UK	–	–	–	13.98	0.18	1.52	–	15.67
Additions	**–**	**7.82**	**90.47**	**244.26**	**34.51**	**59.49**	**28.08**	**464.64**
Ind				12.72	16.16	2.45	5.48	36.81
US		7.82		148.76		33.14	22.60	212.33
UK		–	90.47	82.78	18.35	23.90	–	215.50
Disposals	**–**	**(97.17)**	**–**	**(88.32)**	**(1.27)**	**(105.34)**	**(22.58)**	**(314.68)**
Ind					(1.27)			(1.27)
US		(97.17)	–	(88.32)	–	(105.34)	(22.58)	(313.41)
UK								–
Balance as at March 31, 2023	**–**	**0.00**	**90.47**	**2,074.06**	**102.44**	**485.31**	**152.73**	**2,905.03**
Ind	–	–	–	251.91	83.91	23.89	21.73	381.44
US	–	0.00	–	1,725.39	–	436.01	131.01	2,292.41
UK	–	–	90.47	96.76	18.53	25.41	–	231.18
Net carrying amount								
As at March 31, 2021	**93.51**	**297.15**	**–**	**450.90**	**36.83**	**129.55**	**70.91**	**1,078.85**
Ind	–	–	–	19.92	36.83	12.52	20.59	89.86
US	93.51	297.15	–	430.98	–	117.03	50.32	988.99
UK	–	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
As at March 31, 2022	**93.51**	**284.69**	**–**	**259.17**	**38.45**	**65.62**	**58.14**	**799.58**
Ind	–	–	–	16.55	27.49	8.95	12.62	65.61
US	93.51	284.69	–	190.05	–	46.07	45.52	659.84
UK	–	–	–	52.57	10.96	10.60	–	74.13
As at March 31, 2023	**–**	**(0.00)**	**668.51**	**719.96**	**146.39**	**193.13**	**29.17**	**1,757.15**
Ind	–	–	–	67.37	19.69	6.50	7.14	100.69
US	–	(0.00)	–	107.45	–	12.93	22.03	142.41
UK	–	–	668.51	545.14	126.70	173.70	–	1,514.05

Note No. 4 (b) Right of use Assets

Rupees lakhs

Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost							
Balance as at April 1, 2020	–	533.56	–	–	–	–	533.56
Ind	–	533.56	–	–	–	–	533.56
US	–	–	–	–	–	–	–
Additions	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
Ind							–
US	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
Disposals	–	–	–	–	–	–	–
Ind							–
US	–	–	–	–	–	–	–
Balance as at March 31, 2021	–	1,251.32	179.44	762.72	1,041.27	38.13	3,272.88
Ind	–	533.56	–	–	–	–	533.56
US	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
UK	–	–	–	–	–	–	–
Additions	–	–	18.51	–	–	–	18.51
Ind							–
US	–	–	18.51	–	–	–	18.51
UK							–
Disposals	–	–	(18.51)	(130.67)	–	(38.13)	(187.30)
Ind	–						–
US	–	–	(18.51)	(130.67)	–	(38.13)	(187.30)
UK	–						–
Balance as at March 31, 2022	**–**	**1,251.32**	**179.44**	**632.05**	**1,041.27**	**0.00**	**3,104.09**
Ind	–	533.56	–	–	–	–	533.56
US	–	717.76	179.44	632.05	1,041.27	0.00	2,570.53
UK	–	–	–	–	–	–	–
Additions	–	2,396.46	–	47.99	–	–	2,444.45
Ind		976.10					976.10
US				47.99			47.99
UK		1,420.36	–	–	–	–	1,420.36
Disposals	–	(533.56)	(79.90)	(178.16)	(43.78)	–	(835.40)
Ind		(533.56)					(533.56)
US			(79.90)	(178.16)	(43.78)	–	(301.84)
UK							–
Balance as at March 31, 2023	**–**	**3,114.22**	**99.54**	**501.89**	**997.49**	**0.00**	**4,713.14**
Ind	–	976.10	–	–	–	–	976.10
US	–	717.76	99.54	501.89	997.49	0.00	2,316.68
UK	–	1,420.36	–	–	–	–	1,420.36
Accumulated depreciation							–
Balance as at April 1, 2020	–	154.76	–	–	–	–	154.76
Ind	–	154.76	0	0	0	0	154.76
US	–	0	0	0	0	0	–
Additions	–	453.77	90.04	226.40	262.00	32.37	1,064.58
Ind		154.76					154.76
US	–	299.01	90.04	226.4	262	32.37	909.82

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Rupees lakhs

Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Disposals	–	–	–	–	–	–	–
Ind	–	0	0	0	0	0	–
US	–	0	0	0	0	0	–
Balance as at March 31, 2021	–	608.53	90.04	226.40	262.00	32.37	1,219.34
Ind	–	309.52	0	0	0	0	309.52
US	–	299.01	90.04	226.4	262	32.37	909.82
UK	–	–	–	–	–	–	–
Additions	–	291.75	48.02	191.01	131.31	0.53	662.62
Ind		154.76					154.76
US	–	136.99	48.02	191.01	131.31	0.53	507.86
UK							
Disposals	–	–	(5.23)	(90.51)	–	(32.90)	(128.64)
Ind	–	0	0	0	0	0	–
US	–	0	(5.23)	(90.51)	0	(32.90)	(128.64)
UK							
Balance as at March 31, 2022	**–**	**900.28**	**132.83**	**326.90**	**393.31**	**(0.00)**	**1,753.32**
Ind	–	464.28	–	–	–	–	464.28
US	–	436.00	132.83	326.90	393.31	(0.00)	1,289.04
UK	–	–	–	–	–	–	–
Additions	–	507.73	34.69	168.50	121.89	–	832.81
Ind		182.25					182.25
US		158.31	34.69	168.50	121.89	–	483.40
UK		167.16					167.16
Disposals	–	(533.56)	(79.90)	(178.16)	(40.15)	–	(831.76)
Ind	–	(533.56)					(533.56)
US	–		(79.90)	(178.16)	(40.15)	–	(298.20)
UK	–						–
Balance as at March 31, 2023	**–**	**874.44**	**87.62**	**317.24**	**475.06**	**(0.00)**	**1,754.37**
Ind	–	112.97	–	–	–	–	112.97
US	–	594.31	87.62	317.24	475.06	(0.00)	1,474.24
UK	–	167.16	–	–	–	–	167.16
Net Carrying Amount							–
As at March 31, 2021	–	642.79	89.40	536.32	779.27	5.76	2,053.54
Ind	–	224.04	–	–	–	–	224.04
US	–	418.75	89.40	536.32	779.27	5.76	1,829.50
UK	–	–	–	–	–	–	
As at March 31, 2022	**–**	**351.04**	**46.61**	**305.15**	**647.96**	**0.00**	**1,350.76**
Ind	–	69.28	–	–	–	–	69.28
US	–	281.76	46.61	305.15	647.96	0.00	1,281.48
UK	–	–	–	–	–	–	–
As at March 31, 2023	**–**	**2,239.78**	**11.92**	**184.64**	**522.43**	**0.00**	**2,958.77**
Ind	–	863.13	–	–	–	–	863.13
US	–	123.45	11.92	184.64	522.43	0.00	842.44
UK	–	1,253.20	–	–	–	–	1,253.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 5 Other Intangible Assets

Rupees lakhs

Particulars	Computer Software	Total
Cost		
Balance as at April 1, 2020	43.83	43.83
Ind	43.83	43.83
US	–	–
Additions	1,373.38	1,373.38
Ind	72.69	72.69
US	1,300.69	1,300.69
Disposals	(51.86)	(51.86)
Ind		–
US	(51.86)	(51.86)
Balance as at March 31, 2021	1,365.35	1,365.35
Ind	116.52	116.52
US	1,248.83	1,248.83
UK	–	–
Additions	7.97	7.97
Ind	7.97	7.97
US	–	–
UK	–	–
Disposals	(65.56)	(65.56)
Ind		–
US	(65.56)	(65.56)
UK		–
Balance as at March 31, 2022	1,307.76	1,307.76
Ind	124.49	124.49
US	1,183.27	1,183.27
UK	–	–
Additions	–	–
Ind		
US		
UK		
Disposals	–	–
Ind		
US		
UK		
Balance as at March 31, 2023	**1,307.76**	**–**
Ind	124.49	
US	1,183.27	
UK	–	
Accumulated amortisation		–
Balance as at March 31, 2020	25.48	25.48
Ind	25.48	25.48
US	–	–
Additions	1,315.07	1,315.07
Ind	17.02	17.02
US	1,298.05	1,298.05
Disposals	(51.86)	(51.86)
Ind		–
US	(51.86)	(51.86)
Balance as at March 31, 2021	1,288.69	1,288.69
Ind	42.50	42.50
US	1,246.19	1,246.19
UK	–	
Additions	23.77	
Ind	21.12	
US	2.65	
UK		
Disposals	(65.57)	
Ind		
US	(65.57)	
UK		–
Balance as at March 31, 2022	1,246.89	
Ind	63.62	
US	1,183.27	
UK	–	
Additions	20.63	–
Ind	20.63	
US		
UK		
Disposals	–	–
Ind		
US		
UK		
Balance as at March 31, 2023	**1,267.52**	**1,267.52**
Ind	84.25	84.25
US	1,183.27	1,183.27
UK	–	–
Net carrying amount		
As at March 31, 2021	76.66	76.66
Ind	74.02	74.02
US	2.64	2.64
UK	–	–
As at March 31, 2022	60.87	60.87
Ind	60.87	60.87
US	(0.00)	(0.00)
UK	–	–
As at March 31, 2023		
Ind	40.24	40.24
US	(0.00)	(0.00)
UK	–	–

Note:

Amortisation of the assets are done in a span of 5 years from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 6 Other Financial Assets

Rupees lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
Financial assets at amortised cost				
(a) Security Deposits	**–**	**264.14**	–	237.06
(b) Interest accrued on Fixed Deposits	**12.48**	**–**	7.13	–
Total	**12.48**	**264.14**	7.13	237.06

Note No. 7 Other assets (Non Financial)

Rupees lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Advances other than capital advances				
(i) Prepaid rent	**12.82**	**32.61**	2.55	6.09
(ii) Prepaid expenses	**720.54**	**–**	803.67	–
(iii) Unbilled revenue	**421.18**	**–**	35.17	–
(iv) VAT Receivable	**162.10**	**–**	210.38	–
(v) Advance to Suppliers	**584.36**	**–**	–	–
(vi) Others	**112.58**	**–**	88.03	–
Total	**2,013.59**	**32.61**	1,139.80	6.09

Note No. 8 Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rupees lakhs

Particulars	As at 31 March, 2023 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	**6.13**	**–**	**2.96**	**9.10**
	6.13	**–**	**2.96**	**9.10**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**117.20**	**238.44**		**355.64**
Property, Plant and Equipment and Intangible assets	**29.65**	**24.08**		**53.73**
Other Temporary Differences	**27.27**	**42.47**		**69.74**
				–
	174.12	**304.99**	**–**	**479.11**
Net Tax Asset (Liabilities)	**167.99**	**304.99**	**(2.96)**	**470.01**

Rupees lakhs

Particulars	As at March 31, 2022 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	6.13	–	–	6.13
	6.13	–	–	6.13
Tax effect of items constituting deferred tax assets				
Employee Benefits	125.12	(7.92)		117.20
Property, Plant and Equipment and Intangible assets	(9.87)	39.52		29.65
Other Temporary Differences	46.82	(19.55)		27.27
				–
	162.07	12.05	–	174.12
Net Tax Asset (Liabilities)	155.93	12.05	–	167.99

Note No. 9 Investments

Rupees lakhs

Particular	As at March 31, 2023 Amounts* Current	As at March 31, 2023 Amounts* Non-Current	As at March 31, 2022 Amounts* Current	As at March 31, 2022 Amounts* Non-Current
Designated as Fair Value Through Profit and Loss				
I. Quoted Investments				
Investments in Mutual Funds	**702.90**	**–**	14.40	–
Total	**702.90**	**–**	14.40	–
Aggregate amount of quoted investments	**702.90**	**–**	14.40	–
Aggregate amount of market value of investments	**702.90**	**–**	14.40	–
Total investment carrying value	**702.90**	**–**	14.40	–

Note No. 10 Trade Receivable

Rupees lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Trade receivables considered good - Secured	**–**			
(b) Trade receivables considered good - Unsecured	**10,231.62**	**–**	11,776.07	–
(c) Trade receivables which have significant increase in credit risk				
(d) Trade receivables - credit impaired.	**23.42**		21.90	**–**
Less: Provision for doubtful debt	**(23.42)**		(21.90)	–
Total	**10,231.62**	**–**	**11,776.07**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Rupees lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
Of the above, trade receivables from:				
- Related Parties	**10,053.19**		14,072.25	–
- Others	**–**		178.64	–
Total	**10,053.19**	**–**	14,250.89	–

Note No. 11 Cash and Bank Balances

Rupees lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	**3,898.02**	2,908.63
(b) Funds in Transit	**2,222.78**	4.03
Total Cash and cash equivalent	**6,120.80**	2,912.66
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**793.66**	672.93
Total Other Bank balances	**793.66**	672.93

Reconcliation of Cash and Cash Equivalents

Rupees lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Total Cash and Cash Equivalents as per Balance Sheet	**6,120.80**	2,912.66
Add: Bank Overdraft	**–**	–
Add: Cash and bank balances included in a disposal group held for sale	**–**	–
Total Cash and Cash Equivalents as per Statement of Cashflow	**6,120.80**	2,912.66

Note No. 12 Equity Share Capital

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Value	As at March 31, 2022 No. of shares	As at March 31, 2022 Value
Authorised:				
Equity shares of Rs. 10 each with voting rights	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**97,79,511**	**977.95**	97,79,511	977.95
Total	**97,79,511**	**977.95**	97,79,511	977.95

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Period Ended March 31, 2023			
No. of Shares	**97,79,511**	**–**	**97,79,511**
Amount	**977.95**	**–**	**977.95**
Year Ended March 31, 2022			
No. of Shares	97,79,511	–	97,79,511
Amount	977.95	–	977.95

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Direcors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) There is only one class of Equity shares valued at Rs. 10 and there are no preference shares.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No of shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at March 31, 2023			
Mahindra & Mahindra Ltd	**82,79,511**	**–**	**–**
Mahindra Holdings Limited, the Holding Company	**15,00,000**	**–**	**–**
As at March 31, 2022			
Mahindra & Mahindra Ltd	82,79,511	–	–
Mahindra Holdings Limited, the Holding Company	15,00,000	–	–

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2023 Number of shares held	As at March 31, 2023 % holding in that class of shares	As at March 31, 2022 Number of shares held	As at March 31, 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Ltd	**82,79,511**	**84.66**	82,79,511	84.66
Mahindra Holdings Limited	**15,00,000**	**15.34**	15,00,000	15.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(v) Shareholding of Promoters

Shares held by Promoters at the end of the year			% Change during the year
Promoters Name	No. of Shares	% of total Shares	
As at 31 March 2023			
Mahindra & Mahindra Ltd	82,79,511	84.66	
Mahindra Holdings Limited	15,00,000	15.34	
As at 31 March 2022			
Mahindra & Mahindra Ltd	82,79,511	84.66	84.66
Mahindra Holdings Limited	15,00,000	15.34	

Note No. 13 Other Financial Liabilities

Rupees lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Lease liability	**1,911.92**	294.83
	1,911.92	294.83
Current		
(a) Current maturities of finance lease obligations	**778.67**	464.90
(c) Other liabilities	**0.23**	0.22
Total other financial liabilities	**2,690.83**	759.95

Note No. 14 Provisions

Rupees lakhs

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	**–**	**301.14**	–	297.73
(2) Short-term Employee Benefits	**464.64**	**–**	56.21	–
Total Provisions	**464.64**	**301.14**	56.21	297.73

Note No. 15 Trade Payables

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) (i) Trade payable - Micro and small enterprises	**11.86**	**–**	17.57	–
(ii) Trade payable - Other than micro and small enterprises	**761.57**	**–**	1,084.53	–
(iii) Others - Accrued Expenses	**1,222.08**		1,143.92	
Total Trade Payables	**1,995.51**	**–**	2,246.02	–

Note No. 16 Other Liabilities

Particulars	As at March 31, 2023 Current	As at March 31, 2023 Non-Current	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
(a) Statutory dues	**687.50**	**–**	562.03	–
(b) Salary & Wages Payable	**1,866.06**	**–**	2,039.89	–
(c) Others	**43.90**	**–**	296.01	–
Total Other Liabilities	**2,597.45**	**–**	2,897.93	–

(i) Debtors Ageing Schedule

Where no due date of payment is specified

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	10,200.42	22.00	4.14	1.68	3.38	10,231.62
(ii)	Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv)	Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
	Total	**10,200.42**	**22.00**	**4.14**	**1.68**	**3.38**	**10,231.62**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) Creditors Ageening schedule

Where no due date of payment is specified

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	11.86	–	–	–	11.86
(ii)	Others	1,892	39.95	37.28	14.76	1,983.65
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**1,903.53**	**39.95**	**37.28**	**14.76**	**1,995.51**

Notes to the Financial statements for the Year 2021-22

(i) Debtors Ageing Schedule

Where no due date of payment is specified

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	10,365.64	1,405.51	0.57	4.35	–	11,776.07
(ii)	Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv)	Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
	Total	**10,365.64**	**1,405.51**	**0.57**	**4.35**	**–**	**11,776.07**

(ii) Creditors Ageening schedule

Where no due date of payment is specified

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	17.57	–	–	–	17.57
(ii)	Others	2,213	5.67	9.73	–	2,228.45
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**2,230.62**	**5.67**	**9.73**	**–**	**2,246.02**

Note No. 17 Revenue from Operations

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Revenue from rendering of services	**47,029.31**	42,719.05
(b) Revenue from Sale	**435.74**	–
Total Revenue from Operations	**47,465.05**	42,719.05

Note No. 18 Other Income

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Interest Income		
(1) On Fixed Deposits with Bank	**34.66**	15.62
(2) On Income tax refund	**139.78**	35.59
(b) Dividend Income	**–**	
(1) on Mutual funds	**3.64**	0.43
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**719.79**	0.36
(d) Net Gain on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	**629.43**	–
(e) Income from sub-lease	**97.73**	–
(f) Other income	**0.42**	0.12
(g) Interest Income on Security Deposit - Ind AS adjustment	**12.18**	5.20
Total Other Income	**1,637.62**	57.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 19 Employee Benefits Expense

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Salaries and wages, including bonus	**26,052.12**	23,862.16
(b) Contribution to provident and other funds	**1,681.70**	1,326.53
(c) Gratuity expense	**64.11**	48.03
(d) Leave salary	**984.21**	240.90
(e) Training	**8.86**	0.03
(f) Staff welfare expenses	**68.47**	51.50
Total Employee Benefit Expense	**28,859.48**	25,529.15

Note No. 20 Finance Costs

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Ind AS: Interest Expense on Security Deposit	**13.21**	4.77
Less: Amounts included in the cost of qualifying assets	**–**	–
(b) Ind AS 116: Interest Expense	**87.50**	49.72
Total Finance Costs	**100.71**	54.49

Note No. 21 Depreciation and amortisation expense

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Depreciation on tangible assets	**464.74**	395.61
(b) Depreciation on Right of Use of assets	**832.81**	662.61
(c) Amortisation on intangible assets	**20.62**	23.77
Total depreciation and Amortisation Expenses	**1,318.16**	1,081.99

Note No. 22 Other Expenses

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
(a) Power & Fuel	**144.30**	31.10
(b) Rent including lease rentals	**400.47**	480.61
(c) Rates and taxes	**162.80**	98.22
(d) Insurance	**755.12**	781.94
(e) Travelling and Conveyance Expenses	**2,628.84**	1,757.03
(f) Net loss on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	**–**	0.54
(g) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**39.01**	32.21
(ii) For Taxation matters	**1.02**	1.02
(iii) For Other services	**1.00**	1.50
(h) Other expenses		
(i) Legal and other professional costs	**6,223.93**	6,887.82
(ii) Postage, Telephone and Communication	**225.60**	437.76
(iii) IT Expenses	**590.12**	320.51
(iv) Service contracted	**1,475.03**	2,580.25
(v) Stores consumed	**2,149.74**	489.62
(vi) R&D cost	**338.37**	138.93
(vii) Commission to directors	**11.00**	10.00
(viii) Directors Fees - Board/Committee Meeting	**10.40**	12.30
(ix) Miscellaneous expenses	**284.62**	260.63
Total Other Expenses	**15,441.37**	14,321.99

Note No. 23 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
Current Tax:		
In respect of current year	**997.93**	506.67
In respect of prior years		–
	997.93	506.67
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(304.99)**	(18.79)
Others		
Total income tax expense on continuing operations	**692.94**	487.88

(b) Income tax recognised in other Comprehensive income

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
Deferred Tax :		
Related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**2.96**	6.70
Total income tax expense recognised in other comprehensive income	**2.96**	6.70

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees lakhs

Particulars	For the Year 2022-23	For the Year 2021-22
Profit before tax from continuing operations	**3,382.96**	1,788.75
Applicable Tax Rate	**25.17%**	25.17%
Expected income tax expenses	**851.42**	450.19
Effect of income that is exempt from taxation	**(158.50)**	–
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Others	**0.02**	37.44
	692.94	487.63
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
	692.94	487.63
Total income tax expense reported	**692.94**	487.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 23 Deferred Tax Assets (Net)

Rupees in lakhs

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
on remeasurements of the defined benefit plans	6.13	–	2.96	9.10
	6.13	**–**	**2.96**	**9.10**
Tax effect of items constituting deferred tax assets				
Employee Benefits	117.20	238.44	–	355.64
Property, Plant and Equipment and Intangible assets	29.65	24.08	–	53.73
Other Temporary Differences	27.27	42.47	–	69.74
	174.12	304.99	–	479.11
Net Tax Asset (Liabilities)	**167.99**	**304.99**	**(2.96)**	**470.01**

Rupees in lakhs

Particulars	For the Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	6.13	–	–	6.13
	6.13	**–**	**–**	**6.13**
Tax effect of items constituting deferred tax assets				
Employee Benefits	125.12	(7.92)	–	117.20
Property, Plant and Equipment and Intangible assets	(9.87)	39.52	–	29.65
Other Temporary Differences	46.82	(19.55)	–	27.27
	162.07	12.05	–	174.12
Net Tax Asset (Liabilities)	**155.93**	**12.05**	**–**	**167.99**

Note No. 24 Earnings per share

Rupees lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**27.60**	13.51
From discontinuing operations		
Total basic earnings per share	**27.60**	13.51
Diluted Earnings per share		
From continuing operations	**27.60**	13.51
From discontinuing operations		
Total diluted earnings per share	**27.60**	13.51
Net Profit After Tax including Total comprehensive income for the period	**2,698.83**	1320.81
Weighted Average no. of Shares	**97.795**	97.795

Note No. 25 Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the Company.

Rupees lakhs

	March 31, 2023	March 31, 2022
Equity	**18,451.72**	16,074.33
Net Debt	**–**	–
Less: Cash and cash equivalents	**6,120.80**	2,912.66
Net Debt		
Total Capital	**12,330.92**	**13,161.67**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Categories of financial assets and financial liabilities

As at March 31, 2023 — **Rupees lakhs**

Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Other Financial Assets				
Security deposits	**264.14**			**264.14**
	264.14			**264.14**
Current Assets				
Investments		**702.90**		**702.90**
Trade Receivables	**10,231.62**			**10,231.62**
Other Bank Balances	**793.66**			**793.66**
Other Financial Assets				
- Interest accrued on Fixed Deposits	**12.48**			**12.48**
Current Liabilities				
Borrowings	**–**			
Trade Payables	**1,995.51**			**1,995.51**

As at March 31, 2022 — **Rupees lakhs**

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets				
Security deposits	237.06			237.06
	237.06			**237.06**
Current Assets				
Investments		14.40		14.40
Trade Receivables	11,776.07			11,776.07
Other Bank Balances	672.93			672.93
Other Financial Assets				
- Interest accrued on Fixed Deposits	7.13			7.13
	12,456.13	**14.40**	**–**	**12,470.53**
Current Liabilities				
Borrowings				
Trade Payables	2,246.02			2,246.02

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at March 31, 2023 — **Rupees lakhs**

Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0.0%	-106.9%	-0.2%
Gross carrying amount	10,209.72	21.90	10,231.62
Loss allowance provision	–	(23.42)	(23.42)

As at March 31, 2022 — Rs. In lakhs

Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	-100.0%	-0.2%
Gross carrying amount	11,754.17	21.90	11,776.07
Loss allowance provision	–	(21.90)	(21.90)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**31-Mar-23**	31-Mar-22
		Rupees lakhs
Balance as at beginning of the year	**23.42**	21.90
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Amounts written off during the year as uncollectible	**–**	–
Amounts recovered during the year	**–**	–
Impairment losses reversed/written back	**–**	–
Balance at end of the year	**23.42**	21.90

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay.

Rupees lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-23				
Trade Payables	1,995.51	–	–	–
Finance Lease	778.67	1,911.92		
Total	**2,774.19**	**1,911.92**	**–**	**–**
31-Mar-22				
Trade Payables	2,246.02	–	–	–
Finance Lease	464.90	294.83		
Total	2,710.92	294.83	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31-Mar-23				
Non-current Assets				
Other Financial Assets				
– Security deposits		**264.14**	**–**	**–**
Current Assets				
Investments	**702.90**	**–**	**–**	**–**
Trade Receivables	**10,231.62**	**–**	**–**	**–**
Other Bank Balances	**793.66**	**–**	**–**	**–**
Other Financial Assets				
– Interest accrued on Fixed Deposits	**12.48**	**–**	**–**	**–**
Total	**11,740.65**	**264.14**	**–**	**–**
31-Mar-22				
Non-current Assets				
Other Financial Assets				
– Security deposits	–	143.82	–	93.24
Current Assets				
Investments	14.40	–	–	–
Trade Receivables	11,776.07	–	–	–
Other Bank Balances	672.93	–	–	–
Other Financial Assets				
– Interest accrued on Fixed Deposits	7.13	–	–	–
Total	12,470.53	143.82	–	93.24

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rupees lakhs

Particulars	Currency	31-Mar-23	31-Mar-22
Trade Receivables	USD	**18,250.00**	14,000.00
	GBP	**739.37**	–
	AUD	**2,539.20**	173.00
Trade Payables	USD	**–**	–
	AUD	**–**	–
Other Financial Assets	USD	**–**	0
	AUD	**–**	–
Other Financial Liabilities	USD	**–**	0
	AUD	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

			Rupees lakhs
Particulars	**Currency**	**31-Mar-23**	**31-Mar-22**
Trade Receivables	USD	**18,250.00**	14,000.00
	GBP	**739.37**	–
	AUD	**2,539.20**	173.00
Trade Payables	USD	**–**	–
	AUD	**–**	–
Other Financial Assets	USD	**–**	0
	AUD	**–**	–
Other Financial Liabilities	USD	**–**	0
	AUD	**–**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

				Rupees lakhs
Particulars	**Currency**	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-23	USD	+10%	1,825.00	1,825.00
	USD	-10%	(1,825.00)	(1,825.00)
	GBP	+10%	73.94	73.94
	GBP	-10%	(73.94)	(73.94)
	AUD	+10%	253.92	253.92
	AUD	-10%	(253.92)	(253.92)
31-Mar-22	USD	+10%	1,400.00	1,400.00
	USD	-10%	(1,400.00)	(1,400.00)
	AUD	+10%	17.30	17.30
	AUD	-10%	(17.30)	(17.30)

Note No. 26 Fair Value Measurement

Fair Valuation Techiques and Inputs used – recurring Items

Rupees lakhs

Financial assets/ financial liabilities measured at Fair value	**Fair value as at**	Fair value as at	Fair value hierarchy*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-23	31-Mar-22				
Financial assets						
Investments						
1) Equity investments						
2) Mutual fund investments	702.90	14.40	Level 1	As declared from the fund houses	N.A.	N.A.
Total financial assets	**702.90**	14.40				

There were no transfers between level 1, level 2 and level 3 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Fair value hierarchy as at 31 March 2023

Particulars	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	**10,231.62**	**10,231.62**		**10,231.62**		**10,231.62**
– deposits and similar assets	**264.14**	**264.14**		**264.14**		**264.14**
– Others	**12.48**	**12.48**		**12.48**		**12.48**
Total	**10,508.24**	**10,508.24**		**10,508.24**		**10,508.24**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**1,995.51**	**1,995.51**		**1,995.51**		**1,995.51**
Total	**8,512.73**	**8,512.73**		**8,512.73**		**8,512.73**

Fair value hierarchy as at 31 March 2022

Particulars	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	11,776.07	11,776.07		11,776.07		11,776.07
– deposits and similar assets	237.06	237.06		237.06		237.06
– Others	7.13	7.13		7.13		7.13
Total	12,020.26	12,020.26		12,020.26		12,020.26
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	2,246.02	2,246.02		2,246.02		2,246.02
Total	9,774.24	9,774.24	–	9,774.24	–	9,774.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 27 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and ESIC aggregating Rs. 1225.06 Lacs (2022 : Rs. 1035.65 Lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

The Company has voluntary contributed in 401(k) retirement plans covering substantially all the employees of US branch. The Branch may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Branch's contributions charged to expense related to 401(k) contributions was Rs 54.89 lacs for the period ended March 31, 2023. (2022 :Rs.135.30 Lacs)

The Company has contributed towards workplace pension plans covering substantially all the employees of UK branch. The cost of the Branch's contributions charged to expense related to employee was Rs 401.75 lacs for the period ended March 31, 2023. (2022 :Rs.155.58 Lacs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

<u>Asset volatility</u>

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

<u>Changes in bond yields</u>

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

<u>Inflation risk</u>

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

<u>Life expectancy</u>

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	**7.35%**	6.85%
Expected rate(s) of salary increase	**8.50%**	8.50%

Defined benefit plans – as per actuarial valuation on 31st March, 2023

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

			Rupees lakhs
		Funded Plan Gratuity	
	Particulars	**2023**	2022
I	**Expenses recognised in statement of profit and loss for the year**		
	Current Service Cost	**51.32**	42.09
	Past service cost and (gains)/losses from settlements	**–**	–
	Net interest expense	**3.88**	4.85
	Components of defined benefit costs recognised in profit or loss	**55.20**	46.94
II	**Recognised in Other comprehensive income for the year**		
	Remeasurement on the net defined benefit liability		
	Return on plan assets (excluding amunt included in net interest expense)	**(1.18)**	(25.08)
	Actuarial gains and loss arising form changes in financial assumptions	**(12.18)**	(8.88)
	Actuarial gains and loss arising form experience adjustments	**1.58**	7.32
	Actuarial gains and loss arising form changes in demographic assumptions	**–**	–
	Componenets of defined benefit costs recognised in other comprehensive income	**(11.78)**	(26.64)
	Total	**43.42**	20.30
III	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**		
	1 Present value of defined benefit obligation as at 31st March	**330.87**	295.95
	2 Fair value of plan assets as at 31st March	**220.86**	229.35
	3 Surplus/(Deficit)	**110.01**	66.60
	4 Current portion of the above	**–**	–
	5 Non current portion of the above	**110.01**	66.60
IV	**Change in the obligation during the year ended 31st March**		
	1 Present value of defined benefit obligation at the beginning of the year	**295.95**	258.85
	2 Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
	3 Expenses Recognised in Profit and Loss Account		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

		Rupees lakhs Funded Plan Gratuity	
Particulars		**2023**	2022
	- Current Service Cost	**51.32**	42.09
	- Interest Expense (Income)	**18.32**	15.62
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	**–**	–
ii.	Financial Assumptions	**(12.18)**	(8.88)
iii.	Experience Adjustments	**1.58**	7.32
5	Benefit payments	**(24.11)**	(19.05)
6	Others (Specify)	**–**	–
7	Present value of defined benefit obligation at the end of the year	**330.87**	295.95
V	**Change in fair value of assets during the year ended 31st March**		
1	Fair value of plan assets at the beginning of the year	**229.35**	173.62
2	Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
3	Expenses Recognised in Profit and Loss Account		
	- Expected return on plan assets	**14.44**	10.77
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		–
	- Actual Return on plan assets in excess of the expected return	**1.18**	25.08
	- Others (specify)		
5	Contributions by employer (including benefit payments recoverable)	**–**	38.93
6	Benefit payments	**(24.11)**	(19.05)
7	**Fair value of plan assets at the end of the year**	**220.86**	229.35
VI	**The Major categories of plan assets**		
-	List the plan assets by category here		
	Insurer Managed Fund	**220.86**	229.35
VII	**Actuarial Assumptions**		
1	Discount rate	**7.35%**	6.85%
2	Expected rate of return on plan assets	**7.35%**	6.85%

VIII The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2023**	**1.00%**	**-6.64%**	**7.64%**
	2022	1.00%	-6.80%	7.85%
Salary growth rate	**2023**	**1.00%**	**7.37%**	**-6.62%**
	2022	1.00%	7.63%	-6.76%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 2,000,000 to the gratuity trusts during the next financial year.

IX Maturity profile of defined benefit obligation:

	2023	2022
Within 1 year	**61.28**	57.00
1 - 2 year	**30.07**	33.18
2 - 3 year	**62.28**	23.44
3 - 4 year	**25.00**	51.91
4 - 5 year	**27.49**	19.28
above 5 years	**451.70**	380.73

X Plan Assets

The fair value of Company's pension plan asset as of 31 March 2023 and 2022 by category are as follows:

	2023	2022
Asset category		
Deposits with Insurance companies	**220.86**	229.35
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 7.11 years (2022: 7.29 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 28 Fair Value Measurement

(a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	2.35	–	–	–	2.35
Projects temporarily suspended	–	–	–	–	–

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan

Note No. 29 Related Party Transactions

Name of the parent Company	Mahindra & Mahindra Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Fellow Subsidiary:	
Automobili Pininfarina Gmbh	Mahindra Manulife Investment Management Private Limited
Bristlecone India Limited	Mahindra Manulife Trustee Private Limited
Classic Legends Private Limited	Mahindra Middleeast Electrical Steel Service Centre
Fifth Gear Ventures Limited	Mahindra Mstc Recycling Private Limited
Gromax Agri Equipment Limited	Mahindra North American Technical Center, Inc.
Mahindra Accelo Limited (Formerly Known	Mahindra Racing Uk Limited
As Mahindra Intertrade Limited)	Mahindra Rural Housing Finance Limited
Mahindra Aerostructures Private Limited	Mahindra Solarize Private Limited
Mahindra Agri Solutions Limited	Mahindra Steel Service Centre Limited
Mahindra Airways Limited	Mahindra Summit Agriscience Limited
Mahindra And Mahindra Financial Services Limited	Mahindra Susten Private Limited
Mahindra Auto Steel Private Limited	Mahindra Telephonics Integrated Systems Limited
Mahindra Automotive Australia Pty. Limited	Mahindra Teqo Private Limited
Mahindra Automotive North America Inc.	Mahindra Two Wheelers Limited
Mahindra Bloomdale Developers Limited	Mahindra Usa Inc.
Mahindra Defence Systems Limited	Mahindra Vehicle Sales And Service Inc.
Mahindra Electric Mobility Limited	Mahindra Waste To Energy Solutions Limited
Mahindra Emarket Limited	Mahindra World City (Jaipur) Limited
Mahindra Emirates Vehicle Armouring Fz-Llc	Mahindra World City Developers Limited
Mahindra Epc Irrigation Limited	Marvel Solren Private Limited
Mahindra First Choice Wheels Limited	Mll Mobility Private Limited (Formerly Known
Mahindra Fruits Private Limited	As Meru Mobility Tech Private Limited)
Mahindra Happinest Developers Limited	NBS International Limited
Mahindra Heavy Engines Limited	Swaraj Engines Limited
Mahindra Holdings Limited	V-Link Fleet Solutions Private Limited
Mahindra Holidays And Resorts India Limited	Mahindra & Mahindra Contech Limited
Mahindra Homes Private Limited	Mahindra Consulting Engineers Limited Esop Trust
Mahindra Hzpc Private Limited	Mahindra Integrated Township Limited
Mahindra Industrial Park Chennai Limited	Mahindra Marine Private Limited
Mahindra Industrial Park Private Limited	Mumbai Mantra Media Limited
Mahindra Insurance Brokers Limited	Sunrise Initiatives Trust
Mahindra Lifespace Developers Limited	Peugeot Motorcycles S.a.
Mahindra Logistics Limited	Mahindra Residential Developers Ltd.
Associate Of M & M	Mahindra Tractor Assembly, Inc.
Mahindra Cie Automotive Ltd.	Psl Media & Communications Limited
Tech Mahindra Foundation	Medwell Ventures Private Limited
Tech Mahindra Limited	Mera Kisan Pvt. Ltd.
The Indian And Eastern Company	
Joint Venture	
Aquasail Distribution Co.Pvt Ltd	
Directors	**KMP**
S Durgashankar	Jaydip Dhar
Rjeshwar Tripathi	Riten Chakrabarty
Neera Saggi	
Rahul Asthana	
Sanjay Joglekar	
Vinay Deshpande	
Nikhil Madgavkar	
Others	
Mahindra Education Society, Mahindra Academy	
M & M CJP Employees Coop Canteen Soc Ltd	
M & M Ltd Tractor Div Employee Co-op Canteen Soc Ltd	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Details of transaction between the Company and its related parties are disclosed below: **Rupees lakhs**

Particulars	**For the year ended**	**Ultimate Holding Company**	**Parent Company**	**Fellow subsidiaries**	**Others**
Nature of transactions with related parties					
Rendering of services	March 31, 2023	37,952.51		7,760.41	48.60
	March 31, 2022	35,835.57	–	5,411.47	434.97
Sale of goods	March 31, 2023	435.74	–	–	–
	March 31, 2022	–	–	–	–
Receiving of services	March 31, 2023	31.08		3,034.33	–
	March 31, 2022	1.99	–	3,279.15	–
Lease expenses	March 31, 2023	146.98	–	119.39	–
	March 31, 2022	146.98	–	108.03	–
Purchase of goods	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–
Purchase of property and other assets	March 31, 2023	77.38	–	–	–
	March 31, 2022	–	–	–	–
Loans taken / (repaid)	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–
Interest Paid on Borrowings	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–
Dividend paid	March 31, 2023	59.26		10.74	–
	March 31, 2022	42.31	–	7.67	–
Issue of shares	March 31, 2023				
	March 31, 2022	–	–	–	–
Reimbursement of expenses made to parties	March 31, 2023	721.86		239.14	3.60
	March 31, 2022	539.36	–	356.14	0.18
Reimbursement of expenses made by parties	March 31, 2023	–		47.52	–
	March 31, 2022	–	–	298.46	–
Others	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–

Details of transaction between the Company and its related parties are disclosed below : **Rupees lakhs**

Particulars	**For the year ended**	**Directors**	**KMP**
Sitting Fee paid during the year	March 31, 2023	10.40	–
	March 31, 2022	12.30	–
Commission paid during the year	March 31, 2023	11.00	–
	March 31, 2022	10.00	–
Other Remuneration paid during the year	March 31, 2023	32.08	134.61
	March 31, 2022	37.98	125.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Details of outstanding balances with related parties

Particulars	Balance as on	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Trade Receivable	March 31, 2023	9,532.50		509.64	11.05
	March 31, 2022	10,643.85	–	618.43	27.32
Trade Payable	March 31, 2023	176.33		157.76	3.67
	March 31, 2022	98.14	–	578.62	–
Loans & advances taken	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–
Other balances (Interest accrued but not due on Borrowing)	March 31, 2023	–	–	–	–
	March 31, 2022	–	–	–	–

Note No. 30 - Ratios

	Ratios	Description of Ratios	As at 31 March 2023	As at 31 March 2022	Variance (%)	Explanation for Change in ratio by more than 25% compared to previous year
1	Current ratio	Current Asset/Current Liability	3.41	2.92	16.76	
2	Debt Equity Ratio	Lease liability/Total Equity	0.15	0.05	(208.52)	Increase in Lease Liability for UK branch
3	Debt Service coverage Ratio	Earning available for debt Service/Debt Service	6.33	4.04	56.58	Increase in Earning available for debt service as UK branch was in function for entire year
4	Return on Equity Ratio	Profit after Tax/Total Equity	14.58	8.09	80.14	UK Branch was in Operations for entire year
5	Inventory Turnover ratio	NA	–	–	–	–
6	Trade Receivables turnover ratio	Turnover/Trade Receivables	4.64	3.63	(27.88)	Turnover has increased for India & UK Branch as a result increase in Turnover and Trade receivables
7	Trade payables turnover ratio	Total Purchase cost/ Trade Payables	22.20	17.74	25.12	Turnover has increased due to India and UK Branch as a result increase in Total Purchase cost and Trade Payables
8	Net capital turnover ratio	Turnover/(Total Asset - Current & Non Current Liabilities)	2.57	2.66	(3.21)	
9	Net profit ratio	Net profit After Tax/ Turnover	0.06	0.03	86.11	UK Branch was in Operations for entire year
10	Return on Capital employed	EBIT/Capital Employed	18.88	11.47	64.65	UK Branch was in Operations for entire year
11	Return on investment	(Interest Income+Dividend received)/Closing Balance of Investment	2.56	2.34	(9.58)	

Note No. 31 Business Combination

Brief Summary of transaction

During the financial year ending March 31, 2021, Mahindra Integrated Business Solutions Pvt. Ltd. “the Company” has acquired branch of Mahindra Vehicle Manufacturers Ltd. “MVML” located in Michiegan, USA.. The acquisition has taken place by executing business transfer agreement between the Company and MVML (entities under common control) to transfer business of US branch as a going concern on a slump sale basis for a lump sum consideration without assigning any individual values to the individual assets and liabilities

This branch provides design, engineering and product development services to Mahindra & Mahindra and its group Companies. Effective date of acquisition was January 1, 2021.

Accounting approach followed

As the transaction took place between the entities which are under common control, the Company has followed pooling of interest method suggested as per ‘Appendix C of Ind AS 103 - Business Combination’. As per the this method, the Company has restated its financials statement of earlier years.

Summary of consideration and details of assets & liabilities acquired

I **Valuation of branch and assets and liabilities acquired.**

Based on valuation done by independent valuers of branch the consideration was fixed at Rs 17883.74 lacs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Amt in lakhs
Property, plant & equipment	3,066.64
Other intangible assets	5.22
Other financial and non-financial assets	14,314.11
Balance of retained earnings on date of acquisition	13,314.91
Other financial and non-financial liabilities	4,198.82

II **Summary of consideration paid**

As per valuatuation of the Company consideration was paid by way of exchange of 82,79,511 equity shares of Rs 216 each .(face value of Rs 10 each & premium of Rs 206). This has resulted in change in shareholding pattern of the Company. (refer note 12).

III This has resulted in negative capital reserve of Rs 955.74 lacs adjusted in balance of Retained earnings as on the date of acquisition.

Note No. 32 Leases

The Company has entered into non cancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Non-lease components

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company has used the following policies and/or assumptions in evaluating the lease population

Lease determination:

The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property and equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate :

When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments :

The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options :

Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options :

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants :

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases :

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to other expenses in Profit and loss account.

The table below presents the classification of leasing assets and liabilities

		Rupees in lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
Assets		
Right-of-use of assets	**2,958.77**	1,350.76
Liabilities		
Current Lease liabilities	**778.67**	464.90
Non-current lease liabilities	**1,911.92**	294.83

The table below presents the classification of lease related expenses as reported in the Profit and loss account

Particulars	**For the Year 2022-23**	For the Year 2021-22
Rent Expenses	**400.47**	480.61

Note No. 33 Additional Disclosures

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		Rupees lakhs
Particulars	**As at March 31, 2023**	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers	**11.86**	17.57
(ii) Interest due on unpaid principal amount to MSME suppliers	**2.71**	1.27
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid	**2.71**	1.27
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**2.71**	1.27

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Comparatives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 27, 2023

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Chennai
Date: April 27, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra E- Market Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra E-Market Limited** ("the Company"}, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act")in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive income, its changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified undersection 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our' other ethical responsibilities in accordance with these I requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 29 in the financial statements. As on 31st March 2023, the Company's current liabilities exceeded its total assets by Rs. 98.33 lakhs. As stated in Note 29, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on management plans as stated in the note referred above, these financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard..

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors)

Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position inits Financial Statements - Refer Note 34 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYG7550

Place: Mumbai
Date: 27th April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

1. According to information and explanation given to us, the Company does not have any Plant, Property and equipment and intangible assets at the end of the year. Accordingly, the reporting under Clause 3 (i) (a), (b), (c), (d), (e) is not applicable to the Company.

2. (a) According to the information and explanations given to us, the Company does not hold any inventory at the end of the year. Accordingly, the reporting under Clause 3(ii) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, no term loans were raised during the year and hence reporting under clause 3 (ix) (c) is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies

17. The Company has incurred cash losses of Rs 0.51 Lakhs in the current financial year and Rs 363.61 Lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of

one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. Sheet date state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYG7550

Place: Mumbai
Date: 27th April 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date].

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra E- Market Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYG7550

Place: Mumbai
Date: 27th April 2023

BALANCE SHEET AS AT 31ST MARCH 2023

Amount in Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I. ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**–**	–
(b) Deferred Tax Assets (Net)		**–**	–
(c) Current Tax Assets	4	**1.24**	40.07
SUB-TOTAL		**1.24**	40.07
CURRENT ASSETS			
(a) Inventories		**–**	–
(b) Financial Assets			
(i) Trade Receivables	5	**3.85**	6.51
(ii) Cash and Cash Equivalents	6	**10.22**	39.40
(iii) Other Bank Balances	6	**75.00**	–
(c) Other Current Assets	7	**8.49**	7.95
SUB-TOTAL		**97.56**	53.86
TOTAL ASSETS		**98.80**	93.93
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	**79.97**	79.97
(b) Other Equity	9	**(178.30)**	(177.79)
SUB-TOTAL		**(98.33)**	(97.82)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Provisions		**–**	–
(b) Deferred Tax Liability (Net)		**–**	–
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
- dues of micro enterprises and small enterprises			
- dues of creditors other than micro enterprises and small enterprises	10	**144.61**	138.51
(b) Provisions	11	**50.98**	51.48
(c) Other Current Liabilities	12	**1.55**	1.76
SUB-TOTAL		**197.13**	191.75
TOTAL		**98.80**	93.93

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director
DIN: 8736844

VIJAY NAKRA
Director & Chairman
DIN: 2638616

Place: Mumbai
Date: 27th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Amount in Lakhs

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
	Continuing Operations			
I	Revenue from operations	13	**12.00**	963.28
II	Other Income	14	**3.16**	13.99
III	**Total Revenue (I + II)**		**15.16**	977.27
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade		**-**	237.18
	(b) Changes in Inventory		**-**	11.16
	(c) Cost of Services	15	**-**	514.67
	(d) Employee benefit expense	16	**-**	262.39
	(e) Finance costs	17	**0.14**	3.05
	(f) Depreciation and amortisation expense		**-**	19.87
	(g) Other expenses	18	**19.49**	159.38
	Total Expenses (IV)		**19.63**	1,207.70
V	**Profit before tax (III - IV)**		**(4.47)**	(230.43)
VI	**Tax Expense**			
	(1) Current tax		**-**	-
	(2) Income Tax Adjustment of earlier years		**(3.96)**	145.51
	(3) Deferred tax		**-**	7.53
	Total tax expense (VI)		**(3.96)**	153.04
VII	**Profit for the year (V-VI)**		**(0.51)**	(383.48)
VIII	**Profit from continuing operations for the year attributable to:**			
	Owners of the Company		**(0.51)**	(383.48)
IX	**Other comprehensive income**		**–**	–
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	- Remeasurements of the defined benefit liabilities/(asset)		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
X	**Total comprehensive income for the year (VII+IX)**		**(0.51)**	(383.48)
XI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	19	**(0.06)**	(47.95)
	(2) Diluted	19	**(0.06)**	(47.95)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director
DIN: 8736844

VIJAY NAKRA
Director & Chairman
DIN: 2638616

Place: Mumbai
Date: 27th April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Amount in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash flows from operating activities		
Profit before tax for the year	**(4.47)**	(230.43)
Adjustments for:		
Depreciation and amortisation of non-current assets	**-**	19.87
Transfers from retained earnings	**-**	-
Profit on sale of Fixed Assets	**-**	0.30
Loss on Fixed Asset Discarded	**-**	106.82
	(4.47)	(103.44)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**2.66**	29.02
(Increase)/decrease in inventories	**-**	11.16
(Increase)/decrease in other assets	**38.68**	363.23
Increase/(decrease) in provision	**(1.73)**	(11.48)
Increase/(decrease) in other liabilities	**(0.21)**	(179.48)
Increase/(decrease) in trade and other payables	**6.10**	(31.55)
	45.49	180.90
Cash generated from operations	**41.03**	77.45
Income taxes paid (adjustment)	**4.79**	**(153.04)**
Net cash generated by operating activities	**45.82**	(75.59)
Cash flows from investing activities		
Acquisition of assets	**-**	(10.59)
Sale of Asset	**-**	26.19
Investment in Fixed Deposits with Bank	**75.00**	-
Net cash used in investing activities	**75.00**	15.60
Cash flows from financing activities	**–**	–
Net cash used in financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**(29.18)**	(59.99)
Cash and cash equivalents at the beginning of the year	**39.40**	99.39
Cash and cash equivalents at the end of the year	**10.22**	39.40

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2023

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director
DIN: 8736844

VIJAY NAKRA
Director & Chairman
DIN: 2638616

Place: Mumbai
Date: 27th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1 Corporate information:

Mahindra eMarket Limited is a public limited company incorporated in Mumbai, India under the Companies Act 2013. The company is engaged, inter-alia, deals in automobile business through their online e-commerce portal. During the year, the company has allowed its e-commerce portal to be used by a Group Company dealing in the similar business activities.

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were authorized for issue by the Company's Board of Directors on 27th April 2023

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

2.4 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

2.5 Leases:

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

2.6 Revenue Recognition:

In view of INDAS 115, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, Company apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

2.7 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

2.8 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.9 Measurement of fair values:

The company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.10 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

2.11 Cash and cash equivalents:

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

Note No. 3 - Property, Plant and Equipment & Capital Work-In-Progress

Amount in Lakhs

Description of Assets	Right to use Asset-Leasehold Office Premises	Office Equipment & Electrical Installations	Computers	Total	CWIP
I. Gross Carrying Amount					
Balance as at 31 March 2021	122.57	84.44	1.09	208.10	–
Additions	–	9.11	1.48	10.59	–
Disposals / Transfer	122.57	93.55	2.57	218.69	–
Balance as at 31 March 2022	**–**	**–**	**–**	**–**	**–**
Additions	–	–	–	–	–
Disposals / Transfer	–	–	–	–	–
Balance as at 31 March 2023	**–**	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Amount in Lakhs

Description of Assets	Right to use Asset- Leasehold Office Premises	Office Equipment & Electrical Installations	Computers	Total	CWIP
II. Accumulated depreciation and impairment					
Balance as at 31 March 2021	47.67	17.59	0.33	65.59	–
Depreciation/Amortisation for the year	8.78	10.74	0.35	19.87	–
Eliminated on disposal of assets	56.45	28.33	0.68	85.46	–
Balance as at 31 March 2022	**0.00**	**(0.00)**	**–**	**(0.00)**	**–**
Depreciation/Amortisation for the year	–	–	–	–	–
Eliminated on disposal of assets	–	–	–	–	–
Balance as at 31 March 2023	**–**	**–**	**–**	**–**	**–**
III. Net carrying amount (I-II)					
Balance as at 31 March 2023	–	–	–	–	–
Balance as at 31 March 2022	**–**	**–**	**–**	**–**	**–**

Note No. 4 - Current Tax Assets (Net)

Amount in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Current Tax:		
In respect of current year	**1.24**	21.13
In respect of prior years	**–**	19
Total	**1.24**	40.07

Note No. 5 - Trade receivables

Amount in Lakhs

Particulars	As at 31 March 2023 Current	As at 31 March 2023 Non Current	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Trade receivables				
(a) Secured, considered good	**–**	**–**	–	–
(b) Unsecured, considered good	**3.85**	**–**	6.51	–
(c) Doubtful	**–**	**–**	–	–
Less: Allowance for Credit Losses	**–**	**–**	–	–
TOTAL	**3.85**	**–**	6.51	–
Of the above, trade receivables from:				
- Related Parties	**6.00**	–	6.00	–
- Others	**(2.15)**	–	0.51	–
TOTAL	**3.85**	**–**	6.51	–

Trade Receivables Ageing Schedule F23

Amount in Lakhs

Particulars	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment			
(i) Undisputed Trade receivables – considered good	(0.02)	3.97	0.11	3.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk				
(iii) Undisputed Trade Receivables – credit impaired				
(iv) Disputed Trade Receivables– considered good				
(v) Disputed Trade Receivables – which have significant increase in credit risk				
(vi) Disputed Trade Receivables – credit impaired				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Trade Receivables Ageing Schedule F22

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment: 1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	(0.36)			6.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk				
(iii) Undisputed Trade Receivables – credit impaired				
(iv) Disputed Trade Receivables– considered good				
(v) Disputed Trade Receivables – which have significant increase in credit risk				
(vi) Disputed Trade Receivables – credit impaired				

Note No. 6 - Cash and Bank Balances

Amount in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	**10.22**	39.40
(b) Cash on hand	**–**	–
Other Bank Balances		
(a) Balances with banks		
- Fixed Deposits maturing within 12 months from the reporting date	**75.00**	–
Total Cash and cash equivalent	**85.22**	39.40

Note No. 7 - Other Current Assets

Amount in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Advances receivable in cash or kind		
(i) Balances with government authorities (other than income taxes)	**8.48**	7.95
Nodal balance for Advance	**–**	–
Other Happycard balance	**0.01**	
Prepaid Expenses	**–**	–
Prepaid Rent on Security Deposits		
Unbilled Revenue	**–**	–
Advance to Vendor		
Total	**8.49**	7.95

Note No. 8 - Equity Share Capital

Amount in Lakhs

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Authorised:				
Equity shares of 10 each with voting rights	**10,00,000**	**100.00**	10,00,000	100.00
Issued, Subscribed and Fully Paid:				

Amount in Lakhs

Particulars	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Equity shares of 10 each with voting rights	**7,99,700**	**79.97**	7,99,700	79.97
Total	**7,99,700**	**79.97**	7,99,700	79.97

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		Opening Balance	Closing Balance
(a) Equity Shares with Voting rights*			
Year Ended 31 March 2023			
	No. of Shares	**7,99,700**	**7,99,700**
	Amount	**79.97**	**79.97**
Year Ended 31 March 2022			
	No. of Shares	7,99,700	7,99,700
	Amount	79.97	79.97

(ii) Details of shares held by the holding company, the ultimate holding company, subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2023	**7,99,700**
As at 31 March 2022	7,99,700

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**3,59,860**	**45.00%**	3,59,860	45.00%
Mahindra Holdings Limited	**1,91,928**	**24.00%**	1,91,928	24.00%
Mahindra & Mahindra Contech Limited	**2,47,907**	**31.00%**	2,47,907	31.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 9 - Statement Of Changes In Equity

A. Equity share capital	**Rupees**
As at 31 March 2023	**7,99,700**
Changes in equity share capital during the year	
As at 31 March 2022	7,99,700

B. Other Equity

Amount in lakhs

Particulars	Reserves & Surplus: Securities Premium Reserve	Reserves & Surplus: General Reserve	Reserves & Surplus: Retained Earnings	Other Comprehensive Income	Total
As at 31 March 2021			205.69		205.69
Profit/(Loss) for the year			(383.48)		(383.48)
Other Comprehensive Income for the year					–
Total Comprehensive Income for the year	–	–	(383.48)	–	(383.48)
Dividend paid on Equity Shares			–		–
Dividend Distribution Tax			–		–
Transfers to Reserves			–		–
Transfers from retained earnings			–		–
As at 31 March 2022	–	–	(177.79)	–	(177.79)
As at 31 March 2022			(177.79)		(177.79)
Profit/(Loss) for the year			**(0.51)**		**(0.51)**
Other Comprehensive Income for the year				**–**	**–**
Total Comprehensive Income for the year	**–**	**–**	**(0.51)**	**–**	**(0.51)**
Dividend paid on Equity Shares			**–**		**–**
Dividend Distribution Tax			**–**		
Transfers to Reserves			**–**		**–**
Transfers from retained earnings			**–**		**–**
As at 31 March 2023	**–**	**–**	**(178.30)**	**–**	**(178.30)**

Note No. 10 - Trade Payables

Amount in Lakhs

Particulars	**As at 31 March 2023 Current**	**As at 31 March 2023 Non Current**	As at 31 March 2022 Current	As at 31 March 2022 Non Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**144.61**		138.51	
Total trade payables	**144.61**	**–**	138.51	–

Trade Payables Ageing Schedule F23
Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	6.13	77.60	38.47	22.41	144.61
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

Trade Payables Ageing Schedule F22

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	84.81	53.7			138.51
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

Note 11 - Provisions

Amount in Lakhs

Particulars	**As at 31 March 2023 Current**	**As at 31 March 2023 Non-Current**	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
Provision for employee benefits				
Compensated Absences	**4.88**		4.88	
Gratuity	**20.58**	**–**	20.58	–
Other Provision				
Provision for Expenses	**25.52**	**–**	26.02	–
Total Provisions	**50.98**	**–**	51.48	–

Note 12 - Other Liabilities

Amount in Lakhs

Particulars	**As at 31 March 2023 Current**	**As at 31 March 2023 Non-Current**	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
a. Advances received from customers	**2.14**	**–**	2.28	–
b. Lease Liability	**–**	**–**	–	–
c. Statutory dues				
Taxes payable (other than income taxes)	**(0.59)**	**–**	(0.52)	–
Employee Recoveries and Employer Contributions	**–**	**–**	–	–
d. Other Payables	**–**	**–**	–	–
TOTAL OTHER LIABILITIES	**1.55**	**–**	1.76	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 13 - Revenue from Operations

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Revenue from sale of products	–	300.28
(b) Revenue from rendering of services	–	651.00
(c) Revenue from License Fees	12.00	12.00
Total Revenue from Operations	**12.00**	963.28

Note No. 14 - Other Income

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Other Operating income	–	11.45
(b) Other income	3.16	2.54
Total Other Income	**3.16**	13.99

Note 15 - Cost of Services

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of services	–	514.67
Total Cost of Services	–	514.67

Note 16 - Employee Benefits Expense

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages, including bonus	–	260.56
Leave Travel Allowance	–	0.67
Staff welfare expenses	–	1.15
Total Employee Benefits Expenses	–	262.39

Note 17 - Finance Cost

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
- Interest Expense (Lease liability)	–	–
- Bank Charges	0.14	0.11
Payment Gateway Charges	–	2.94
Total finance costs	**0.14**	3.05

Note 18 - Other Expenses

Amount in Lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and other professional costs	11.07	0.43
Administrative Expense	–	8.51
Logistic Expense	–	37.66
Rent	–	30.42
Travelling Expense	–	0.31
CSR expenses	–	3.47
House Keeping Service	–	4.99
Auditors remuneration	–	
- For Statutory Audit	2.00	2.50
- For Taxation matters	–	–
Reimbursement of Expense	–	0.07
Marketing Expenses	–	
Telephone & Internet Charges	–	11.08
Asset rental	–	17.04
Securtiy Service	–	1.40
Electricity Expense	–	7.90
Profit or loss on sale of asset	–	0.30
Other Expense	6.40	10.77
Write Off	–	22.23
Rates & Taxes	0.03	0.30
Total Other Expenses	**19.49**	159.38

Note No. 19 - Earnings per Share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**(0.06)**	(47.95)
From discontinuing operations	–	–
Total basic earnings per share	**(0.06)**	(47.95)
Diluted Earnings per share		
From continuing operations	**(0.06)**	(47.95)
From discontinuing operations	–	–
Total diluted earnings per share	**(0.06)**	(47.95)

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(loss) for the year attributable to owners of the Company	**(0.51)**	(383.28)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	**(0.51)**	(383.28)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**(0.51)**	(383.28)
Weighted average number of equity shares	**7.997**	7.997
Earnings per share from continuing operations - Basic and Diluted	**(0.06)**	(47.95)

Profit reconciliation for the calculation of Basic and Diluted earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (loss) for the year used in the calculation of basic earnings per share	**(0.51)**	(383.28)
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(0.51)**	(383.28)
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**–**	–
Profits used in the calculation of diluted earnings per share from continuing operations	**(0.51)**	(383.28)

Note No. 20 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-23	31-Mar-22
Equity	**(98.33)**	(97.82)

Categories of financial assets and financial liabilities

Amount in Lakhs

As at 31 March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	**–**	**–**	**–**	**–**
Current Assets				
Trade Receivables	**3.85**	**–**	**–**	**3.85**
Cash and Cash Equivalents	**10.22**	**–**	**–**	**10.22**
Non-current Liabilities				
Trade Payables	**–**	**–**	**–**	**–**
Current Liabilities				
Trade Payables	**144.61**	**–**	**–**	**144.61**

Categories of financial assets and financial liabilities

As at 31 March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	–	–	–	–
Current Assets				
Trade Receivables	6.51	–	–	6.51
Cash and Cash Equivalents	39.40	–	–	39.40
Non-current Liabilities				
Trade Payables	–	–	–	–
Current Liabilities				
Trade Payables	138.51	–	–	138.51

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Three largest Trade Receivable constitute more than 10% of outstanding exposure and together more than 50% of the outstanding exposure.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-23	**144.61**			
Non-interest bearing				
Non-derivative financial liabilities				
31-Mar-22				
Non-interest bearing	138.51			

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31-Mar-23				
Non-interest bearing	**14.07**			
Fixed interest rate instruments				
Total	**14.07**			
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	45.91			
Fixed interest rate instruments				
Total	45.91			

Note No. 21 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Lakhs

Particulars	31-Mar-23 Carrying amount	31-Mar-23 Fair value	31-Mar-22 Carrying amount	31-Mar-22 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				
– trade and other receivables	**3.85**	**3.85**	6.51	6.51
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from related parties				
– trade and other payables	**144.61**		138.51	
Total	**148.46**		145.02	

Fair value hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				
– trade and other receivables		**3.85**		**3.85**
Total		**3.85**		**3.85**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		**144.61**		**144.61**
Financial lease payables		**144.61**		**144.61**
Total				

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	Fair value hierarchy as at 31 March 2022			
	Level 1	Level 2	Level 3	Total
– trade and other receivables		6.51		6.51
Total		6.51		6.51
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		138.51		138.51
Financial lease payables		138.51		138.51
Total				

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 22 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		Amount in Lakhs
Particulars	**As at 31st March, 2023**	As at 31st March, 2022
(i) the principal amount and the interest due theron remaining unpaid to any supplier as at the end of each accounting year		
Principal	**NIL**	NIL
Interest	**NIL**	NIL
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**NIL**	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	**NIL**	NIL
(v) the amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise , for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note No. 23- Related Party Transactions

Name of the ultimate parent Company Mahindra & Mahindra Ltd

Name of the parent Company Mahindra Holdings Ltd

Name of the fellow subsidiary Company Mahindra Two Wheelers Ltd,Classic Legends Private Limited, Fifth Gear Ventures Limited, Mahindra Summit Agriscience Limited,

Mahindra Integrated Business Solutions Pvt Ltd, Mahindra & Mahindra Financial Services Ltd,Mahindra First Choice Wheels Limited

Gromax Agri Equipment Ltd, Mahindra Electric Mobility Limited,Mahindra Engineering & Chemical Products Limited

Details of transaction between the Company and its related parties are disclosed below:

							Amount in Lakhs
Particulars	**For the year ended**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Fellow Subsidiaries**	**Associates**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
Nature of transactions with Related Parties							
Sale of goods	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-22	0.86	–	56.25	–	–	–
Purchase of goods	**31-Mar-23**	**–**	**–**	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

						Amount in Lakhs	
Particulars	**For the year ended**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Fellow Subsidiaries**	**Associates**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
	31-Mar-22	164.88	–	92.98	–	–	–
Rendering of services	**31-Mar-23**	**–**	**–**	**12.00**	**–**	**–**	**–**
	31-Mar-22	464.41	–	221.96	–	–	–
Receiving of services	**31-Mar-23**	**4.89**	**–**	**60.00**	**–**	**–**	**–**
	31-Mar-22	21.97	–	–	–	–	–

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Subsidiaries**	**Associates**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
Other payables	**31-Mar-23**	**126.67**		**16.39**	**–**	**–**	**–**
	31-Mar-22	122.05		15.60	–	–	–
Other receivables	**31-Mar-23**	**3.04**		**0.30**	**–**		**–**
	31-Mar-22	6.36		0.30	–	–	–

Information of transaction and balances outstanding with related parties (secured/ unsecured/ nature of consideration for settlement of dues etc.)

Note No. 24 - Disclosures under Ind AS 115

Country-wise break up of Revenue **Amount in Lakhs**

Country	**Revenue from contracts with customers (Ind AS 115)**	**Revenue from operations from other than customers**	**Total Revenue from Operations**	**Other Income**	**Total Income**
India - 31st March, 2023	**12.00**	**–**	**12.00**	**3.16**	**15.16**
India - 31st March, 2022	651.00	300.28	951.28	2.54	953.81

Breakup of Revenue into contracts entered in previous year and in current year

	Amount in Lakhs	
Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Revenue from PO/ contract / agreement entered into previous year	**–**	–
Revenue from New PO/ contract / agreement entered into current year	**12.00**	651.00
Total revenue recognised during the year	**12.00**	651.00

Reconciliation of revenue from contract with customer

	Amount in Lakhs	
Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Revenue from contract with customer as per the contract price	**12.00**	651.00

	Amount in Lakhs	
Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Adjustments made to contract price on account of :-		
Commission on Sales	**–**	–
Total revenue recognised during the year	**12.00**	651.00

Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place at the end of reporting year.

Note No. 25 - Segment Reporting

The company business activity falls within a single business segment. All other activities of the company revolve around its main business. Hence, there are no separate reportable primary segments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 26 - Analytical ratios

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Debt Service Coverage Ratio	NA	79.97	**NA**	**NA**	**NA**	
2	Return on Equity	PBT	Average Capital + Average Reserves	**(0.06)**	**(4.08)**	**402%**	
3	Inventory Turnover Ratio	Revenue from Operations	Inventory	**0.00**	**102.31**	**-10231%**	
4	Trade receivable turnover ratio	Revenue from Operations	Average Receivables	**2.32**	**59.96**	**-5764%**	
5	Trade Payable Turnover ratio	-	Average Payables	**0.00**	**1.54**	**-154%**	All the Variances are due to significant reduction of Operating Income from Rs.963.28 L for 2021-22 to Rs.12 L for the year 2022-23
6	Net Capital turnover ratio	Revenue from Operations	Total Assets Less Current Liab	**(0.12)**	**(9.85)**	**973%**	
7	Net profit ratio	PBT	Revenue from Operations	**(0.04)**	**(0.40)**	**36%**	
8	Return on Capital Employed	PBT+Finance Cost	Total Assets Less Current Liab	**0.01**	**3.89**	**-388%**	
9	Return on Investment	PBT	Investments	**0.00**	**0.00**	**0%**	

Note No. 27- The Company has used certain significant accounting estimates which have been disclosed in the financial statements. These includes fair valuation of financial and non-financial assets and liabilities, going concern assessment etc. requiring significant management judgement in estimating the same.

Note No. 28 - As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.For the year 2022-23, the CSR activities was not applicanle to the company as it didn't satisfied any of the criteria for applicability of CSR activities.

During the period, the Company has incurred an expenditure of Rs. NIL Lakhs (31 March 2022: Rs.3.47 Lakhs) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. NIL (31 March 2022: Rs. NIL Lakhs) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities:

a) Gross amount required to be spent by the Company during the period is Rs. NIL (31 March 2022: Rs. 3.47 lakhs).

b) Amount spent by the Company during the period:

Amount in Lakhs

	For the year Ended 31 March 2023			For the year Ended 31 March 2022		
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset						
ii) On purpose other than (i) above	**NIL**			3.47		

Note No. 29 - Going Concern

The accumulated losses of the Company as on 31 March 2023 exceeds the paid-up share capital of the Company. Though the sources of Revenue are limited in the present day scenario, the Company does not intend to wind up its operations. The Company is exploring some business opportunities and may consider restructuring with support from its parent companies.

In the opinion of the management, the Company will be able to continue as a going concern for the foreseeable future. Having regard to the above, the accounts are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 30 - Inventories

The company during the year has realigned its operations and has paused inventory based e-commerce transactions. Accordingly, there is no closing inventory on 31st March, 2023.

Note No. 31 - Regrouping

Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

For and on behalf of the Board of Directors

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2023

Mahindra eMarket Limited

MOHAMMED TURRA
Director
DIN:8736844

VIJAY NAKRA
Director & Chairman
DIN:2638616

Place: Mumbai
Date: 27th April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA AIRWAYS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Airways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those

INDEPENDENT AUDITORS' REPORT

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYI7051

Place: Mumbai
Date: April 25, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, there are no immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of lessee) held in the name of the company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the Company is in the business of rendering services and consequently does not hold any inventory during the year. Accordingly, the reporting under Clause 3 (ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

   (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

   (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

   (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

   (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of INR 160.57 Lakhs during the current year and INR 15.88 Lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYI7051

Place: Mumbai
Date: April 25, 2023

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Airways Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYI7051

Place: Mumbai
Date: April 25, 2023

BALANCE SHEET AS AT 31 MARCH 2023

Rs. In Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**0.17**	0.17
(b) Other Non-current Assets	4	**6022.63**	–
SUB-TOTAL		**6022.80**	0.17
CURRENT ASSETS			
(a) Financial Assets			
(i) Fixed deposit in bank	5	**–**	14.00
(ii) Cash and Cash Equivalents	6	**14.68**	1.34
(b) Current Tax Assets (Net)	7	**33.04**	34.47
(c) Other Current Assets	8	**2.33**	0.42
SUB-TOTAL		**50.05**	50.23
TOTAL ASSETS		**6072.85**	50.40
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	**6775.00**	585.00
(b) Other Equity	10	**(708.38)**	(547.61)
SUB-TOTAL		**6066.62**	37.39
LIABILITIES			
CURRENT LIABILITIES			
(a) Financial Liabilities			
Trade Payables	11		
(i) Micro and Small Enterprises		**–**	–
(ii) Other than Micro and Small Enterprises		**4.24**	6.17
(b) Provisions	12	**1.70**	1.50
(c) Other Current Liabilities	13	**0.29**	5.34
SUB-TOTAL		**6.23**	13.01
TOTAL		**6072.85**	50.40

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors

Shriniwas Mantri
Chief Financial Officer

Ruzbeh Irani
Director
DIN. No. 01831944

Abhaya Mahajan
Director
DIN. No. 08322044

Gayathri S Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date : 25th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

Rs. In Lakhs

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	Revenue from operations	**14**	**–**	–
II	Other Income	**15**	**6.00**	0.56
III	**Total Revenue (I + II)**		**6.00**	0.56
IV	**EXPENSES**			
	(a) Finance Cost	**16**	**42.44**	–
	(b) Depreciation and amortisation expense		**–**	0.13
	(c) Other expenses	**17**	**124.33**	16.44
	Total Expenses		**(160.77)**	(16.01)
V	**Loss before tax (III - IV)**		**(160.77)**	(16.01)
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Loss for the year (V - VI)**		**(160.77)**	(16.01)
VIII	**Other comprehensive income**		**–**	–
	Total comprehensive loss for the year (VII+VIII)		**(160.77)**	(16.01)
IX	**Earnings per equity share:**	**18**		
	Basic		**(0.24)**	(0.27)
	Diluted		**(0.24)**	(0.27)

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors

Shriniwas Mantri
Chief Financial Officer

Ruzbeh Irani
Director
DIN. No. 01831944

Abhaya Mahajan
Director
DIN. No. 08322044

Gayathri S Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date : 25th April 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

Rs. In Lakhs

Particulars	**Year ended 31st March 2023**	Year ended 31st March 2022
Cash flows from operating activities		
Loss before tax for the year	**(160.77)**	(16.01)
Adjustments for:		
Depreciation and amortisation of non-current assets	**–**	0.13
	(160.77)	(15.88)
Movements in working capital:		
(Increase)/decrease in other assets	**(1.91)**	15.58
Decrease in trade and other payables	**(1.93)**	(1.78)
Increase/(decrease) in provisions	**0.20**	–
Decrease/(increase) in tax assets	**1.43**	(5.32)
(Decrease)/increase in other liabilities	**(5.05)**	3.23
Cash generated from operations	**(7.26)**	11.71
Income taxes paid	**–**	–
Net cash generated by operating activities	**(168.03)**	(4.18)
Cash flows from investing activities		
Investment in Bank deposits	**14.00**	(14.00)
Purchase of PPE/Intangible assets	**(6,022.63)**	–
Net cash (used in)/generated by investing activities	**(6,008.63)**	(14.00)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**6,190.00**	–
Net cash used in financing activities	**6,190.00**	–
Net increase in cash and cash equivalents	**13.35**	(18.18)
Cash and cash equivalents at the beginning of the year	**1.34**	19.52
Cash and cash equivalents at the end of the year	**14.69**	1.34

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors

Shriniwas Mantri
Chief Financial Officer

Ruzbeh Irani
Director
DIN. No. 01831944

Abhaya Mahajan
Director
DIN. No. 08322044

Gayathri S Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date : 25th April 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. General Information

Mahindra Airways Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P K Kurne Chowk, Worli, Mumbai, Maharashtra, India. These financial statements correspond to the financial statements of the Company. The Company is primarily involved in Providing Helicopter Chartering Services under Non-Scheduled Operators Permit (NSOP) issued by Director General Civil Aviation.

2. Significant Accounting Policies

a. Statement of compliance and basis of preparation

These financial statements of Mahindra Airways Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These are the standalone financial statement of the Company. The Ministry of Corporate Affairs has, vide its Notification G.S.R 742(E) dated 27th July, 2016, exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements provided the Company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid Notification.

These financial statements have been approved by the Company's Board of Directors and authorised for issue on 25th April, 2023.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Property, Plant and equipment

Property, Plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Asset Class	Useful Lives
Furniture & Fixtures	10 years
Computer	3 years

Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

h. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

i. Revenue Recognition

The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

- **Service Income**

  Income from Chartering Services are recognised on satisfaction of performance obligation towards rendering of such services.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- **Interest income**

  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

- **Dividend Income**

  Dividend from investments are recognised in profit or loss when the right to receive payment is established.

j. Investments

Investments are classified under Non-current and current categories.

Non-current Investments' are carried at acquisition/amortized cost. A provision is made for diminution other than temporary on an individual basis.

Current Investments' are carried at fair value on an individual basis.

k. Employee Benefits

Defined Contribution schemes

Company's contributions to the Provident Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

l. Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that have been enacted and substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax asset are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

m. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

n. Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

– it has been acquired principally for the purpose of selling it in the near term; or

– on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments.

Dividend on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

o. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

p. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

q. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment
- estimation of defined benefit obligation
- income taxes - current and deferred taxes
- fair value of unlisted securities

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are evaluated based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 3 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	Computer & Accessories	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2022	0.74	0.18	0.92
Additions			
Disposals			
Balance as at 31 Mar 2023	**0.74**	**0.18**	**0.92**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2022	0.71	0.04	0.75
Depreciation expense for the year			–
Balance as at Mar 2023	**0.71**	**0.04**	**0.75**
III. Net carrying amount (I-II)	0.03	0.14	0.17

Rs. In Lakhs

Description of Assets	Plant and Equipment	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021	0.74	0.18	0.92
Additions			
Disposals			
Balance as at 31 Mar 2022	0.74	0.18	0.92

Rs. In Lakhs

Description of Assets	Plant and Equipment	Furniture and Fixtures	Total
II. Accumulated depreciation and impairment			
Balance as at 1 April 2021	0.59	0.03	0.62
Depreciation expense for the year	0.12	0.01	0.13
Balance as at Mar 2022	0.71	0.04	0.75
III. Net carrying amount (I-II)	**0.03**	**0.14**	**0.17**

Note No. 4 - Other Non-current assets

Rs. In lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	Current	**Non-Current**	Current	Non-Current
Advance	**–**	**6,021.52**	–	–
Security Deposits	**–**	**1.11**		
	–	**6,022.63**	–	–

Note No. 5 - Other financial assets

Rs. In Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	Current	Non-Current	Current	Non-Current
- Deposit with bank more than 12 months maturity	–	–	14.00	–
Total	–	–	14.00	–

Ageing of trade receivables

Rs. In lakhs

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023							
Undisputed trade receivables — considered good	–	–	–	–	–	–	–
Undisputed trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
Disputed trade receivables - credit impaired	–	–	–	–	–	–	–
Total							–
As at 31st March, 2022							
Undisputed trade receivables — considered good	–	14.00	–	–	–	–	14.00
Undisputed trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
Disputed trade receivables - credit impaired	–	–	–	–	–	–	–
Total		14.00					14.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 6 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
Balances with banks in current account	**14.68**	1.34
Total Cash and cash equivalent	**14.68**	1.34

Note No. 7 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. In Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current Tax:		
Others		
Balance with Government Authority		
i. GST Receivable	**31.93**	28.16
ii. TDS Receivable	**1.11**	6.31
Total income tax expense on continuing operations	**33.04**	34.47

Note No. 8 - Other current assets

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Others	**2.33**		0.42	
	2.33	**–**	0.42	–

Note No. 9 - Share Capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at 31st March 2023 No. of shares	As at 31st March 2022 Amounts
Authorised Capital		
8,65,00,000 **(2022: 65,00,000)** Equity Shares of Rs.10/- each	**8650.00**	650.00
Issued,subscribed and paid up		
6,77,50,000 **(2022: 58,50,000)** Equity Shares of Rs.10/- each, fully paid up	**6775.00**	585.00
	6775.00	585.00

a. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of the Companies Act, 2013

b. Details of shares held by the holding company, its subsidiaries and associates:

Name of Shareholder	Relationship	As at 31st March 2023 No of Equity shares held	As at 31st March 2022 No of Equity shares held
Mahindra Holdings Limited	Holding Company	**6,77,50,000**	58,50,000

c. Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company.

Name of Shareholder	As at 31st March 2023 No of Equity shares held	As at 31st March 2023 Percentage holding	As at 31st March 2022 No of Equity shares held	As at 31st March 2022 Percentage holding
Mahindra Holdings Limited	**6,77,50,000**	**100%**	58,50,000	100%

d. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particluars	Equity Shares Number	Equity Shares Rupees lakhs	Preference Shares Number	Preference Shares Rupees lakhs
Balance as at the beginning of the year	**58,50,000**	**585**	**–**	**–**
Shares Issued during the year	**6,19,00,000**	**6,190**	**–**	**–**
Shares bought back during the year	**–**	**–**	**–**	**–**
Shares issued and subscribed at the end of the year	**6,77,50,000**	**6,775**	**–**	**–**

Note No. 10 - Other Equity

Rs. In Lakhs

	Reserves and Surplus Retained Earnings	Total
Balance as at 31st March 2021	(531.60)	(531.60)
Loss for the year	(16.01)	(16.01)
Balance as at 31st March 2022	(547.61)	(547.61)
Loss for the year	(160.77)	(160.77)
Balance as at 31st March 2023	**(708.38)**	**(708.38)**

Note No. 11 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non Current	As at 31st March 2022 Current	As at 31st March 2022 Non Current
(i) Total outstanding dues of micro and small enterprises	**–**	**–**	–	–
(ii) Total outstanding dues Less than six Months of creditors other than micro and small enterprises	**4.24**	**–**	6.17	–
Total trade payables	**4.24**	**–**	6.17	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Ageing of trade payables

Rs. In lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
As at 31st March, 2023						
Trade Payables						
MSME	–	–	–	–	–	–
Others	–	4.24	–	–	–	4.24
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	–	4.24	–	–	–	4.24
Total						4.24
Total						–
As at 31st March, 2022						
Trade Payables						
MSME	–	–	–	–	–	–
Others	–	6.17	–	–	–	6.17
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	–	6.17	–	–	–	6.17
Total						6.17

Note No. 12 - Provisions

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
– Other Provisions	1.70		1.50	
Total Provisions	1.70	–	1.50	–

Note No. 13 - Other Current Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Statutory dues				
– taxes payable	0.29	–	0.53	–
– Advance from Customers	–	–	4.81	–
TOTAL OTHER LIABILITIES	0.29	–	5.34	–

Note No. 14 - Revenue from Operations

Rs. In lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Revenue from rendering of services	–	–
Total Revenue from Operations	–	–

Note No. 15 - Other Income

Rs. In lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Amount written back	5.55	–
(b) Gain on Redemption of Mutual Funds	–	0.10
(c) Interest income on fixed deposit	0.45	0.46
Total Other Income	6.00	0.56

Note No. 16 - Finance cost

Rs. In lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Interest expenses..	42.44	–
Total Other Income	42.44	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 17 - Other Expenses

Particulars	As at 31st March 2023	As at 31st March 2022
		Rs. In Lakhs
(a) Insurance	**–**	1.50
(b) Hire and service charges	**4.80**	2.69
(c) Legal and professional costs	**37.25**	11.21
(d) Stamp duty	**76.00**	–
(e) Miscelleneous expenses	**5.58**	0.54
(f) Amounts paid/payable to Statutory Auditors		
(i) Audit Fees	**0.70**	0.50
Total Other Expenses	**124.33**	16.44

Note No.18 - Earnings per Share (EPS)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
		Rs. In Lakhs
Profit for the year	**(160.77)**	(16.01)
Weighted Average number of equity shares for Basic Earnings per share	**6,77,50,000**	58,50,000
Basic & Diluted Earnings per share	**(0.24)**	(0.27)

Note No. 19 - Related Party Transactions

Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Parent Company	Mahindra Holdings Limited
Name of the Fellow Subsidiary	Mahindra Integrated Business Solutions Pvt.ltd

Details of transaction between the Company and its related parties are disclosed below:

				Rs. In Lakhs
Particulars	**For the year ended**	**Ultimate Holding Company**	**Parent Company**	**Fellow Subsidiary**
Nature of transactions with Related Parties				
Receiving of services				
- Mahindra & Mahindra Ltd	**31-Mar-23**	**12.14**	**–**	
- Mahindra Integrated Business Solutions Pvt. Ltd.	**31-Mar-23**	**–**	**–**	**11.51**
Loan taken				
- Mahindra Holdings Limited	**31-Mar-23**	**–**	**6211.00**	**–**
- Interest paid	**31-Mar-23**	**–**	**39.38**	**–**
Equity contribution to the Company				
- Mahindra Holdings Limited	**31-Mar-23**	**–**	**6190.00**	**–**

Nature of Balances with Related Parties	**Balance as on**	**Rupees lakhs**
Trade payables	**31-Mar-23**	**4.24**
Trade receivables	**31-Mar-23**	**2.08**

Note No. 20 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy group companies. However company continuosly monitors the outstanding receivable from these companies.

The credit risk on liquid funds is limited because the counterparties are Mutual Funds and banks with high credit-ratings assigned by credit-agencies.

The Company deals with one major customer which is also its holding Company. Hence, company does not expect any credit risk.

LIQUIDITY RISK

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's / Company's liquidity analysis for its financial instruments.

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Financial instruments 31-Mar-23				
Non-interest bearing	**14.68**			
Total	**14.68**			

MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

INTEREST RATE RISK

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Note No. 21 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

This section explains the judgement and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs

Level 3 inputs are ubobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measuremnet date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participation assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

	Fair value hierarchy as at 31st March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments	–	–	–	–
– cash & cash equivalents	–	14.68	–	14.68
Total	–	14.68	–	14.68

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note 25 - The Company has used certain significant accounting estimates which have been disclosed in the financial statements.

Note 26 - Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

INDEPENDENT AUDITOR'S REPORT
To The Members of Mahindra Logistics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Logistics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance , but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no 45 to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note no 45 to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

      As stated in note 18 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

      vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 23102637BGXUSG7506)

Place: Mumbai
Date: 24th April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Logistics Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us on internal financial controls with reference to standalone financial statements of the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 23102637BGXUSG7506)

Place: Mumbai
Date: 24th April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Property Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (capital work-in-progress, including right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification of property, plant, and equipment, (capital work-in-progress and right-of-use assets) so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) Inventory :

a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) Loans, Investments etc:

(a) The Company has provided loans and stood guarantee during the year and details of which are given below:

Particulars	Loans Amount (₹ in Cr.)	Guarantees Amount (₹ in Cr.)
A. Aggregate amount granted / provided during the year:		
- Subsidiary	4.40	220.00
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	4.40	220.00

The company has not advanced any amount in the nature of loans or provided security during the year.

(b) The terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdue of existing loan given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) Section 185 and 186 :

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) Public Deposits:

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Cost Records:

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues:

According to the information and explanations given to us, in respect of statutory dues:

a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues applicable to the Company have been generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Cr.)^
Bihar Value Added Tax	Value Added Tax	Joint Commissioner – Commercial Tax	2013-14	0.02
Telangana Value Added Tax	Value Added Tax	High Court, State of Telangana at Hyderabad	2015-16 to 2017-18	9.05
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2008-09 to 2009-10	3.52
Income Tax	Income Tax	High Court, Bombay	2017-18	3.19

^Net of ₹ 13.82 Cr. paid under protest

(viii) Undisclosed Income:

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) Borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) Issue of Securities:

a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x) (b) of the Order is not applicable to the Company.

(xi) Fraud:

a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) Nidhi Company:

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Related Parties:

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) Internal Audit:

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2023 for the period under audit.

(xv) Non-Cash Transactions:

In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) 45-IA:

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

b) The Group has more than one CIC as part of the group. There are four CIC forming part of the group.

(xvii) Cash Loss:

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of Statutory Auditors :

There has been no resignation of the statutory auditors of the Company during the year.

(xix) Ability to pay Liabilities :

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) CSR unspent amount:

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 23102637BGXUSG7506)

Place: Mumbai
Date: 24th April 2023

Standalone Balance Sheet as at 31 March 2023

(₹ in Crores)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	4	**179.75**	165.66
(b) Right of Use Asset	4	**358.73**	297.72
(c) Net Investment in Lease	40	**23.66**	46.11
(d) Capital Work-in-Progress	5	**3.25**	0.43
(e) Intangible Assets	6	**12.52**	10.34
(f) Intangible assets under development	7	**0.34**	13.39
(g) Financial Assets			
(i) Investments	9	**194.84**	21.41
(ii) Loans	15	**4.40**	–
(iii) Other Financial Assets	11	**55.00**	37.53
(h) Deferred Tax Assets (Net)	12	**24.19**	21.42
(i) Income Tax Assets (Net)	16	**118.70**	73.77
(j) Other Non-current assets	13	**18.13**	13.00
Total Non-Current Assets		**993.51**	**700.78**
II Current Assets			
(a) Inventories	8	**0.41**	1.43
(b) Financial Assets			
(i) Investments	9	**65.04**	116.08
(ii) Trade Receivables	10	**451.38**	405.67
(iii) Cash and Cash Equivalents	14 A	**114.64**	131.05
(iv) Bank Balances other than (iii) above	14 B	**0.01**	0.01
(v) Other Financial Assets	11	**412.92**	397.84
(c) Other Current Assets	13	**85.17**	95.99
(d) Assets held for sale (Disposable group)	34	**42.08**	–
Total Current Assets		**1,171.65**	**1,148.07**
Total Assets		**2,165.16**	**1,848.85**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	**71.98**	71.87
(b) Share Application Money		**0.06**	0.06
(c) Other Equity	18	**555.94**	502.93
Total Equity		**627.98**	**574.86**
Liabilities			
I Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	40	**299.21**	267.02
(b) Provisions	21	**13.37**	14.90
(c) Other Non-Current Liabilities	22	**5.98**	–
Total Non-Current Liabilities		**318.56**	**281.92**
II Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	**150.00**	–
(ii) Lease Liabilities	40	**105.51**	94.38
(iii) Trade Payables			
a) Due to Micro and Small Enterprises	23	**66.12**	34.75
b) Other than Micro and Small Enterprises	23	**826.61**	801.32
(iv) Other Financial Liabilities	20	**17.87**	16.92
(b) Provisions	21	**3.71**	4.09
(c) Current Tax Liabilities (net)	16	**3.65**	8.26
(d) Other Current Liabilities	22	**22.61**	32.35
(e) Liabilities held for sale (Disposable group)	34	**22.54**	–
Total Current Liabilities		**1,218.62**	**992.07**
Total Equity And Liabilities		**2,165.16**	**1,848.85**

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Ruchie Khanna
Company Secretary
M'ship No.: ACS24922

Place: Mumbai
Date: 24th April 2023

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(₹ in Crores)

	Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations	24	**4,458.90**	3,631.08
II	Other Income	25	**12.04**	9.56
III	**Total Income (I + II)**		**4,470.94**	3,640.64
IV	**EXPENSES**			
	(a) Cost of materials consumed	26	**6.58**	9.81
	(b) Changes in inventories of finished goods	27	**0.45**	(0.45)
	(c) Operating Expenses	28	**3,792.86**	3,085.79
	(d) Employee benefits expense	29	**289.04**	282.20
	(e) Finance costs	30	**41.42**	26.04
	(f) Depreciation and amortisation expense	31	**169.17**	130.41
	(g) Other expenses	32	**93.68**	74.15
	Total Expenses		**4,393.20**	3,607.95
V	**Profit before exceptional items and tax (III - IV)**		**77.74**	32.69
VI	**Exceptional items**	33	**2.70**	–
VII	**Profit before tax (V - VI)**		**80.44**	32.69
VIII	**Tax Expense**			
	(a) Current tax	35	**18.69**	10.42
	(b) Deferred tax	35	**(2.78)**	(2.17)
	Total Tax Expense		**15.91**	8.25
IX	**Profit After Tax (VII - VIII)**		**64.53**	24.44
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**1.57**	(1.03)
	(b) Income tax relating to items that will not be reclassified to profit or loss		**(0.40)**	0.26
	Total Other comprehensive income		**1.17**	(0.77)
XI	**Total comprehensive income for the year (IX + X)**		**65.70**	23.67
XII	**Earnings per equity share (face value ₹ 10/- per share)**			
	(a) Basic (in ₹)	36	**8.97**	3.40
	(b) Diluted (in ₹)	36	**8.94**	3.39

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 24th April 2023

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Ruchie Khanna
Company Secretary
M'ship No.: ACS24922

Standalone Statement of Changes in Equity for the Year Ended 31 March 2023

(A) Equity Share Capital

(₹ in Crores)

Particulars	Number of shares	Equity share capital
Balance as at 1 April 2021	71,670,340	71.67
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	71,670,340	71.67
Changes in equity share capital during the year:		
Exercise of Employee Stock Options	201,278	0.20
Balance as at 31 March 2022	**71,871,618**	**71.87**
Balance as at 1 April 2022	**71,871,618**	**71.87**
Changes in Equity Share Capital due to prior period errors	**–**	**–**
Restated balance at the beginning of the current reporting period	**71,871,618**	**71.87**
Changes in equity share capital during the year:		
Exercise of Employee Stock Options	105,412	0.11
Balance as at 31 March 2023	**71,977,030**	**71.98**

(B) Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus			
	Securities premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 1 April 2021	112.61	14.06	366.89	493.56
Changes in Equity Share Capital due to prior period errors	**–**	**–**	**–**	**–**
Restated balance at the beginning of the current reporting period	**112.61**	**14.06**	**366.89**	**493.56**
– Exercise of Employee stock options	7.55	(7.25)	–	0.30
– Addition to equity settled employee benefit reserve	–	3.34	–	3.34
– Dividend paid on Equity Shares	–	–	(17.94)	(17.94)
Total Comprehensive income for the year				–
– Profit for the year	–	–	24.44	24.44
– Actuarial loss transferred to retained earnings	–	–	(0.77)	(0.77)
Balance as at 31 March 2022	**120.16**	**10.15**	**372.62**	**502.93**
Balance as at 1 April 2022	**120.16**	**10.15**	**372.62**	**502.93**
Changes in Equity Share Capital due to prior period errors	**–**	**–**	**–**	**–**
Restated balance at the beginning of the current reporting period	**120.16**	**10.15**	**372.62**	**502.93**
– Exercise of Employee stock options	**4.96**	**(4.96)**	**–**	**–**
– Addition to equity settled employee benefit reserve	**–**	**1.70**	**–**	**1.70**
– Dividend paid on Equity Shares	**–**	**–**	**(14.39)**	**(14.39)**
T**otal Comprehensive income for the year**				
– Profit for the year	**–**	**–**	**64.53**	**64.53**
– Actuarial gain transferred to retained earnings	**–**	**–**	**1.17**	**1.17**
Balance as at 31 March 2023	**125.12**	**6.89**	**423.93**	**555.94**

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 24th April 2023

For and on behalf of the Board of Directors

Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Ruchie Khanna
Company Secretary
M'ship No.: ACS24922

Standalone Cash Flow Statement for the Year Ended 31 March 2023

(₹ in Crores)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A.	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	**80.44**	32.69
	Adjustments for:		
	Loss on disposal of property, plant and equipment	**0.23**	0.07
	Provision for expected credit loss recognised on trade receivables	**3.25**	2.22
	Provision for doubtful advances	**0.69**	0.12
	Depreciation and amortisation expense	**169.17**	130.41
	Finance Charges	**41.42**	26.04
	Unrealised gain on reversal of Right of Use Assets	**(2.11)**	(0.32)
	Unrealised gain on sub-lease arrangement	**–**	(2.70)
	Interest Income	**(3.54)**	(2.60)
	Rental Income on Sub-Lease	**11.12**	6.39
	Finance income on net investment in lease	**(3.38)**	(2.52)
	Gain on Business transfer	**(2.70)**	–
	Profit on sale of mutual funds	**(0.80)**	(1.27)
	Share based payment expenses	**1.70**	3.34
		215.05	159.18
	Operating profit before working capital changes	**295.49**	191.87
	Changes in:		
	Trade and other receivables	**(166.51)**	(60.01)
	Inventories	**1.02**	(1.43)
	Trade and other payables and provisions	**84.90**	129.94
		(80.59)	68.50
	Cash generated from operations	**214.90**	260.37
	Income taxes paid	**(68.62)**	(56.07)
	Net cash flow generated from operating activities	**146.28**	204.30
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Payment to acquire current investments	**(935.49)**	(1,213.01)
	Proceeds from sale of current investments	**987.33**	1,153.27
	Investment in Subsidiaries (refer note 1 below)	**(101.89)**	–
	Investment in Associate	**(35.42)**	–
	Inter Corporate Deposit given	**(4.40)**	–
	Interest income	**3.50**	1.11
	Payment to acquire property, plant and equipment & other intangible assets	**(70.67)**	(105.51)
	Proceeds from disposal of property, plant and equipment	**8.69**	14.35
	Net cash used in investing activities	**(148.35)**	(149.79)

Standalone Cash Flow Statement for the Year Ended 31 March 2023

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of Share Capital	**0.05**	0.16
Share premium received	**–**	0.30
Share application money received	**0.06**	0.06
Proceeds from short term borrowings	**150.00**	–
Interest paid	**(8.32)**	(0.25)
Repayment of finance lease obligations	**(141.74)**	(102.93)
Dividend paid	**(14.39)**	(17.94)
Net cash used in financing activities	**(14.34)**	(120.60)
Net decrease in cash and cash equivalents (A+B+C)	**(16.41)**	(66.09)
Cash and cash equivalents at the beginning of the year	**131.05**	197.14
Cash and cash equivalents at the end of the year	**114.64**	131.05
Components of cash and cash equivalents		
Cash / Cheques on hand	**0.58**	0.66
With Banks - on Current account / Balance in Cash Credit Accounts / Bank deposits with original maturity of less than 3 months at inception	**114.06**	130.39
	114.64	131.05

Notes:

1 Excludes investment aggregating ₹ 36.12 crores by issue of Equity shares against transfer of equivalent net assets of its Enterprise Mobility Business, into MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited), its Subsidiary, effective 1 October 2022.

2 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7 - Statement of Cash flows.

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Ruchie Khanna
Company Secretary
M'ship No.: ACS24922

Place: Mumbai
Date: 24th April 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Mahindra Logistics Limited is a public limited company incorporated in India on 24 August 2007 under the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report. The Company is a 3PL service provider mainly engaged in transportation, warehousing, supply chain management and people logistics services. CIN of the Company is L63000MH2007PLC173466.

The Financial Statements for the year ended 31 March 2023 are approved for issue in accordance with a resolution of the directors on 24 April 2023.

2. Significant accounting policies

2.1. Statement of compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are standalone or separate Financial Statements.

2.2. Basis of preparation and presentation

The Financial Statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.5. Revenue recognition

2.5.1. <u>Rendering of services</u>

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.5.2. <u>Dividend and interest income</u>

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.5.3. <u>Interest income</u>

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.4. <u>Sale of products - Cultivator</u>

The Company recognizes revenue from contracts with customers related to sale of goods, when the Company satisfies performance obligation. Performance obligation are satisfied at the point of time when the customer obtains control of the goods. The control of goods is transferred to the customer depending upon the incoterms.

Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it and has the primary responsibility when on selling the goods and it bears the risks of obsolescence and loss in relation to the goods.

2.6. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the

decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

a) the Company as a lessee has the right to operate the asset; or

b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to the contracts entered into, or modified, on or after 1 April 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

As a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

2.7. Foreign currencies

2.7.1. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

2.7.2. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.7.3. Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.8. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.9. Employee benefits

2.9.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.9.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.12. Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be.

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13. Intangible assets

2.13.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.13.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Certain softwares added during the year are amortised over a period of 36 months.

2.13.3. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14. Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15. Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

2.16. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.17. Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.18.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.18.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.18.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.18.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.18.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.18.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.19. Financial liabilities and equity instruments

2.19.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3. Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.19.4. Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.20. Segment Accounting:

The Chief Operating Decision Maker (CODM) monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in Financial Statements

2.20.1. Identification of Operating Segments

The operating segments have been identified based on its services and had two reportable segments until 30 September 2022 as follows:

i. **Supply Chain Management -** Goods transportation service including warehouse management service.

ii. **Enterprise Mobility Services** - People transportation service

Consequent to sale / transfer of the Enterprise Mobility business to MMPL effective 1 October, 2022, the Company operates in a single segment i.e. Supply Chain Management (SCM) - Goods transportation service, including warehouse management service.

2.20.2. Accounting of Operating Segments

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2.21. Exceptional Items

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.22. Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.12 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(v) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(vi) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b). Recent Accounting Pronouncements

On 31 March 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from 1 April 2023.

i Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii Ind AS 102 – Share-based Payment

iii Ind AS 103 – Business Combinations

iv Ind AS 107 – Financial Instruments Disclosures

v Ind AS 109 – Financial Instruments

vi Ind AS 115 – Revenue from Contracts with Customers

vii Ind AS 1 – Presentation of Financial Statements

viii Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix Ind AS 12 – Income Taxes

x Ind AS 34 – Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements.

Note No. 4 - Property, Plant and Equipment

As at 31 March 2023

₹ in Crores

Description of Assets	**Land - Freehold**	**Plant and Machinery**	**Office Equipment**	**Furniture & Fixtures**	**Vehicles**	**Total**	**Right of Use Assets**
A. Cost							
Balance as at 1 April 2022	1.91	104.70	62.15	79.31	17.78	265.85	**450.62**
a) Additions	–	15.30	9.40	18.80	25.91	69.41	**204.76**
b) Less: Disposals	–	(10.73)	(8.83)	(7.45)	–	(27.01)	**(94.32)**
Balance as at 31 March 2023	**1.91**	**109.27**	**62.72**	**90.66**	**43.69**	**308.25**	**561.06**
B. Accumulated depreciation/amortisation							
Balance as at 1 April 2022	–	35.05	33.91	27.37	3.86	100.19	**152.90**
a) Depreciation/amortisation expense for the year	–	15.88	10.11	11.14	7.31	44.44	**114.57**
b) Less: Disposals	–	(4.16)	(7.31)	(4.66)	–	(16.13)	**(65.14)**
Balance as at 31 March 2023	**–**	**46.77**	**36.71**	**33.85**	**11.17**	**128.50**	**202.33**
C. Net carrying amount as at 31 March 2023 (A-B)	**1.91**	**62.50**	**26.01**	**56.81**	**32.52**	**179.75**	**358.73**

As at 31 March 2022

Description of Assets	**Land - Freehold**	**Plant and Machinery**	**Office Equipment**	**Furniture & Fixtures**	**Vehicles**	**Total**	**Right of Use Assets**
A. Cost							
Balance as at 1 April 2021	1.91	75.29	44.90	60.30	8.07	190.47	**292.61**
a) Additions	–	33.42	19.01	32.84	9.71	94.98	**185.37**
b) Less: Disposals	–	(4.01)	(1.76)	(13.83)	–	(19.60)	**(27.36)**
Balance as at 31 March 2022	**1.91**	**104.70**	**62.15**	**79.31**	**17.78**	**265.85**	**450.62**
B. Accumulated depreciation/amortisation							
Balance as at 1 April 2021	–	23.88	26.20	19.40	0.47	69.95	**84.50**
a) Depreciation/amortisation expense for the year	–	12.63	9.12	10.27	3.39	35.41	**87.14**
b) Less: Disposals	–	(1.46)	(1.41)	(2.30)	–	(5.17)	**(18.74)**
Balance as at 31 March 2022	–	35.05	33.91	27.37	3.86	100.19	**152.90**
C. Net carrying amount as at 31 March 2022 (A-B)	**1.91**	**69.65**	**28.24**	**51.94**	**13.92**	**165.66**	**297.72**

Note:

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	**As at 31 March 2023**	As at 31 March 2022
Contracts remaining to be executed on capital account	**16.86**	8.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 5 - Capital Work-in Progress

(i) Capital Work-in-Progress Ageing

As at 31 March 2023

₹ in Crores

Particulars	Amount in Capital Work-in-Progress for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress	**3.25**	**–**	**–**	**–**	**3.25**

As at 31 March 2022

₹ in Crores

Particulars	Amount in Capital Work-in-Progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	0.34	–	–	0.09	0.43

(ii) Projectwise breakup of Capital Work-in-Progress As

As at 31 March 2023

₹ in Crores

Particulars	To be completed in				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress					
Supply Chain Management	**3.25**	**–**	**–**	**–**	**3.25**

As at 31 March 2022

₹ in Crores

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress					
Supply Chain Management	0.43	–	–	–	0.43

Note No. 6 - Intangible Assets

₹ in Crores

Computer Software	**As at 31 March 2023**	As at 31 March 2022
A. Cost		
a) Balance as at 1 April	**38.06**	37.02
b) Additions	**17.71**	1.04
c) Deduction During the year	**(21.44)**	–
Balance at the end of the year	**34.33**	38.06
B. Accumulated amortisation		
a) Balance as at 1 April	**27.72**	19.86
b) Amortisation expense for the year	**10.16**	7.86
c) Amortisation on deduction	**(16.07)**	–
Balance at the end of the year	**21.81**	27.72
C. Net carrying amount as at the end of the year (A-B)	**12.52**	10.34

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	**As at 31 March 2023**	As at 31 March 2022
Contracts remaining to be executed on capital account	**1.42**	2.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 7 - Intangible assets under development

(i) Intangible assets under development Ageing Schedule

As at 31 March 2023

₹ in Crores

Particulars	Intangible assets under development: Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	**0.34**	**–**	**–**	**–**	**0.34**

As at 31 March 2022

₹ in Crores

Particulars	Intangible assets under development: Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	12.40	0.06	0.93	–	13.39

(ii) Projectwise breakup of Intangible assets under development

As at 31 March 2023

₹ in Crores

Particulars	To be completed in: Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress					
Supply Chain Management	**0.34**	**–**	**–**	**–**	**0.34**

As at 31 March 2022

₹ in Crores

Particulars	To be completed in: Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress					
Supply Chain Management	13.39	–	–	–	13.39

Note No. 8 - Inventories (lower of cost or net realisable value)

₹ in Crores

Particulars	As at 31 March 2023	As at 31 March 2022
Raw Materials and Bought-out Components	**0.41**	0.98
Finished Goods (lower of cost or net realisable value)	**–**	0.45
Total Inventories	**0.41**	1.43

Notes:

The mode of valuation of inventory has been stated in note 2.4 of significant accounting policy

The cost of inventories recognised as expenses during the year was ₹ 7.03 crores (31 March 2022 ₹ 9.36 crores)

Note No. 9 - Investments

₹ in Crores

Particulars	As at 31 March 2023: Quantity	Current	Non Current	As at 31 March 2022: Quantity	Current	Non Current
I. Cost						
Unquoted Investments (fully paid)						
Investments in Subsidiaries						
i) Equity Shares of 2x2 Logistics Private Limited of ₹ 10 each fully paid up	**4,955,500**	**–**	**4.96**	4,955,500	–	4.96
ii) Equity Shares of Lords Freight (India) Private limited of ₹ 10 each fully paid up	**2,340,009**	**–**	**16.45**	2,340,009	–	16.45
iii) Equity Shares of MLL Express Services Private Limited of ₹ 10 each fully paid up#	**97,137,796**	**–**	**50.41**	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

₹ in Crores

Particulars	As at 31 March 2023			As at 31 March 2022		
	Quantity	**Current**	**Non Current**	Quantity	Current	Non Current
iv) Equity Shares of MLL Mobility Private Limited of ₹ 10 each fully paid up#	**460,899**	**–**	**57.49**	–	–	–
v) Equity Shares of V-Link Automotive Services Private Limited of ₹ 10 each fully paid up#	**13,294**	**–**	**29.11**	–	–	–
vi) Equity Shares of V-Link Fleet Solutions Private Limited of ₹ 10 each fully paid up#	**12,050**	**–**	**–***	–	–	–
vii) Equity Shares of V-Link Freight Services Private Limited of ₹ 10 each fully paid up	**1,000,000**	**–**	**1.00**	–	–	–
viii) MLL Global Logistics Limited (Incorporated as a private Limited Company w.e.f. 6 December 2022)	**–**	**–**	**–**	–	–	–
Investments in Joint Venture						
i) Equity shares of Transtech Logistics Private Limited of ₹ 10 each fully paid up	**100**	**–**	**0.01**	100	–	0.01
ii) Series A 0.01 % Compulsorily Convertible Preference Shares of Transtech Logistics Private Limited of ₹ 50 each fully paid up	**65,988**	**–**	**3.99**	65,988	–	3.99
Investments in Associate ##						
i) Equity Shares of Zipzap Logistics Private Limited of Re. 1 each fully paid up	**21,327**	**–**	**14.27**	–	–	–
ii) Series A 0.0001 % Compulsorily Convertible Cumulative Preference Shares of Zipzap Logistics Private Limited of ₹ 100 each fully paid up	**31,600**	**–**	**21.15**	–	–	–
Total Unquoted Investments		**–**	**198.84**		–	25.41
* ₹ 1,205						
Total investments carried at cost [I]		**–**	**198.84**		–	25.41
II. Fair value through profit and loss (FVTPL)						
Quoted Investments (fully paid)						
Investments in Mutual Funds		**65.04**	**–**		116.08	–
Total Quoted Investments		**65.04**	**–**		116.08	–
Total investments carried at FVTPL [II]		**65.04**	**–**		116.08	–
Of the above, investments designated at FVTPL		**–**	**–**		–	–
Of the above, investments held for trading- carried at FVTPL		**65.04**	**–**		116.08	–
Other investments carried at FVTPL		**–**	**–**		–	–
TOTAL INVESTMENTS [I + II]		**65.04**	**198.84**		116.08	25.41
Impairment in value of investment in Joint Venture		**–**	**4.00**		**–**	4.00
Total impairment value of investments (III)		**–**	**4.00**		–	4.00
Total investments carrying value (I) + (II) - (III)		**65.04**	**194.84**		116.08	21.41
Other disclosures						
Aggregate amount of quoted investments		**65.04**	**–**		116.08	–
Aggregate amount of Market value of investments		**65.04**	**–**		116.08	–
Aggregate amount of unquoted investments		**–**	**194.84**		–	21.41
Aggregate amount of impairment in value of investments		**–**	**4.00**		–	4.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Name of Investees	Principal Place of Business	Ownership Interest As at 31 March 2023	As at 31 March 2022
2x2 Logistics Private Limited	Mumbai	55.00%	55.00%
Lords Freight (India) Private Limited	Mumbai	99.05%	99.05%
Transtech Logistics Private Limited	Bengaluru	39.79%	39.79%
MLL Express Services Private Limited	Mumbai	100.00%	–
MLL Mobility Private Limited	Mumbai	100.00%	–
V-Link Automotive Services Private Limited	Mumbai	100.00%	–
V-Link Fleet Solutions Private Limited	Mumbai	100.00%	–
V-Link Freight Services Private Limited	Mumbai	100.00%	–
Zipzap Logistics Private Limited##	Hyderabad	36.00%	–

On 9 November 2021, pursuant to approval granted by the Investment Committee of the Board of Directors, the Company entered into Share Purchase Agreement to: (a) Acquire 100% paid-up share capital of Meru Mobility Tech Private Limited ("MMTPL"), V-Link Fleet Solutions Private Limited ("VFSPL"), and V-Link Automotive Services Private Limited ("VASPL") from Meru Travel Solutions Private Limited ("MTSPL"), a Fellow Subsidiary of the Company; and (b) Acquire 100% paid-up share capital of MTSPL from Mahindra & Mahindra Limited ("M&M"), Holding and Promoter Company of the Company. Following the completion of the acquisition, MMTPL became wholly owned subsidiary on 12 May 2022. VFSPL and VASPL became wholly owned subsidiaries of the Company on 13 May 2022. MTSPL became a wholly-owned subsidiary of the Company on 17 May 2022.

On 28 February 2022, pursuant to approval granted by the Investment Committee of the Board of Directors, the Company had entered into Share Purchase Agreement, Share Subscription Agreement and Shareholders' Agreement for acquisition of up to 43,972 equity shares and for subscribing up to 63,200 Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Zipzap Logistics Private Limited ("Whizzard"), in tranches, resulting in the Company holding in aggregate up to 60% of Share Capital of Whizzard, on a fully diluted basis, upon completion. During the quarter, on 8 April 2022, the Company acquired 21,327 equity shares and subscribed to 31,600 CCCPS, on a fully diluted basis of Whizzard, in aggregate, constituting 36% of the Share Capital of Whizzard. With this, Whizzard became an Associate of the Company effective from 8 April 2022.

Note No. 10 – Trade receivables

₹ in Crores

Particulars	As at 31 March 2023 Current	As at 31 March 2022 Current
a) Trade Receivables considered good - Secured	**–**	–
b) Trade Receivables considered good - Unsecured	**451.38**	405.67
c) Trade Receivable which have significant increase in credit risk	**–**	–
d) Undisputed Trade Receivable - Credit Impaired	**2.49**	2.39
e) Disputed Trade Receivable - Credit Impaired	**12.33**	14.43
	466.20	422.49
Less: Allowance for Credit Losses	**(14.82)**	(16.82)
Total	**451.38**	405.67

Trade Receivable ageing as at March, 2023

Particulars	Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
a) Undisputed Trade Receivable - Considered Good	**203.84**	**186.94**	**39.63**	**13.62**	**4.57**	**2.78**	**451.38**
b) Undisputed Trade Receivable - which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
c) Undisputed Trade Receivable - Credit Impaired	**–**	**–**	**1.44**	**0.55**	**0.24**	**0.26**	**2.49**
d) Disputed Trade Receivable - Considered Good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
e) Disputed Trade Receivable - which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
f) Disputed Trade Receivable - Credit Impaired	**0.09**	**0.64**	**1.83**	**2.58**	**2.50**	**4.69**	**12.33**
Total Trade Receivables							**466.20**
Less: Allowance for Expected Credit Losses							**(14.82)**
Total							**451.38**

(Column group header: Outstanding for following period from due date of payment)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Trade Receivable ageing as at March, 2022

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	
a) Undisputed Trade Receivable - Considered Good	228.88	143.55	24.68	3.87	3.74	0.95	405.67
b) Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
c) Undisputed Trade Receivable - Credit Impaired	–	–	0.45	0.86	0.67	0.41	2.39
d) Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	–
e) Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
f) Disputed Trade Receivable - Credit Impaired	–	–	1.48	5.70	3.70	3.55	14.43
Total Trade Receivables							422.49
Less: Allowance for Expected Credit Losses							(16.82)
Total							405.67

Notes:

i) Refer Note 37 (iii) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables were hypothecated to Banks against working capital facility during year ended 31 March 2022.

Note No. 11 - Other financial assets

₹ in Crores

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost - considered good				
a) Security Deposits				
i. Unsecured, considered good	**19.18**	**42.00**	23.16	32.56
Total	**19.18**	**42.00**	23.16	32.56
b) Bank Deposit				
Under lien with Government authority with more than 12 months of original maturity	**–**	**0.01**	–	0.01
Total	**–**	**0.01**	–	0.01
c) Other items				
i. Interest Accrued	**0.04**	**–**	0.06	–
ii. Accrued Sales	**390.06**	**6.99**	373.59	4.38
iii. National Saving Certificates*	**–**	**0.02**	–	0.02
iv. Premium receivable on financial guarantee contracts	**1.14**	**5.98**	–	–
v. Other Receivables	**2.50**	**–**	1.03	0.56
Less: Allowance for Losses	**–**	**–**	–	–
Total	**393.74**	**12.99**	374.68	4.96
Total (a+b+c)	**412.92**	**55.00**	397.84	37.53

* Includes encumbered securities which is restricted on their use or sale of the securities.

Accrued Sales ageing from transaction date:

₹ in Crores

Particulars	**As at 31 March 2023**		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
less than 6 Months	**375.21**	**–**	368.38	–
6 Months to 1 year	**14.85**	**–**	5.21	–
1 to 2 Year	**–**	**5.46**	–	4.38
2 to 3 Years	**–**	**1.53**	–	–
More than 3 Years	**–**	**–**	–	–
Total	**390.06**	**6.99**	373.59	4.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 12: Deferred Tax Assets (NET)

Movement in deferred tax balances

₹ in Crores

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**	Opening Balance	Recognised in profit and Loss	Closing Balance
A. Tax effect of items constituting deferred tax liabilities						
a) VAT allowance	**0.79**	**–**	**0.79**	0.79	–	0.79
b) Mutual Funds	**0.01**	**–**	**0.01**	0.01	–	0.01
Total	**0.80**	**–**	**0.80**	0.80	–	0.80
B. Tax effect of items constituting deferred tax assets						
a) Allowances on Property, Plant and Equipment and Intangible Assets	**2.77**	**1.66**	**4.43**	2.37	0.40	2.77
b) Provision for employee benefits	**4.81**	**0.37**	**5.18**	4.51	0.30	4.81
c) Provisions and allowances for credit losses	**5.96**	**(0.29)**	**5.67**	5.61	0.35	5.96
d) Share based payments	**2.44**	**(0.82)**	**1.62**	3.51	(1.07)	2.44
e) Leases	**4.42**	**2.51**	**6.93**	3.24	1.18	4.42
f) Others	**1.82**	**(0.66)**	**1.16**	0.81	1.01	1.82
Total	**22.22**	**2.77**	**24.99**	20.05	2.17	22.22
Net Tax Asset/(Liabilities) (B-A)	**21.42**	**2.77**	**24.19**	19.25	2.17	21.42

Note No. 13 – Other Non-Current Assets

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	**Non-Current**	Current	Non-Current
I Capital advances				
a) For Capital work in progress	**–**	**2.17**	–	4.60
b) For intangible asset	**–**	**–**	–	0.01
Total (A)	**–**	**2.17**	–	4.61
II Advances other than capital advances				
a) Advances to suppliers – considered good	**35.57**	**–**	44.14	–
b) Advances to suppliers – considered doubtful	**2.03**	**–**	2.88	–
c) Balances with government authorities (other than income taxes)	**44.42**	**14.40**	47.73	8.21
d) Prepaid Expenses	**3.68**	**1.56**	3.02	0.18
e) Advances to employees (refer note below)	**1.50**	**–**	1.10	–
Total (B)	**87.20**	**15.96**	98.87	8.39
Total (A+B)	**87.20**	**18.13**	98.87	13.00
Less: Allowances for credit losses	**(2.03)**	**–**	(2.88)	–
Total (C)	**(2.03)**	**–**	(2.88)	–
Total (A+B+C)	**85.17**	**18.13**	95.99	13.00

Notes:

Advances given to employees are as per Company's policy and are not required to be disclosed u/s 186(4) of Companies Act 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 14 - Cash and Bank balances

₹ in Crores

Particulars	As at 31 March 2023	As at 31 March 2022
I Cash and cash equivalents		
a) Balances with banks	**64.06**	52.39
b) Cash on hand	**0.58**	0.66
c) Bank deposits with original maturity of less than 3 months at inception	**50.00**	78.00
Total	**114.64**	131.05
II Other Bank Balances		
Earmarked balances with banks - unpaid dividend accounts	**0.01**	0.01
Total	**0.01**	0.01

Notes:

Cash Credit facilities are repayable on demand and carry interest based on applicable rate plus agreed spreads and/or negotiated rates. The rates of interest during the year ranged between 5.05% to 8.90%p.a.

Note No. 15 - Loans

₹ in Crores

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to related parties		
a) Secured, considered good	**–**	–
b) Unsecured, considered good	**4.40**	–
c) Doubtful	**–**	–
Less: Allowance for Credit Losses	**–**	–
Total	**4.40**	–

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Maximum amount outstanding during the year	Amount Outstanding	Maximum amount outstanding during the year	Amount Outstanding
Loan to Subsidiary				
2 x 2 Logistics Private Limited	**4.40**	**4.40**	–	–

Notes:

Loan to Subsidiary is granted for a period of 3 years for working capital purpose. Loan is unsecured and repayable on demand. Interest is charged @ 8% p.a. Loan has been utilized for the purpose it was granted.

Note No. 16 - Income Tax Assets & Liabilities (NET)

₹ in Crores

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current Income Tax Assets (Net)		
Advance Income Tax/TDS Receivable (Net)	**118.70**	73.77
Total	**118.70**	73.77
Current Tax Liabilities (net)		
Current Tax Liabilities (net)	**3.65**	8.26
Total	**3.65**	8.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 17 - Equity Share Capital

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**Amount**	No. of shares	Amount
I Authorised:				
Equity shares of ₹ 10 each with voting rights	**105,000,000**	**105.00**	105,000,000	105.00
Total	**105,000,000**	**105.00**	105,000,000	105.00
II Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**71,977,030**	**71.98**	71,871,618	71.87
Total	**71,977,030**	**71.98**	71,871,618	71.87

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

₹ in Crores

Particulars		Opening Balance	Fresh Issue	Other Changes	Closing Balance
Equity Shares with Voting rights					
Year Ended 31 March 2023					
	No. of Shares	**71,871,618**	**105,412**	**–**	**71,977,030**
	Amount	**71.87**	**0.11**	**–**	**71.98**
Year Ended 31 March 2022					
	No. of Shares	71,670,340	201,278	–	71,871,618
	Amount	71.67	0.20	–	71.87

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company / and their Subsidiaries

Particulars	**As at 31 March 2023**	As at 31 March 2022
a) Holding Company		
– Mahindra & Mahindra Limited	**41,812,257**	41,812,157
b) Subsidiaries of Holding Company		
– Mahindra Engineering and Chemical Products Limited*	**–**	100

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
– Mahindra & Mahindra Limited	**41,812,257**	**58.09%**	41,812,157	58.18%

(v) Shareholding of Promoters / Promoter Group:

Shares held by promoters as at 31 March 2023

	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Mahindra & Mahindra Limited	**41,812,257**	**58.09%**	**-0.09%**
2	Mahindra Engineering and Chemical Products Limited*	**–**	**–**	**0.00%**
	Total	**41,812,257**	**58.09%**	**-0.09%**

* Pursuant to the Scheme of Merger by Absorption of Mahindra Engineering and Chemical Products Limited (MECPL) with Mahindra & Mahindra Limited (M&M), made effective from 29 April 2022, equity shares held by MECPL in the Company stands vested in M&M.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Shares held by promoters as at 31 March 2022

Promoter name		No. of Shares	% of total shares	% Change during the year
1	Mahindra & Mahindra Limited	41,812,157	58.18%	-0.16%
2	Mahindra Engineering and Chemical Products Limited	100	0.00%	0.00%
Total		41,812,257	58.18%	-0.16%

Notes:

i) Above list certified by Registrar and Share Transfer Agent.

ii) For details of shares reserved for issuance under options, please refer note no. 29.

Note No. 18 – Other Equity

₹ in Crores

Particulars	**As at 31 March 2023**	As at 31 March 2022
Securities premium reserve	**125.12**	120.16
Equity-settled employee benefits reserve	**6.89**	10.15
Retained earnings	**423.93**	372.62
Total	**555.94**	502.93

Movement in Reserves

Particulars	**As at 31 March 2023**	As at 31 March 2022
(A) Securities Premium Reserve		
Balance as at the beginning of the year	**120.16**	112.61
Add: Additions during the year	**4.96**	7.55
Balance as at the end of the year	**125.12**	120.16
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the period	**10.15**	14.06
Add: Additions during the period	**1.70**	3.34
Less: Deletion during the period	**(4.96)**	(7.25)
Balance as at the end of the period	**6.89**	10.15
(C) Retained Earnings		
Balance as at the beginning of the period	**372.62**	366.89
Add: Profit for the period	**64.53**	24.44
Less: Actuarial gain/(loss) for the period	**1.17**	(0.77)
Less: Payment of dividend	**(14.39)**	(17.94)
Balance as at the end of the period	**423.93**	372.62

Nature and purpose of other reserves:

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity-settled employee benefits reserve:

Equity settled employee benefit reserve represents reserve towards the premium for the equity shares to be issued against the options granted.

Retained Earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

In respect of the current year, the Board has proposed a final dividend of ₹ 2.50 per equity share of the Company. Dividend will be payable subject to the approval of the Members at the ensuing Annual General Meeting and deduction of tax at source to those Members whose names appear in the Register of Members / List of beneficial owners as on Book Closure date and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 18.01 crores. The payment of this dividend will not have any tax consequences for the Company.

In the month of August 2022, final dividend of ₹ 2.00 per share (total dividend ₹ 14.39 Crores) was paid to the Members of the Company in compliance with requirements of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 19 – Borrowings

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
I Unsecured Borrowings				
a) from Banks	**150.00**	**–**	–	–
Total Borrowings	**150.00**	**–**	–	–

Notes:

i) Unsecured borrowing from banks is in the nature of working capital demand loans with tenure upto 120 days.

ii) Working capital facilities has been availed at the rate of interest ranging between 5.05% to 8.90%

Note No. 20 – Other Financial Liabilities

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
a) Security Deposits	**8.69**	**–**	5.11	–
b) Other Liabilities				
Creditors for Capital Supplies/Services	**7.69**	**–**	3.71	–
Deferred Revenue	**1.27**	**–**	8.09	–
Interest Accrued but not due	**0.21**	**–**	–	–
Unclaimed Dividend	**0.01**	**–**	0.01	–
Total	**17.87**	**–**	16.92	–

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Note No. 21 – Provisions

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for Compensated absences	**3.71**	**13.37**	4.09	14.90
Total	**3.71**	**13.37**	4.09	14.90

Note No. 22 – Other Liabilities

₹ in Crores

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Advances received from customers	**0.35**	**–**	0.63	–
Statutory dues (other than income taxes)				
a) Taxes Payable	**16.26**	**–**	24.48	–
b) Employee Liabilities	**2.19**	**–**	2.15	–
Post - Employment Benefit-Gratuity Liability	**2.67**	**–**	5.09	–
Financial guarantee contracts	**1.14**	**5.98**	–	–
Total	**22.61**	**5.98**	32.35	–

Note:

For disclosures related to employee benefits, refer note 41.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 23 – Trade Payables

₹ in Crores

Particulars	As at 31 March 2023 Current	As at 31 March 2022 Current
Total outstanding dues of micro enterprises and small enterprises	**66.12**	34.75
Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**826.61**	801.32
Total	**892.73**	836.07

Trade Payable ageing as at March, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 year	**1 to 2 years**	**2 to 3 years**	**More Than 3 years**	**Total**
(i) MSME	**64.84**	**0.42**	**0.05**	**0.81**	**66.12**
(ii) Others	**794.97**	**14.46**	**10.18**	**7.00**	**826.61**
(iii) Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**
Total	**859.81**	**14.88**	**10.23**	**7.81**	**892.73**

Trade Payable ageing as at March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	33.91	0.11	0.32	0.41	34.75
(ii) Others	731.26	59.32	3.68	7.06	801.32
(iii) Disputed Dues - MSME	–	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–	–
Total	765.17	59.43	4.00	7.47	836.07

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below. This has been relied upon by the auditors.

Particulars	As at 31 March 2023	As at 31 March 2022
a) Dues remaining unpaid		
– Principal	**66.12**	34.73
– Interest on the above	**–**	0.02
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day during the year-		
– Principal paid beyond the appointed date	**0.39**	1.41
– Interest paid in terms of section 16 of the Act	**0.01**	0.06
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	0.02
d) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**–**	–
e) Amount of interest accrued and remaining unpaid at the end of accounting year	**–**	0.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 24 - Revenue from Operations

₹ in Crores

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
a) Revenue from rendering of services	**4,450.68**	3,621.00
b) Other operating revenue (Sale of Traded & Manufactured Goods)	**8.22**	10.08
Total	**4,458.90**	3,631.08

A. Continent-wise break up of Revenue

Year ended 31 March 2023

Country	**Revenue from contracts with customers**	**Revenue from operations from other than customers**	**Total Revenue from Operations**	**Other Income**	**Total Income**
Asia					
India	**4,458.90**	**–**	**4,458.90**	**12.04**	**4,470.94**
Total	**4,458.90**	**–**	**4,458.90**	**12.04**	**4,470.94**

Year ended 31 March 2022

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Asia					
India	3,631.08	–	3,631.08	9.56	3,640.64
Total	3,631.08	–	3,631.08	9.56	3,640.64

B. Reconciliation of revenue from contract with customer

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Revenue from contract with customer as per the contract price	**4,548.25**	3,689.27
Adjustments made to contract price on account of :-		
a) Trade discounts, volume rebates, returns etc.	**89.35**	58.19
Revenue from contract with customer as per the Statement of Profit and Loss	**4,458.90**	3,631.08

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Expected Credit loss recognised during the year on trade receivables	**14.82**	16.82

D Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Opening Balance	**377.97**	331.34
Additions during the year	**390.06**	369.80
Reclassification Adjustments:		
– Reclass of opening balances of contract assets to trade receivables	**(370.98)**	(323.17)
Closing Balance	**397.05**	377.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Movement of Contract Liabilities

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	**0.63**	8.45
Additions during the year	**0.35**	0.63
Reclassification Adjustments:		
– Reclass of opening balances of contract liabilities to revenue	**(0.63)**	(8.45)
Closing Balance	**0.35**	0.63

Note No. 25 - Other Income

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Interest Income		
(i) Financial assets carried at amortised cost	**3.54**	2.60
(ii) Finance Income on Net investment in Lease	**3.38**	2.52
(iii) Other Assets	**2.60**	–
b) Miscellaneous Income		
(i) Net gain arising on financial assets carried at FVTPL	**0.80**	1.27
(ii) Provision no longer required written back	**0.39**	–
(iii) Other non operating income	**1.33**	3.17
Total	**12.04**	9.56

Other non operating income mainly includes commission for corporate guarantee, sale of scrap, etc.

Note No. 26 - Cost of materials consumed

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventory of Raw Materials	**0.98**	–
Add: Purchases	**6.01**	10.79
	6.99	10.79
Less: Closing inventory	**0.41**	0.98
Total Cost of materials consumed	**6.58**	9.81

Note No. 27 - Changes in inventories of finished goods

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories:		
Finished goods	**0.45**	–
	0.45	–
Less: Closing inventories:		
Finished goods - Cultivators	**–**	0.45
	–	0.45
Net increase in inventories	**0.45**	(0.45)

Note No. 28 - Operating Expenses

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Freight & Other Related Expenses	**3,162.54**	2,525.33
Labour & Other Related Expenses	**478.85**	404.12
Rent	**48.90**	60.62
Warehouse & Other Related Expenses	**60.66**	56.35
Hire & Service Charges	**18.99**	19.22
Power & Fuel	**15.87**	14.03
Repairs Machinery	**6.18**	5.35
Repairs Building	**0.87**	0.77
Total	**3,792.86**	3,085.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 29 - Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Salaries and wages, including bonus	**243.12**	241.56
b) Contribution to provident and other funds	**12.57**	11.38
c) Gratuity	**4.15**	4.08
d) Share based payment expenses (net of recovery)	**1.45**	3.34
e) Staff welfare expenses	**27.75**	21.84
Total	**289.04**	282.20

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIC, etc. pertaining to employees.

iii) Share based payment

The Company has in force two Employee Stock Option schemes under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

Mahindra Logistics Limited – Key Executive Stock Option Scheme, 2012 ("KESOS 2012") and Mahindra Logistics Employee Restricted Stock Unit Plan 2018 ("RSU Plan 2018").

Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company under the respective schemes at the time of grant. The vesting pattern of the schemes is in a graded manner as per the vesting criteria approved by the Nomination and Remuneration Committee of the Board ("NRC") for each grant.

During the financial year under review, in accordance with the RSU Plan 2018 as approved by the Shareholders vide special resolutions dated 2 August 2018 and 27 July 2021 the NRC granted 68,839 Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiary company which vests on the expiry of 12 months, 24 months, 36 months from the grant date.

The RSUs upon vesting basis the vesting criteria approved by the NRC are exercisable over a period of one year from the date of vesting.

No new grants were made in KESOS Scheme 2012 during the year under review and all the options vested under the said scheme have been exercised in full until previous years.

iv) Information in respect of options outstanding:

₹ in Crores

Particulars	Grant Date	Expiry Date	Fair value at Grant Date	No of options outstanding Year ended 31 March 2023	No of options outstanding Year ended 31 March 2022
Equity Settled at exercise price of ₹ 10 each					
i. Restricted Stock Units	01/02/2023	01/02/2027	455.45	**19,227**	–
ii. Restricted Stock Units	01/02/2023	01/02/2026	456.70	**19,231**	–
iii. Restricted Stock Units	01/02/2023	01/02/2025	457.62	**19,812**	–
iv. Restricted Stock Units	27/01/2022	26/01/2024	659.54	**1,421**	3,025
v. Restricted Stock Units	27/10/2021	26/10/2023	656.20	**12,691**	31,765
vi. Restricted Stock Units	29/04/2021	29/04/2023	539.45	**–**	4,000
vii. Restricted Stock Units	29/07/2020	29/07/2022	279.95	**–**	1,388
viii. Restricted Stock Units	29/07/2020	30/06/2023	278.98	**2,273**	13,881
ix. Restricted Stock Units	30/07/2020	30/06/2025	273.47	**200,000**	200,000
x. Restricted Stock Units	04/11/2019	17/07/2022	365.31	**6,668**	6,666
xi. Restricted Stock Units	04/11/2019	17/07/2023	364.26	**–**	6,668
xii. Restricted Stock Units	04/11/2019	30/06/2023	366.06	**–**	9,868
xiii. Restricted Stock Units	04/11/2019	30/06/2023	365.36	**–**	20,302
xiv. Restricted Stock Units	04/11/2019	30/06/2023	364.31	**13,949**	27,191
xv. Restricted Stock Units	01/11/2018	30/06/2023	538.29	**–**	9,952
xvi. Restricted Stock Units	01/11/2018	30/06/2023	537.73	**–**	29,196
xvii. Restricted Stock Units	01/11/2018	30/06/2023	536.82	**–**	32,542
xviii. Restricted Stock Units	01/11/2018	30/06/2023	536.01	**22,119**	66,337

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

v) Movement in Share Options

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
a) The number and weighted average exercise prices of share options outstanding at the beginning of year	**462,781**	**10.00**	697,539	14.37
b) Granted during the year	**68,839**	**10.00**	40,885	10.00
c) Lapsed during the year	**108,817**	**10.00**	74,365	10.00
d) Exercised during the year	**105,412**	**–**	201,278	25.14
e) Expired during the year	**–**	**–**	–	–
f) Outstanding at the end of the year	**317,391**	**10.00**	462,781	10.00
g) Exercisable at the end of the year	**59,121**	**10.00**	109,914	10.00
h) Remaining contractual life (no. of days)		**787**		1,187

vi) The inputs used in the measurement of the fair values at grant date of the employee stock option plans (ESOPs) were as follows.

Particulars / Grant Date	01/02/2023 RSU (i)	01/02/2023 RSU (ii)	01/02/2023 RSU (iii)
Share price at grant date	470.00	470.00	470.00
Exercise price	10.00	10.00	10.00
Expected volatility (weighted-average)	41.07%	42.31%	43.65%
Expected life / Option Life (weighted-average)	2.00	2.75	3.75
Expected dividends yield	0.40%	0.40%	0.40%
Risk-free interest rate (based on government bonds)	7.11%	7.16%	7.22%

Particulars / Grant Date	27/01/2022 RSU (iv)	27/10/2021 RSU (v)	29/04/2021 RSU (vi)	29/07/2020 RSU (vii)	29/07/2020 RSU (viii)
Share price at grant date	672.20	668.95	551.85	292.35	292.35
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	42.00%	40.57%	43.81%	20.94%	20.94%
Expected life / Option Life (weighted-average)	2.00	2.00	2.00	2.00	2.92
Expected dividends yield	0.27%	0.27%	0.29%	0.55%	0.55%
Risk-free interest rate (based on government bonds)	5.14%	4.70%	4.12%	4.07%	4.65%

Particulars / Grant Date	30/07/2020 RSU (ix)	04/11/2019 RSU (x)	04/11/2019 RSU (xi)	04/11/2019 RSU (xii)	04/11/2019 RSU (xiii)
Share price at grant date	288.90	378.25	378.25	378.25	378.25
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	21.03%	29.09%	29.09%	29.09%	29.09%
Expected life / Option Life (weighted-average)	4.92	2.70	3.70	2.00	2.65
Expected dividends yield	0.55%	0.44%	0.44%	0.44%	0.44%
Risk-free interest rate (based on government bonds)	5.16%	5.96%	6.25%	5.83%	5.95%

Particulars / Grant Date	04/11/2019 RSU (xiv)	01/11/2018 RSU (xv)	01/11/2018 RSU (xvi)	01/11/2018 RSU (xvii)	01/11/2018 RSU (xviii)
Share price at grant date	378.25	549.85	549.85	549.85	549.85
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	29.09%	34.30%	34.30%	34.30%	34.30%
Expected life / Option Life (weighted-average)	3.65	2.00	2.66	3.66	4.66
Expected dividends yield	0.44%	0.27%	0.27%	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.24%	7.74%	7.71%	7.63%	7.98%

vii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

viii) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 30 - Finance Costs

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Interest expense on financial instruments designated at amortised cost	**8.50**	0.23
b) Interest expense on lease liability	**32.91**	25.79
c) Interest to MSMED Vendors	**0.01**	0.02
Total	**41.42**	26.04

Note No. 31 - Depreciation and Amortisation Expense

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Depreciation on Property, Plant and Equipment	**44.44**	35.41
b) Amortisation on Right-of-use asset	**114.57**	87.14
c) Amortisation on Intangible Assets	**10.16**	7.86
Total	**169.17**	130.41

Note No. 32 - Other Expenses

₹ in Crores

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Rent including lease rentals	**10.22**	0.08
b) Legal and Other professional costs	**33.03**	27.08
c) Hire and service charges	**2.44**	2.24
d) Travelling and Conveyance expense	**11.79**	9.28
e) Bad debts	**4.30**	0.92
Less: Adjusted against Provision for bad & doubtful debts	**(2.76)**	(0.92)
f) Provision for bad & doubtful debts	**1.71**	2.22
g) Advances written off	**0.78**	–
Less: Adjusted against Provision for bad & doubtful debts	**(0.78)**	–
h) Provision for doubtful advance	**0.69**	0.12
i) Power and Fuel	**0.21**	0.58
j) Expenditure on Corporate Social Responsibility (CSR) (refer note below)	**1.07**	1.77
k) Advertisement	**1.89**	1.56
l) Net loss on sale of property, plant and equipments	**0.23**	0.07
m) Repairs and Maintenance:	**4.25**	5.62
i) Buildings	**0.07**	0.25
ii) Machinery	**0.36**	0.20
iii) Others	**3.82**	5.17
n) Payment to Statutory auditors	**0.45**	0.46
i) As Auditors	**0.42**	0.43
ii) For Other services & Reimbursement of expenses	**0.03**	0.03
o) Miscellaneous expense	**24.16**	23.07
Total	**93.68**	74.15

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 ₹ 1.07 crores (2022 : ₹ 1.77 crores).

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year	**1.03**	1.70
(ii) Amount of expenditure incurred	**1.07**	1.77
(iii) Shortfall at the end of the year	**–**	–
(iv) Total of previous years shortfall	**–**	–
(v) Reason for shortfall	**NA**	NA
(vi) Nature of CSR activities		
a) Building Communities	**0.16**	0.29
b) Disaster Management	**–**	0.12
c) Nanhi Kali	**0.52**	0.88
d) Skill Development	**0.26**	0.26
e) Sustainability	**0.13**	0.22
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation	**0.52**	0.88
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**NA**	NA

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 33 - Exceptional Items

On 26 September 2022, pursuant to approval granted by the Investment Committee of the Board of Directors, the Company entered into a Business Transfer Agreement (BTA) with MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited) ("MMPL"), wholly-owned subsidiary of the Company for sale/transfer of the Enterprise Mobility business of the Company as a going concern on slump exchange basis, effective 1 October 2022, for a lump sum consideration of ₹ 36.12 crores.

Consideration has been discharged by MMPL through issue of 2,87,204 equity shares of ₹ 10 each. Resultant gain of ₹ 2.70 crores from the transaction has been presented as exceptional item.

Sale consideration, Book value of assets transferred & Gain on the transaction is as follows:

(₹ in Crores)

Particulars	Amount	Amount
Sale consideration		36.12
Less: Book value of assets transferred		
Total Assets Transferred	53.58	
Total Liabilities Transferred	20.16	
Book value of assets transferred		33.42
Gain on sale		**2.70**

Note No. 34 - Assets & Liabilities Held For Sale

On 30 March 2023, pursuant to approval granted by the Investment Committee of the Board of Directors, the Company entered into a Business Transfer Agreement (BTA) with MLL Express Services Private Limited (formerly known as Meru Travel Solutions Private Limited) ("MESPL"), wholly-owned subsidiary of the Company for sale / transfer of the Express Network business of the Company as a going concern on slump exchange basis, effective 1 April 2023, for a lump sum consideration of ₹ 20.83 crores to be discharged by MESPL through issue of equity shares to the Company, on the terms and conditions more specifically defined in the said agreement. The completion of the transaction is subject to the conditions of the BTA.

Accordingly the Company has classified the Assets and Liabilities pertaining to Express Network business under the head "held for sale" in balance sheet as at 31 March 2023.

Note No. 35 - Current and Deferred Tax

(a) Income Tax recognised in Profit & Loss

(₹ in Crores)

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
A. Current Tax:		
a) In respect of current year	**22.64**	10.55
b) In respect of prior years	**(3.95)**	(0.13)
Total	**18.69**	10.42
B. Deferred Tax:		
a) In respect of current year	**(2.78)**	(2.17)
b) In respect change in tax rate	**–**	–
Total	**(2.78)**	(2.17)
Total (A+B)	**15.91**	8.25

(b) Income tax recognised in Other Comprehensive Income

(₹ in Crores)

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
A. Current Tax:		
Remeasurement of defined benefit obligations	**(0.40)**	0.26
Total	**(0.40)**	0.26
B. Deferred Tax:	**–**	–
Total	**–**	–
Classification of income tax recognised in other comprehensive income	**–**	–
Income taxes related to items that will not be reclassified to profit or loss	**(0.40)**	0.26
Total	**(0.40)**	0.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit Before tax	**77.74**	32.69
Applicable Income tax rate #	**25.17%**	25.17%
Expected Income tax expense	**19.57**	8.23
Tax effect of adjustments to reconcile expected income tax expense to		
reported income tax expense:		
Effect of expenses/provisions not deductible in determining taxable profit	**0.29**	0.20
Effect of deduction under Income tax (u/s 80JJAA/80G)	**–**	**(0.05)**
Effect of net additional / (reversal) of provision in respect of prior years	**(3.95)**	**(0.13)**
Income tax expense recognised In profit or loss	**15.91**	8.25

Notes:

The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 36 - EARNINGS PER SHARE

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.97**	3.40
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.94**	3.39

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Profit / (loss) for the period attributable to owners of the Company	**64.53**	24.44
Profit / (loss) for the period used in the calculation of basic earnings per share	**64.53**	24.44
Weighted average number of equity shares	**71,955,161**	71,800,652
Earnings per share from continuing operations - Basic (in ₹)	**8.97**	3.40

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Profit for the year used in the calculation of basic earnings per share	**64.53**	24.44
b) Add: adjustments on account of dilutive potential equity shares	**–**	–
Profit for the year used in the calculation of diluted earnings per share	**64.53**	24.44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Weighted average number of equity shares used in the calculation of Basic EPS	**71,955,161**	71,800,652
b) Add: Dilutive impact of potential equity shares on account of ESOPs and RSUs	**218,671**	371,082
Weighted average number of equity shares used in the calculation of Diluted EPS	**72,173,832**	72,171,734
Earnings per share from continuing operations - Diluted (in ₹)	**8.94**	3.39

Note No. 37 - FINANCIAL INSTRUMENTS

i) Capital Management Policy

a) The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity as well as preference, all other Equity reserves and Borrowings. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
A. Equity	**627.98**	574.86
B. Borrowing	**150.00**	–
C. Investment	**(65.04)**	(116.08)
D. Cash & Bank	**(114.64)**	(131.05)
Total	**598.30**	327.73

Notes:

The above capital management disclosures are based on the information provided internally to key management personnel.

ii) Categories of financial assets and financial liabilities

(₹ in Crores)

Particulars	As at 31 March 2023			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
A. Non-current Assets				
a) Other Financial Assets	**55.00**	**–**	**–**	**55.00**
Total	**55.00**	**–**	**–**	**55.00**
B. Current Assets				
a) Investments	**–**	**65.04**	**–**	**65.04**
b) Trade Receivables	**451.38**	**–**	**–**	**451.38**
c) Cash and Bank Balances	**114.65**	**–**	**–**	**114.65**
d) Short term loans & advances	**4.40**	**–**	**–**	**4.40**
e) Other Financial Assets	**412.92**	**–**	**–**	**412.92**
Total	**983.35**	**65.04**	**–**	**1,048.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	As at 31 March 2023			
	Amortised Costs	FVTPL	FVOCI	Total
C. Non-current Liabilities				
a) Borrowings	**–**	**–**	**–**	**–**
b) Lease Liabilities	**299.21**	**–**	**–**	**299.21**
Total	**299.21**	**–**	**–**	**299.21**
D. Current Liabilities				
a) Borrowings	**150.00**	**–**	**–**	**150.00**
b) Lease Liabilities	**105.51**	**–**	**–**	**105.51**
c) Trade Payables	**892.73**	**–**	**–**	**892.73**
d) Other Financial Liabilities	**17.87**	**–**	**–**	**17.87**
Total	**1,166.11**	**–**	**–**	**1,166.11**

(₹ in Crores)

Particulars	As at 31 March 2022			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	**37.53**	**–**	**–**	**37.53**
Total	**37.53**	**–**	**–**	**37.53**
B. Current Assets				
a) Investments	**–**	**116.08**	**–**	**116.08**
b) Trade Receivables	**405.67**	**–**	**–**	**405.67**
c) Cash and Bank Balances	**131.06**	**–**	**–**	**131.06**
d) Other Financial Assets	**397.84**	**-**	**-**	**397.84**
Total	**934.57**	**116.08**	**-**	**1,050.65**
C. Non-current Liabilities				
a) Borrowings	**–**	**–**	**–**	**–**
b) Lease Liabilities	**267.02**	**–**	**–**	**267.02**
Total	**267.02**	**–**	**–**	**267.02**
D. Current Liabilities				
a) Borrowings	**–**	**–**	**–**	**–**
b) Lease Liabilities	**94.38**	**–**	**–**	**94.38**
c) Trade Payables	**836.07**	**–**	**–**	**836.07**
d) Other Financial Liabilities	**16.92**	**–**	**–**	**16.92**
Total	**947.37**	**–**	**–**	**947.37**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

iii) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

a) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customer of the Company, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Company did not exceed 15% of trade receivables at the end of the year.

(iv) The Company's applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company's has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company's and individual receivable specific provision where applicable.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

(vi) The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

				(₹ in Crores)
Particulars	**Not Due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
As at 31 March 2023				
a) Gross carrying amount	**203.84**	**186.94**	**60.60**	**451.38**
b) Loss allowance provision	**–**	**–**	**–**	**14.82**
As at 31 March 2022				
a) Gross carrying amount	228.88	143.55	50.06	422.49
b) Loss allowance provision	–	–	–	16.82

(vii) Reconciliation of loss allowance provision for Trade Receivables

(₹ in Crores)

Particulars	**As at 31 March 2023**	As at 31 March 2022
a) Balance as at beginning of the year	**16.82**	15.52
b) Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**2.05**	1.87
– Other receivables	**2.25**	2.24
c) Impairment losses reversed/written back	**(6.30)**	(2.81)
d) Balance at end of the year	**14.82**	16.82

(viii) During the year, the Company has written off ₹ 4.3 crores (Previous year ₹ -0.92 crores) of trade receivables and ₹ 0.69 crores (Previous year ₹ 0.12 crores) deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Company has ₹ 65.04 crores investments as at 31 March 2023 (₹ 116.08 crores as at 31 March 2022) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31 March 2023, the Company holds cash and cash equivalents of ₹ 114.64 crores (As at 31 March 2022 ₹ 131.05 crores).

The cash and cash equivalents are held with banks with good credit rating.

b) Liquidity risk management

(i) The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilities

(₹ in Crores)

Particulars	As at 31 March, 2023 Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A. Non-derivative financial liabilities				
a) Trade Payables	**892.73**	**–**	**–**	**–**
b) Borrowings	**150.00**	**–**	**–**	**–**
c) Lease Liabilities	**146.47**	**280.17**	**42.77**	**25.53**
d) Security Deposits	**8.69**	**–**	**–**	**–**
e) Creditors for capital supplies	**7.69**	**–**	**–**	**–**
f) Deferred Revenue	**1.27**	**–**	**–**	**–**
Total	**1,206.85**	**280.17**	**42.77**	**25.53**

(₹ in Crores)

Particulars	As at 31 March, 2022 Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A. Non-derivative financial liabilities				
a) Trade Payables	836.07	–	–	–
b) Borrowings	–	–	–	–
c) Lease Liabilities	120.38	175.46	85.95	55.98
d) Security Deposits	5.11	–	–	–
e) Creditors for capital supplies	3.71	–	–	–
f) Deferred Revenue	8.09	–	–	–
Total	973.36	175.46	85.95	55.98

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Secured Cash Credit facility		
(Includes working capital demand loan, Short term loan and overdraft)		
– Expiring within one year	**–**	72.00
b) Unsecured Cash Credit facility		
(Includes working capital demand loan, Short term loan and overdraft)		
– Expiring within one year	**150.00**	128.00
c) Bank Guarantees*		
– Expiring within one year	**6.15**	8.70
– Expiring beyond one year	**1.76**	1.10
d) Unsecured Bank Overdraft facility		
– Expiring within one year	**–**	–

* These limits are as a sub-limit of secured cash credit facility.

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

(₹ in Crores)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31 March 2023				
A. Non-derivative financial liabilities				
a) Trade Receivables	**451.38**	**–**	**–**	**–**
b) Security Deposits	**19.18**	**11.66**	**11.40**	**18.94**
c) Others	**393.74**	**12.99**	**–**	**–**
As at 31 March 2022				
A. Non-derivative financial liabilities				
a) Trade Receivables	**405.67**	**–**	**–**	**–**
b) Security Deposits	**23.16**	**20.27**	**6.88**	**12.37**
c) Others	**374.68**	**4.97**	**–**	**–**

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

c) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of Interest	Rate of interest	Loan amount outstanding	Increase in Base Rate (p.a.)	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate (p.a.)	Sensitivity Impact on P&L (pre-tax)
Year ended 31 March 2023	Working Capital Demand Loan	Floating	5.05% to 8.90%	150.00	1.00%	(1.50)	1.00%	1.50
Year ended 31 March 2022	Working Capital Demand Loan	Floating	–	–	1.00%	–	1.00%	–

Note No. 38 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

(₹ in Crores)

Financial assets/financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at 31 March 2023	As at 31 March 2022				
A) Financial assets						
Investments						
Mutual fund investments	**65.04**	116.08	Level 1	Quoted Market Prices	NA	NA

As at the reporting date, the Company does not have any financial liability measured at fair values.

b) Fair value of financial assets and financial liabilities that are measured at amortised cost:

(₹ in Crores)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Loans to related parties	**–**	**–**	–	–
ii) Trade and other receivables	**451.38**	**451.38**	405.67	405.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
iii) Deposits given	**61.18**	**61.18**	55.72	55.72
iv) Cash and cash equivalents	**114.64**	**114.64**	131.05	131.05
v) Bank Balances Other than iv above	**0.01**	**0.01**	0.01	0.01
vi) Others	**406.74**	**406.74**	379.65	379.65
Total	**1,033.95**	**1,033.95**	972.10	972.10
B) Financial liabilities				
a) Financial liabilities held at Amortised cost				
i) Lease Liabilities	**404.72**	**404.72**	361.40	361.40
ii) Deposits received	**8.69**	**8.69**	5.11	5.11
iii) Trade and other payables	**892.95**	**892.95**	836.08	836.08
iv) Creditors for capital supplies	**7.69**	**7.69**	3.71	3.71
v) Deferred Revenue	**1.27**	**1.27**	8.09	8.09
Total	**1,315.32**	**1,315.32**	1,214.39	1,214.39

Note No. 39 - Segment Information

i) The management of the Company has chosen to organise the Company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

ii) The operating segments have been identified based on its services and had two reportable segments until 30 September 2022 as follows:

a. Supply Chain Management- Goods transportation service including warehouse management service.

b. Enterprise Mobility Services - People transportation service.

Consequent to sale / transfer of the Enterprise Mobility business to MLL Mobility Private Limited effective 1 October 2022, the Company operates in a single segment i.e. Supply Chain Management (SCM) - Goods transportation service, including warehouse management service. Pursuant to this, segment figures of previous year are not comparable with current year.

iii) The Chief Operating Decision Maker (CODM) monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

iv) The segmental disclosures are as follows :-

As at 31 March, 2022

(₹ in Crores)

Particulars	**SCM**	**Enterprise Mobility Services**	**Total Segments**	**Elimination**	**Total**
Revenue					
I. External customers	3,486.73	144.35	3,631.08	–	3,631.08
II. Intersegment revenue	–	–	–	–	–
Total revenue	3,486.73	144.35	3,631.08	–	3,631.08
Results					
I. Segment Result	206.33	5.58	211.91	–	211.91
Less:					
Finance Costs					(0.90)
Unallocated corporate income net of unallocated expenses					(178.32)
Profit before tax					32.69
Income Taxes					(8.25)
Profit after tax					24.44
OTHER INFORMATION					
Segment Assets	1,346.94	50.00	1,396.94	–	1,396.94
Unallocated Corporate Assets					451.91
Total Assets					1,848.85
Segment Liabilities	1,150.79	6.95	1,157.74	–	1,157.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	SCM	Enterprise Mobility Services	Total Segments	Elimination	Total
Unallocated Corporate Liabilities					116.25
Total Liabilities					1,273.99
Capital Expenditure	83.69	0.44	84.13	–	84.13
Depreciation and Amortisation expense	114.26	5.88	120.14	–	120.14

Other disclosures:

a) Unallocable Expenditure/Assets:

(i) Finance income and costs, fair value gains and losses on financial assets and indirect expenses are not allocated to individual segments as the underlying instruments are managed on an entity basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on an entity basis.

(iii) The accounting policies of the reportable segments are the same as the Company's accounting Policies described in Note 2.20.

There is no difference between segment profit as reviewed by Chief Operating Decision Maker (CODM) and the profit before tax as appearing in the financial statements.

(v) Geographic information

(₹ in Crores)

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Revenue from external customers		
India	**4,458.90**	3,631.08
Outside India	**–**	–
Revenue from operations as per statement of profit or loss	**4,458.90**	3,631.08

(vi) Segment Assets

(₹ in Crores)

Particulars	**As at 31 March 2023**	As at 31 March 2022
India	**2,165.16**	1,396.94
Outside India	**–**	–
Total	**2,165.16**	1,396.94

(vii) Capital Expenditure

(₹ in Crores)

Particulars	**As at 31 March 2023**	As at 31 March 2022
India	**70.67**	84.13
Outside India	**–**	–
Total	**70.67**	84.13

The revenues of the Company from holding company and group of customers under common control of the holding company amounts to 59.96% (Previous year: 53.03%) for the year ended 31 March 2023 of its total revenues.

Note No. 40 - Leases

Operating Lease

Following are the changes in the carrying value of right of use assets:

(₹ in Crores)

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Balance as at 1 April	**297.72**	208.11
Additions	**204.76**	185.37
Disposals	**(29.18)**	(8.62)
Amortisation expense for the year	**(114.57)**	(87.14)
Balance as at 31 March	**358.73**	297.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The following is the movement in lease liabilities:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Lease liabilities recognised at 1 April	**361.40**	239.73
Additions	**198.11**	207.72
Finance cost accrued during the period	**32.91**	25.79
Deletions	**(45.96)**	(8.91)
Payment of lease liabilities	**(141.74)**	(102.93)
Balance as at 31 March	**404.72**	361.40

The following is the break-up of current and non-current lease liabilities:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Non-current lease liabilities	**299.21**	267.02
Current lease liabilities	**105.51**	94.38
Total	**404.72**	361.40

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than one year	**146.47**	120.38
One to Three years	**280.17**	175.46
Three to five years	**42.77**	85.95
More than five years	**25.53**	55.98
Total undiscounted lease liabilities at Balance sheet date	**494.94**	437.77

Rental expense recorded for short-term leases was ₹ 59.13 crore (Previous Year: ₹ 60.70 crores) for the year ended 31 March 2023.

The following is the movement in the net investment in sublease of ROU asset during the year:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net investment in sublease in ROU recognised at 1 April	**46.11**	18.75
Additions	**–**	31.23
Finance Income on net investment in sublease in ROU	**3.38**	2.52
Deletions	**(14.71)**	–
Rental Income on net investment in sublease in ROU	**(11.12)**	(6.39)
Balance as at 31 March	**23.66**	46.11

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than one year	**8.26**	11.38
One to Three years	**18.55**	23.39
Three to five years	**–**	16.84
More than five years	**–**	4.63
Total	**26.81**	56.24

Leases not yet commenced to which Company is committed amounts to ₹ 2.76 crores for a lease term up to 5 years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Amounts recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	**32.91**	25.79
Variable lease payments not included in measurement of lease liabilities	**–**	–
Expense on sub-leasing right of use asset	**7.74**	3.87
Expense relating to short term leases	**59.12**	60.70
Expense relating to low value leases	**18.49**	–
Depreciation expense of right of use asset	**114.57**	87.14
Total Expenses	**232.83**	177.50

Amounts recognised in Statement of cash flows

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total cash outflows for leases	**(141.7)**	(102.93)

Note No. 41 - Employee Benefits

a) **Defined Contribution Plan**

The Company's contribution to Provident Fund, superannuation Fund and other funds aggregating ₹ 12.57 crore (2022: ₹ 11.38 crore) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

b) **Defined Benefit Plans:**

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Group Gratuity Scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The funds of the defined benefit plans are held with LIC.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(2) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(3) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(4) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

c) **Significant Actuarial Assumptions**

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation As at 31 March 2023	Valuation As at 31 March 2022
a) Discount rate(s)	7.30%	6.80%
b) Expected rate(s) of salary increase	7.00%	7.00%
c) Mortality rate during employment	100% of IALM 2012-14 Ultimate	100% of IALM 2012-14 Ultimate

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

d) **Defined benefit plans – as per actuarial valuation**

(₹ in Crores)

Particulars		Funded Plan – Gratuity	
		As at 31 March 2023	As at 31 March 2022
I.	**Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**		
	a) Current Service Cost	**3.80**	3.84
	b) Past service cost and (gains)/losses from settlements	**–**	–
	c) Net interest expense	**1.57**	0.24
	Components of defined benefit costs recognised in profit or loss	**5.37**	4.08
	Remeasurement on the net defined benefit liability		
	a) Return on plan assets (excluding amount included in net interest expense)	**(0.25)**	0.01
	b) Actuarial (gains)/loss arising from changes in financial assumptions	**(0.84)**	(0.67)
	c) Actuarial (gains)/loss arising from changes in demographic assumptions	**–**	–
	d) Actuarial (gains)/loss arising from experience adjustments	**(0.49)**	1.69
	Components of defined benefit costs recognised in Other Comprehensive Income	**(1.58)**	1.03
	Total	**3.79**	5.11
II.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31 March**		
	a) Present value of defined benefit obligation	**(23.59)**	(23.11)
	b) Fair value of plan assets	**20.92**	18.02
	c) Surplus/(Deficit)	**(2.67)**	(5.09)
	d) Current portion of the above	**(2.67)**	(5.09)
	e) Non current portion of the above	**–**	–
III.	**Change in the obligation during the year ended 31 March**		
	a) Present value of defined benefit obligation at the beginning of the year	**23.11**	21.22
	b) Add/(Less) on account of Scheme of Arrangement/Business		
	c) Transfer	**(0.75)**	0.04
	d) Expenses Recognised in Profit and Loss Account		
	– Current Service Cost	**3.80**	3.84
	– Past Service Cost	**–**	–
	– Interest Expense (Income)	**1.57**	1.36
	e) Recognised in Other Comprehensive Income		
	Remeasurement gains/(losses)		
	– Actuarial Gain (Loss) arising from:		
	i. Financial Assumptions	**(0.84)**	(0.67)
	ii. Demographic Assumptions	**–**	–
	iii. Experience Adjustments	**(0.49)**	1.69
	f) Benefit payments	**(2.81)**	(4.37)
	g) Present value of defined benefit obligation at the end of the year	**23.59**	23.11
IV.	**Change in fair value of assets during the year ended 31 March**		
	i) Fair value of plan assets at the beginning of the year	**18.02**	17.56
	ii) Expenses Recognised in Profit and Loss Account		
	– Expected return on plan assets	**1.22**	1.12
	iii) Recognised in Other Comprehensive Income		
	Remeasurement gains/(losses)		
	– Actual Return on plan assets in excess of the expected return	**0.25**	(0.01)
	iv) Contributions by employer (including benefit payments recoverable)	**5.09**	3.72
	v) Benefit payments	**(2.81)**	(4.37)
	vi) Benefit payments	**(0.85)**	
	vii) Fair value of plan assets at the end of the year	**20.92**	18.02
V.	**The Major categories of plan assets**		
	– Insurance Funds	**20.92**	18.02
VI.	**Actuarial assumptions**		
	a) Discount rate	**7.30%**	6.80%
	b) Expected rate of return on plan assets	**7.30%**	6.80%
	c) Attrition rate	**12.00%**	12.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Principal assumption		Impact on defined benefit obligation			
		As at 31 March 2023		As at 31 March 2022	
	Changes in assumption	**Increase in assumption**	**Decrease in assumption**	Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**22.08**	**25.34**	21.57	24.87
b) Salary growth rate	1.00%	**25.29**	**22.10**	24.81	21.58
c) Rate of employee turnover	1.00%	**23.55**	**23.66**	23.00	23.23

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

iii) The weighted average duration of the defined benefit obligation as at 31 March 2023 is 7 years.

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

(₹ in Crores)

Particulars	**2023**	2022
Within 1 year	**3.08**	**2.79**
1 - 2 years	**2.72**	**2.68**
2 - 3 years	**2.92**	**2.64**
3 - 4 years	**2.67**	**2.66**
4 - 5 years	**2.57**	**2.42**
5 - 10 years	**10.98**	**10.40**
More than 10 years	**19.23**	**18.36**

g) Plan Assets

The fair value of Company's plan asset by category are as follows:

(₹ in Crores)

Particulars	**As at 31 March 2023**	As at 31 March 2022
Asset category:		
Deposits with Insurance companies	**20.92**	18.02
	100%	100%

h) Experience Adjustments:

(₹ in Crores)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
1. Defined Benefit Obligation	**(23.59)**	(23.11)	(20.37)	(16.51)	(13.76)
2. Fair value of plan assets	**20.92**	18.02	16.41	13.00	9.87
3. Surplus/(Deficit)	**(2.67)**	(5.09)	(3.96)	(3.51)	(3.89)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(0.49)**	1.69	0.77	(0.02)	1.50
5. Experience adjustment on plan assets [Gain/(Loss)]	**0.25**	(0.01)	0.16	0.05	0.22

i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

j) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 42 - Related Party Transactions

i) List of Related Parties:

Holding Company		Mahindra & Mahindra Limited
(a) Related Parties where control exists:		
Subsidiaries		
	1	2 X 2 Logistics Private Limited
	2	Lords Freight (India) Private Limited
	3	MLL Express Services Private Limited (Formerly known as Meru Travel Solutions Private Limited) (w.e.f. 17 May 2022)
	4	MLL Mobility Private Limited (Formerly known as Meru Mobility Tech Private Limited) (w.e.f. 12 May 2022)
	5	V-Link Fleet Solutions Private Limited (w.e.f. 13 May 2022)
	6	V-Link Automotive Services Private Limited (w.e.f. 13 May 2022)
	7	V-Link Freight Services Private Limited (w.e.f. 9 September 2022)
	8	MLL Global Logistics Limited (w.e.f. 6 December 2022)
(b) Other parties with whom transactions have taken place during the year:		
(i) Joint Venture		Transtech Logistics Private Limited
(ii) Associate		Zipzap Logistics Private Limited (w.e.f. 8 April, 2022)
(iii) Fellow Subsidiaries		
	1	Classic Legends Private Limited
	2	Fifth Gear Ventures Limited
	3	Gromax Agri Equipment Limited
	4	Mahindra Accelo Limited (Formally Known As Mahindra Intertrade Limited)
	5	Mahindra Defence System Limited
	6	Mahindra Electric Mobility Limited (Merged with Mahindra & Mahindra Limited w.e.f. 2 February 2023)
	7	Mahindra EPC Irrigation Limited
	8	Mahindra Heavy Engines Limited
	9	Mahindra Holidays And Resorts India Limited
	10	Mahindra Industrial Park Chennai Limited
	11	Mahindra Integrated Business Solutions Private Limited
	12	Mahindra MSTC Recycling Private Limited
	13	Mahindra Two Wheelers Limited
	14	Mahindra World City (Jaipur) Limited
	15	NBS International Limited
(iii) Other Related Parties		
a) Associate of Holding Company		
	1	Brainbees Solutions Private Limited
	2	Mahindra CIE Automotive Limited
	3	Tech Mahindra Limited

(iv) Key Management Personnel (KMP):

Sr. No.	Name of KMP	Designation
1	Dr. Anish Shah (w.e.f. 2 April 2021)	Chairman & Non-Executive Director
2	Mr. Rampraveen Swaminathan	Managing Director & CEO
3	Mr. Amit Kumar Sinha (upto 24 March 2023)	Non-Executive Director
4	Mr. Naveen Raju	Non-Executive Director
5	Ms. Malvika Sinha	Independent Director
6	Mr. Ajay Mehta (upto 27 March 2023)	Independent Director
7	Mr. Darius Pandole	Independent Director
8	Mr. Ranu Vohra	Independent Director
9	Ms. Avani Davda	Independent Director
10	Mr. Dhananjay Mungale	Independent Director
11	Mr. Ameet Hariani (w.e.f. 01 May 2022)	Independent Director

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ii) Details of transactions between the Company and its related parties are disclosed below:

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
a) Purchase of PPE and other assets	31-Mar-23	–	–	0.60	–	–	–
	31-Mar-22	0.75	–	–	–	–	–
b) Rendering of services	31-Mar-23	2,584.11	0.01	70.95		10.55	18.45
	31-Mar-22	1,856.85	0.02	30.90	–	–	37.01
c) Receiving of services	31-Mar-23	16.30	54.00	0.13	1.06	3.95	9.16
	31-Mar-22	2.28	20.22	0.35	1.13	–	0.23
d) Reimbursements made to parties	31-Mar-23	–	0.47	0.37	–	–	–
	31-Mar-22	11.13	–	–	–	–	–
e) Reimbursements received from parties	31-Mar-23	–	5.24	–	–	–	–
	31-Mar-22	0.05	1.02	0.01	–	–	–
f) Sale of property and other assets	31-Mar-23	0.91	–	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
g) Loans/Deposits given	31-Mar-23	–	4.40	–	–	–	–
	31-Mar-22	–	2.00	–	–	–	–
h) Interest Income on inter-corporate deposits	31-Mar-23	–	0.19	–	–	–	–
	31-Mar-22	–	0.02	–	–	–	–
i) Dividend Paid	31-Mar-23	8.36	–	–	–	–	–
* ₹ 250	31-Mar-22	10.45	0.00*	–	–	–	–
j) Purchase of Investment in Subsidiaries	31-Mar-23	50.41	50.48	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
k) Corporate Guarantee Given	31-Mar-23	–	220.00	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
l) Corporate Guarantee Commission	31-Mar-23	–	0.47	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
m) Business Transferred	31-Mar-23	–	36.12	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
n) Loans/Deposits refunded	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	2.00	–	–	–	–
o) Bad & doubtful debts recognised in respect of dues from related parties	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	0.13	–	–	–	–	–
Balances Outstanding with Related Parties							
a) Trade payables	31-Mar-23	11.21	11.11	0.03	0.01	0.48	–
	31-Mar-22	6.67	–	0.02	0.10	–	0.01
b) Trade receivables	31-Mar-23	107.24	0.12	4.83	–	4.87	4.14
	31-Mar-22	117.24	0.65	5.18	–	–	4.75
c) Other receivables	31-Mar-23	–	3.21	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
d) Inter Corporate Deposits outstanding	31-Mar-23	–	4.57	–	–	–	–
	31-Mar-22	–	–	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
e) Advances Given	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	0.73	–	–	–	–
f) Deposit taken	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	0.03	–	–	–	–	–
g) Provision of bad & doubtful debts related to amount due from related parties	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	2.20	–	–	–	–	0.29

Notes:

a) All the outstanding balances, whether receivables or payables are unsecured.

b) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

c) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

iii) Details of material transactions between the Company and its related parties are disclosed below:

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
Nature of transactions with Related Parties							
a) Purchase of PPE and other assets							
NBS International Limited	31-Mar-23	–	–	0.60	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra & Mahindra Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	0.75	–	–	–	–	–
b) Rendering of services							
Mahindra & Mahindra Limited	31-Mar-23	2,584.11	–	–	–	–	–
	31-Mar-22	1,856.85	–	–	–	–	–
Lords Freight (India) Private Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	0.01	–	–	–	–
Mahindra Heavy Engines Limited	31-Mar-23	–	–	15.17	–	–	–
	31-Mar-22	–	–	11.16	–	–	–
Classic Legends Private Limited	31-Mar-23	–	–	26.59	–	–	–
	31-Mar-22	–	–	–	–	–	19.81
Mahindra CIE Automotive Limited	31-Mar-23	–	–	–	–	–	13.27
	31-Mar-22	–	–	–	–	–	10.77
Tech Mahindra Limited	31-Mar-23	–	–	–	–	–	5.18
	31-Mar-22	–	–	–	–	–	5.88
Gromax Agri Equipment Limited	31-Mar-23	–	–	6.16	–	–	–
	31-Mar-22	–	–	6.66	–	–	–
Mahindra Electric Mobility Limited	31-Mar-23	–	–	13.92	–	–	–
	31-Mar-22	–	–	6.68	–	–	–
Mahindra Two Wheelers Limited	31-Mar-23	–	–	7.83	–	–	–
	31-Mar-22	–	–	5.56	–	–	–
Mahindra Epc Irrigation Limited	31-Mar-23	–	–	0.03	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra Accelo Limited	31-Mar-23	–	–	0.63	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra Holidays And Resorts India Limited	31-Mar-23	–	–	0.00*	–	–	–
* ₹ 22,882	31-Mar-22	–	–	–	–	–	–
2 X 2 Logistics Private Limited	31-Mar-23	–	0.01	–	–	–	–
	31-Mar-22	–	0.01	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-23	–	–	–	–	10.55	–
	31-Mar-22	–	–	–	–	–	–
Mahindra Defence System Limited	31-Mar-23	–	–	0.14	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra Industrial Park Chennai Limited	31-Mar-23	–	–	0.03	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra Mstc Recycling Private Limited	31-Mar-23	–	–	0.45	–	–	–
	31-Mar-22	–	–	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
c) Receiving of services							
Mahindra & Mahindra Limited	31-Mar-23	16.30	–	–	–	–	–
	31-Mar-22	2.28	–	–	–	–	–
Tech Mahindra Limited	31-Mar-23	–	–	–	–	–	9.16
	31-Mar-22	–	–	–	–	–	–
Mahindra World City (Jaipur) Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	–	–	–	–	0.23
Mahindra Integrated Business Solutions Private Limited	31-Mar-23	–	–	0.09	–	–	–
	31-Mar-22	–	–	0.15	–	–	–
NBS International Limited	31-Mar-23	–	–	0.03	–	–	–
	31-Mar-22	–	–	0.01	–	–	–
Transtech Logistics Private Limited	31-Mar-23	–	–	–	1.06	–	–
	31-Mar-22	–	–	–	1.13	–	–
2 X 2 Logistics Private Limited	31-Mar-23	–	13.82	–	–	–	–
	31-Mar-22	–	20.22	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-23	–	–	–	–	3.95	–
	31-Mar-22	–	–	–	–	–	–
Fifth Gear Ventures Limited	31-Mar-23	–	–	0.00*	–	–	–
* ₹ 37,583	31-Mar-22	–	–	–	–	–	–
MLL Mobility Private Limited	31-Mar-23	–	30.19	–	–	–	–
	31-Mar-22	–	–	0.19	–	–	–
MLL Express Services Private Limited	31-Mar-23	–	9.99	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
d) Reimbursements made to parties							
Mahindra & Mahindra Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	11.13	–	–	–	–	–
MLL Express Services Private Limited	31-Mar-23	–	0.47	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
NBS International Limited	31-Mar-23	–	–	0.16	–	–	–
	31-Mar-22	–	–	–	–	–	–
Mahindra World City (Jaipur) Limited	31-Mar-23	–	–	0.21	–	–	–
	31-Mar-22	–	–	–	–	–	–
e) Reimbursements received from parties							
Mahindra & Mahindra Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	0.05	–	–	–	–	–
2 X 2 Logistics Private Limited	31-Mar-23	–	0.17	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
Lords Freight (India) Private Limited	31-Mar-23	–	2.81	–	–	–	–
	31-Mar-22	–	1.02	–	–	–	–
MLL Mobility Private Limited	31-Mar-23	–	1.15	–	–	–	–
	31-Mar-22	–	–	0.01	–	–	–
MLL Express Services Private Limited	31-Mar-23	–	1.05	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
V-Link Freight Services Private Limited	31-Mar-23	–	0.06	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
f) Sale of Property and other assets							
Mahindra & Mahindra Limited	31-Mar-23	0.91	–	–	–	–	–
	31-Mar-22	–	–	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
g) Loans / Deposits given							
2 X 2 Logistics Private Limited	31-Mar-23	–	4.40	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
Lords Freight (India) Private Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	2.00	–	–	–	–
h) Interest Income on inter-corporate deposits							
2 X 2 Logistics Private Limited	31-Mar-23	–	0.19	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
Lords Freight (India) Private Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	0.02	–	–	–	–
i) Dividend paid							
Mahindra & Mahindra Limited	31-Mar-23	8.36	–	–	–	–	–
* ₹ 250	31-Mar-22	10.45	0.00*	–	–	–	–
j) Purchase of Investment in Subsidiaries Company							
Mahindra & Mahindra Limited	31-Mar-23	50.41	–	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
MLL Express Services Private Limited	31-Mar-23	–	50.48	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
k) Corporate Guarantee given							
MLL Express Services Private Limited	31-Mar-23	–	220.00	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
l) Corporate Guarantee Commission income							
MLL Express Services Private Limited	31-Mar-23	–	0.47	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
m) Business Transferred							
MLL Mobility Private Limited	31-Mar-23	–	36.12	–	–	–	–
	31-Mar-22	–	–	–	–	–	–
n) Loans / Deposits refunded							
Lords Freight (India) Private Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	–	2.00	–	–	–	–
o) Bad & doubtful debts recognised in respect of dues from related parties							
Mahindra & Mahindra Limited	31-Mar-23	–	–	–	–	–	–
	31-Mar-22	0.13	–	–	–	–	–

iv) **Compensation of Key Managerial Personnel**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

The remuneration key managerial personnel during the year was as follows:

(₹ in Crores)

Particulars	Year	Short-term employee benefits	ESOPs	Sitting Fees	Commission	Reimbursement of Expenses paid
Mr. Rampraveen Swaminathan	31-Mar-23	4.15	1.28	–	–	0.19
	31-Mar-22	3.96	2.13	–	–	–
Ms. Malvika Sinha	31-Mar-23	–	–	0.10	0.07	–
	31-Mar-22	–	–	0.09	0.07	–
Mr. Ajay Mehta	31-Mar-23	–	–	0.13	0.07	–
	31-Mar-22	–	–	0.10	0.07	–
Mr. Darius Pandole	31-Mar-23	–	–	0.13	0.07	–
	31-Mar-22	–	–	0.10	0.07	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Crores)

Particulars	Year	Short-term employee benefits	ESOPs	Sitting Fees	Commission	Reimbursement of Expenses paid
Mr. Ranu Vohra	31-Mar-23	–	–	0.12	0.07	–
	31-Mar-22	–	–	0.08	0.07	–
Ms. Avani Davda	31-Mar-23	–	–	0.12	0.07	–
	31-Mar-22	–	–	0.09	0.07	–
Mr. Dhananjay Mungale	31-Mar-23	–	–	0.08	0.07	–
	31-Mar-22	–	–	0.07	0.07	–
Mr. Ameet Hariani	31-Mar-23	–	–	0.06	0.07	–
	31-Mar-22	–	–	–	–	–

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

v) Disclosure required under section 186(4) of the Companies Act, 2013

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a. Loans Given		
2 X 2 Logistics Private Limited#	**4.40**	–
Lords Freight (India) Private Limited	**–**	2.00
b. Corporate Guarantee Given		
MLL Express Services Private Limited	**220.00**	–

Above inter corporate loan has been given for general business purposes for meeting their working capital requirements @ 8.00%

Note: Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Note No. 43 - Ratios

S No.	Particulars	Numerator	Denominator	31 Mar-23	31 Mar-22	% variance
1	Current Ratio	Current Assets	Current Liabilities	0.96	1.16	-17.24%
2	Debt-equity Ratio	Borrowings	Average Shareholder's Equity	0.25	NA	NA
3	Debt service coverage Ratio	Earnings Before Interest & Depreciation	Interest & Principal repayments within a year	1.82	NA	NA
4	Return on equity	Profit After Tax	Average Shareholder's Equity	10.73%	4.00%	168.25%
5	Inventory Turnover Ratio	Cost of materials consumed	Closing Inventory	17.15	4.77	259.54%
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivables & Accrued Sales	5.46	4.50	21.33%
7	Trade payables turnover ratio	Purchases of Services & Other Expenses	Average Trade payables	4.38	4.06	7.88%
8	Net capital turnover ratio	Revenue from Operations	Average Working Capital	(94.93)	23.28	-507.77%
9	Net profit	Net Profit	Revenue from Operations	1.44%	0.67%	114.93%
10	Return on capital employed	Profit before interest and tax	Average Total Equity + Average Total Debt	18.98%	10.22%	85.71%
11	Return on investment	NA	NA	NA	NA	NA

Explanation for change in the ratios by more than 25% :

(i) Return on Equity (%) : Return on Equity in the current year has improved from 4% in previous year to 10.73% in current year on the base of higher profit for the year.

(ii) Inventory Turnover Ratio (times) : Inventory Turnover Ratio has increased from 4.77 times in previous year to 17.15 times in current year on the lower base of inventory and higher utilization during the year.

(iii) Net capital turnover ratio (times) : Net capital turnover ratio in the current year has changed from 23.28 in previous year to (94.93) in current year on the base of negative average working capital on account of increase in the current liabilities.

(iv) Net profit (%) : Net Profit in the current year has improved from 0.67% in previous year to 1.44% in current year on the base of higher profit for the year.

(v) Return on capital employed (%) : Return on capital employed in the current year has improved from 10.22% in previous year to 18.98% in current year on the base of higher profit for the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note No. 44 - Contingent Liabilities And Commitments

A - Contingent Liabilities

(₹ in Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debt		
a) VAT	**22.89**	19.40
b) Service Tax	**3.52**	3.36
c) Income Tax	**3.19**	3.19
d) Corporate Guarantee for Subsidiary	**220.00**	
e) Other Matters	**9.39**	**7.43**

Notes:

i) The Company does not expect any payout in respect of the above contingent liabilities.

ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of maters at (a) to (d) above, pending resolution of appellate/court proceedings.

B - Capital Commitments

(₹ in Crores)

Particulars	Year ended 31 March 2023
Investment in Zipzap Logistics Private Limited	36.31

Note No. 45 - Additional Regulatory Information

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) Outstanding Balance with struck off companies :

(₹ in Crores)

Name of the Struck off Company	Nature of transaction	Relationship with the struck off company	Balance as on 31 March 2023
Efcee Sarovar Portico	Trade Receivable	External	–*
Keller Ground Engineering India Pvt Ltd.	Trade Receivable	External	–*
Golden Tulip	Trade Receivable	External	–*
Sundharams Pvt Ltd.	Trade Receivable	External	0.01
Oswal Denims	Trade Receivable	External	–*
GE Global Servicing Private Limited	Trade Receivable	External	–*
G.S.T Corporation Limited	Trade Receivable	External	–*
Adsare Hotels Pvt Ltd.	Trade Receivable	External	–*
Dana India Private Limited	Trade Receivable	External	–*
Loginext Solutions Pvt Ltd.	Trade Payable	External	–*
M Y Transport Co Pvt Ltd.	Trade Payable	External	0.17
Sundharams Private Limited	Trade Payable	External	1.01
Balaji Translogistic Pvt Ltd.	Trade Payable	External	0.01
Fountainhead Lifestyle Pvt Ltd.	Trade Payable	External	0.01
Shraddha Logistics Private Limited	Trade Payable	External	0.01
ABC Legal Consultation	Trade Payable	External	0.10
O-Links Technology Pvt. Ltd.	Trade Payable	External	–*
Konect Infonet Pvt Ltd.	Trade Payable	External	–*
Prajapati Logistics Pvt. Ltd.	Advance given	External	0.01
Oxon Healthcare Services Pvt Ltd.	Advance given	External	0.03

*Amount is below the rounding off norms adopted by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

iii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

iv) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No. 46

Previous year numbers have been regrouped wherever necessary.

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Ruchie Khanna
Company Secretary
M'ship No.: ACS24922

Place: Mumbai
Date: 24 April 2023

INDEPENDENT AUDITOR'S REPORT

To the members of **2 X 2 LOGISTICS PRIVATE LIMITED**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **2x2 Logistics Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid / provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZP9008

Mumbai, April 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **2x2 Logistics Private Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZP9008

Mumbai, April 18, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets. Hence, the provisions of the Clause 1 (a) (B) are not applicable to the Company.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management yearly. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) The Company does not have any immoveable properties and hence reporting under Clause 3 (i) (c) is not applicable to this Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Service tax, Duty of Customs and Duty of Excise as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 300.71 lakhs during the current financial year and Rs. 494.37 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZP9008

Mumbai, April 18, 2023

BALANCE SHEET AS AT 31ST MARCH 2023

Rs. In Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**449.12**	655.30
(b) Intangible Assets	4	**–**	–
(c) Deferred Tax Assets (Net)	17	**532.15**	383.37
(d) Income Tax Assets (Net)	9	**127.69**	155.06
(e) Other Non-Current Assets	7	**–**	–
Total Non-Current Assets		**1,108.96**	1,193.73
II CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	5	**179.64**	14.85
(ii) Cash and Cash Equivalents	8	**0.11**	0.55
(iii) Other Financial Assets	6	**186.21**	38.89
(b) Other Current Assets	7	**669.05**	375.98
Total Current Assets		**1,035.01**	430.27
TOTAL ASSETS		**2,143.97**	1,624.00
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	**901.00**	901.00
(b) Other Equity	11	**(1,226.54)**	(840.58)
SUB-TOTAL		**(325.54)**	60.42
LIABILITIES			
I NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	**800.00**	0.89
(b) Provisions	15	**10.95**	9.80
(c) Other Non-Current Liabilities	16	**–**	–
Total Non current Liabilities		**810.95**	10.69
II CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**1,148.33**	1,242.31
(ii) Trade Payables	14		
Due to Micro and Small Enterprises		**13.16**	4.34
Other then Micro and Small Entreprises		**445.12**	224.84
(b) Provisions	15	**1.58**	1.39
(c) Other Non-Current Liabilities	16	**50.37**	80.01
Total Current Liabilities		**1,658.56**	1,552.89
TOTAL EQUITY AND LIABILTIES		**2,143.97**	1,624.00

The accompaying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.	For and on behalf of Board of Directors	
For B. K. Khare & Co. Chartered Accountants FRN: 105102W	**2 X 2 Logistics Private Ltd.**	
Aniruddha Joshi Partner M.No. 040852	**Prasanna Vikas Pahade** Director DIN: 02292382	**Nitin Kishan Singal** Director DIN: 00255702
Place : Mumbai Date : 18th April, 2023	Place : Mumbai Date : 18th April, 2023	Place : Mumbai Date : 18th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Rs. In Lakhs

	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I	Revenue from operations	18	**2,069.03**	2,397.75
II	Other Income	19	**12.71**	12.59
III	**Total Income (I + II)**		**2,081.74**	2,410.34
IV	**EXPENSES**			
	(a) Operating Expenses	20	**2,024.94**	2,546.37
	(b) Employee benefits expense	21	**108.91**	122.43
	(c) Finance costs	22	**128.71**	102.61
	(d) Depreciation and amortisation expense	3&4	**235.25**	320.37
	(e) Other expenses	23	**119.89**	133.30
	Total Expenses		**2,617.70**	3,225.08
V	**Profit/(loss) before tax (III - IV)**		**(535.96)**	(814.74)
VI	**Tax Expense**			
	(1) Current tax	24		
	(2) Deferred tax	24	**(149.12)**	(226.58)
	Total Tax Expense (1+2)		**(149.12)**	(226.58)
VII	**Profit/(loss) After Tax (V - VI)**		**(386.84)**	(588.16)
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans- Gains/(Losses)		**1.22**	1.80
	(ii) Income tax relating to items that will not be reclassified to profit or loss	17	**(0.34)**	(0.50)
	Total Other Comprehensive Income		**0.88**	1.30
IX	**Total comprehensive income for the period (VII + VIII)**		**(385.96)**	(586.86)
X	**Earnings per equity share (face value Rs.10/- per share)**			
	(1) Basic (in Rs.)	25	**(4.29)**	(6.53)
	(2) Diluted (in Rs.)	25	**(4.29)**	(6.53)

The accompayning notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 18th April, 2023

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 18th April, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Rs. In Lakhs

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
A.	**Cash flows from operating activities**		
	Profit before tax for the period	**(535.96)**	(814.74)
	Adjustments for:		
	(Profit)/Loss on disposal of property, plant and equipment		
	Depreciation and amortisation of non-current assets	**235.25**	320.37
	Finance Charges	**128.71**	102.61
	Interest Income	**(0.88)**	(4.10)
	Operating profit before working capital changes	**(172.88)**	(395.86)
	Movements in working capital:		
	(Increase)/Decrease in trade and other receivables	**(605.18)**	983.75
	Increase/(Decrease) in trade and other payables	**202.02**	(623.26)
	Cash generated from operations	**(576.04)**	(35.37)
	Income taxes paid	**27.37**	(3.86)
	Net cash generated by/(used in) operating activities	**(548.67)**	(39.23)
B.	**Cash flows from investing activities**		
	Interest income	**0.88**	4.10
	Payments for property, plant and equipment	**(29.07)**	(1.09)
	Net cash generated by/(used in) investing activities	**(28.19)**	3.01
C.	**Cash flows from financing activities**		
	Issue of Share Capital		
	Proceeds from borrowings	**(3.90)**	381.06
	Repayment of borrowings	**(90.97)**	(275.38)
	Borrowing from ICD	**800.00**	–
	Finance Charges	**(128.71)**	(102.61)
	Net cash generated by/(used in) financing activities	**576.42**	3.07
	Net increase in cash and cash equivalents (A+B+C)	**(0.44)**	(33.15)
	Cash and cash equivalents at the beginning of the period	**0.55**	33.70
	Cash and cash equivalents at the end of the period	**0.11**	0.55
	Components of cash and cash equivalents		
	Cash/Cheques on hand	**0.11**	0.05
	With Banks - on Current account/Balance in Cash Credit Accounts	**–**	0.50
		0.11	0.55

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in 'IND AS 7- Statement of Cash Flows'.

2 Figures in bracket indicates cash outflow.

3 Additions to property, plant and equipment and intangible assets include movements in capital work-in-progress and intangible assets under development respectively during the period.

The accompanying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 18th April, 2023

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 18th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 2023

Rs. In Lakhs

(a) Equity Share Capital

Particulars	Number of Shares	Equity share capital
As at 31st March 2021	90,10,000	901.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the period	–	–
As at 31st March 2022	90,10,000	901.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the period	–	–
As at 31st March 2023	**90,10,000**	**901.00**

(b) Other Equity

	Reserves & Surplus			
Particulars	Securities premium reserve	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 31st March, 2021	–	–	(253.72)	(253.72)
– Addition to equity settled employee benefit reserve	–	–	–	–
Total Comprehensive income for the period				
– Profit for the period	–	–	(588.16)	(588.16)
– Actuarial gain/(loss) transferred to retained earnings	–	–	1.30	1.30
Balance as at 31st March, 2022	–	–	(840.58)	(840.58)
– Addition to equity settled employee benefit reserve	–	–	–	–
Total Comprehensive income for the period				
– Profit for the period	–	–	(386.84)	(386.84)
– Actuarial gain/(loss) transferred to retained earnings	–	–	0.88	0.88
Balance as at 31st March, 2023	–	–	**(1,226.54)**	**(1,226.54)**

The accompanying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 18th April, 2023

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 18th April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Notes to Accounts – Part A

Corporate Information

2 X 2 Logistics Private Limited is a deemed public limited company incorporated on 22nd October 2012 under the Companies Act, 1956. The Company is engaged in providing logistics services to its customers. The financial statements for the period ended 31st March 2023 were approved for issue in accordance with a resolution of the directors on 18th April, 2023.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

1.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and Liabilities are classified as Current or Non Current as per the provisions of Schedule III to the Companies Act, 2013 and Company's Normal Operating Cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

The financial statements are prepared in Indian Rupee(INR) and denominated in lakhs.

The principal accounting policies are set out below.

1.3 Revenue recognition

1.3.1 Rendering of services

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the company as part of the contract, to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

1.3.2 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4 Leasing

The Company's significant operating leasing arrangements are in respect of office premises and IT related equipments. Lease rentals are recognised as per the terms of lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

1.5 Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

1.6 Employee benefits

1.6.1 Retirement benefit costs and termination benefits

Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Defined Benefits:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8 Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except for following assets in order to reflect the actual usage of the assets:

- Horse portion of a Vehicle is depreciated over five years based on the management experience of handling similar kind of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.9 Intangible assets

1.9.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives .The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.9.2 Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

1.10 Impairment of tangible and intangible assets other than goodwill

The Management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.11 Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivable that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

1.13.1 <u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 1.13.3

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

1.13.2 <u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.13.3 <u>Impairment of financial assets</u>

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

1.13.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.14 Financial liabilities and equity instruments

1.14.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.14.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

1.14.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at FVTPL.

1.14.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

1.14.4.2 *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.15 Segment Accounting:

The Company has single reportable segment "Supply chain management" for the purpose of Segment reporting.

1.16 Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

2. Critical accounting judgements and key sources of estimation uncertainty

2A. In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2A.1.1 Useful lives of Property, plant and equipment

As described in note 2 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

2A.1.2 Defined Benefit Plans:

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note No. 3 - Property, Plant and Equipment

As at 31st March 2023

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Vehicles**	**Total**
A. Cost					
Balance as at 1st April, 2023	4.09	7.55	2.24	4,358.95	4,372.83
a) Additions	–	–	–	29.07	29.07
b) Less: Disposals/adjustments					–
Balance as at 31st March 2023	**4.09**	**7.55**	**2.24**	**4,388.02**	**4,401.90**
B. Accumulated depreciation and impairment					
Balance as at 1st April, 2022	2.91	7.30	1.24	3,706.08	3,717.53
a) Depreciation expense for the year	–	0.23	0.35	234.67	235.25
b) Less: Disposals/adjustments					–
Balance as at 31st March 2023	**2.91**	**7.53**	**1.59**	**3,940.75**	**3,952.78**
C. Net carrying amount (A-B)	**1.18**	**0.02**	**0.65**	**447.27**	**449.12**

As at 31st March 2022

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Vehicles**	**Total**
A. Cost					
Balance as at 1st April, 2021	4.09	6.46	2.24	4,358.95	4,371.74
a) Additions	–	1.09	–	–	1.09
b) Less: Disposals/adjustments					–
Balance as at 31st March 2022	**4.09**	**7.55**	**2.24**	**4,358.95**	**4,372.83**

Rs. In Lakhs

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
B. Accumulated depreciation and impairment					
Balance as at 1st April, 2021	2.86	6.46	1.03	3,386.81	3,397.16
a) Depreciation expense for the year	0.05	0.84	0.21	319.27	320.37
b) Less: Disposals/adjustments					–
Balance as at 31st March 2022	**2.91**	**7.30**	**1.24**	**3,706.08**	**3,717.53**
C. Net carrying amount (A-B)	**1.18**	**0.25**	**1.00**	**652.87**	**655.30**

Notes:

i) Vehicles with the carrying amount of Rs. NIL (31st March 2022 - Rs.171.21 lakhs) have been pledged to secure borrowings of the Company. For details refer note no.13 on borrowing.

ii) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2023 and for 31st March 2022 is Nil.

Note No. 4 - Intangible Assets

Rs. In Lakhs

Computer Software	As at 31st March 2023	As at 31st March 2022
A. Cost		
Balance as at 1st April	0.51	0.51
a) Additions		
b) Less: Disposals/adjustments		
Balance as at 31st March	**0.51**	0.51
B. Accumulated amortisation and impairment		
Balance as at 1st April	0.51	0.51
a) Additions		
b) Less: Disposals/adjustments		
Balance as at 31st March	**0.51**	0.51
C. Net carrying amount (A-B)	**–**	**–**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2023 is Rs.NIL** (2022: Rs. NIL).

Note No. 5 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a) Trade Receivables considered good - Secured		
b) Trade Receivables considered good - Unsecured	**179.64**	14.85
c) Trade Receivable which have significant increase in credit risk	**–**	–
d) Undisputed Trade Receivable - Credit Impaired	**–**	–
e) Disputed Trade Receivable - Credit Impaired	**–**	–
	179.64	14.85
Less: Allowance for Expected Credit Losses	**–**	–
TOTAL	**179.64**	14.85

Trade Receivable ageing as at March, 2023

Particulars	Not Due	Outstanding for following period from due date of payment less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
a) Undisputed Trade Receivable -Considered Good	179.60	–	–	0.04	–	–	**179.64**
b) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
c) Undisputed Trade Receivable -Credit Impaired							
d) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
e) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
f) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–	–
Total Trade Receivables	**179.60**	**–**	**–**	**0.04**	**–**	**–**	**179.64**
Less: Allowance for Expected Credit Losses							–
Total							**179.64**

Trade Receivable ageing as at March, 2022

Particulars	Not Due	Outstanding for following period from due date of payment less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable -Considered Good	3.49	10.26			1.10	–	**14.85**
(ii) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivable -Credit Impaired							

Particulars	Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
	Outstanding for following period from due date of payment						
(iv) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
(v) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–	–

Notes:

i) Refer Note 26 for disclosures related to credit risk and impairment of trade receivables.

Note No. 6 - Other financial assets

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Financial assets at amortised cost				
a) Bank Deposit with more than 12 months original maturity	**–**	**–**	–	–
Total	**–**	**–**	–	–
b) Security Deposits				
i. Unsecured, considered good	**7.61**	**–**	1.31	–
ii. Doubtful	**–**	**–**	–	–
Total	**7.61**	**–**	1.31	–
c) Other items				
i. Accrued Sales	**178.29**	**–**	37.27	–
ii. Other Accrued	**0.31**	**–**	0.31	–
Total	**178.60**	**–**	37.58	–
Total (a+b+c)	**186.21**	**–**	38.89	–

Accrued sales ageing from transaction date as at March, 2023

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
less than 6 Months	**171.42**	**–**	12.87	–
6 Months to 1 year	**–**	**–**	4.09	–
1 to 2 Year	**1.92**	**–**	7.93	–
2 to 3 Years	**4.95**	**–**	7.38	–
More than 3 Years	**–**	**–**	–	–
Total	**178.29**	**–**	32.27	–

Notes:

i) Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related disclosures.

Note No. 7 - Other assets

Rs. In Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non- Current	As at 31st March 2022 Current	As at 31st March 2022 Non- Current
A. Capital advances				
a) For Capital work in progress	**–**	**–**	–	–
b) For intangible asset	**–**	**–**	–	–
Total (A)	**–**	**–**	–	–
B. Advances other than capital advances				
a) Advances to suppliers - considered good	**10.20**	**–**	7.28	–
b) Prepaid Expenses	**99.15**	**–**	44.57	–
c) Vendor advances	**557.15**	**–**	323.72	–
d) Balances with government authorities (other than income taxes)	**–**	**–**	–	–
Total (B)	**666.50**	**–**	375.57	–
C. Consumables Tyres	**2.55**		0.41	
TOTAL (A+B+C)	**669.05**	**–**	375.98	–
Less: Provision for doubtful advances	**–**	**–**	–	–
TOTAL (A+B+C)	**669.05**	**–**	375.98	–

Note No. 8 - Cash and Cash equivalents

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
A. Cash and cash equivalents		
a) Balances with banks	**–**	0.50
b) Cash on hand	**0.11**	0.05
Total	**0.11**	0.55

Note No. 9 - Income Tax Assets (Net)

Rs. In Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax/TDS Receivable (Net)	**127.69**	155.06
Total	**127.69**	155.06

Note No. 10 - Equity Share Capital

Particulars	Year ended 31st March 2023 No. of shares	Year ended 31st March 2023 Amount	Year ended 31st March 2022 No. of shares	Year ended 31st March 2022 Amount
A. Authorised:				
a) Equity shares of Rs.10 each with voting rights	**100,00,000**	**10,00,00,000**	100,00,000	10,00,00,000
Total	**10,00,00,000**	**10,00,00,000**	10,00,00,000	10,00,00,000
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of Rs.10 each with voting rights	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000
Total	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Right Issue	Other Changes	Closing Balance
A. Equity Shares with Voting rights					
a) Period ended 31st March 2023					
	No. of Shares	**90,10,000**	**–**	**–**	**90,10,000**
	Amount	**901.00**	**–**		**901.00**
b) Period ended 31st March 2022					
	No. of Shares	90,10,000	–	–	90,10,000
	Amount	901.00	–		901.00
c) Period ended 31st March 2021					
	No. of Shares	90,10,000	–	–	90,10,000
	Amount	901.00	–		901.00

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company/and their Subsidiaries

Name of shareholder	As at 31st March 2023	As at 31st March 2022
Holding Company - Mahindra Logistics Limited	**49,55,500.00**	49,55,500.00

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding in that class of shares	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares
A. Equity shares with voting rights				
a) Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	49,55,500	55.00%
b) IVC Logistics Ltd.	**40,54,500**	**45.00%**	40,54,500	45.00%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
1. Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	**–**
2. IVC Logistics Ltd.	**40,54,500**	**45.00%**	**–**

Shares held by promoters as at 31st March, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year
1. Mahindra Logistics Ltd.	49,55,500	55.00%	–
2. IVC Logistics Ltd.	40,54,500	45.00%	–

Note No. 11 - Other Equity

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Securities premium reserve	–	–
Equity-settled employee benefits reserve	–	–
General Reserve	–	–
Retained earnings	(1,226.54)	(840.58)
Total	**(1,226.54)**	(840.58)

Movement in Reserves

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Securities Premium Reserve		
Balance as at the beginning of the year	–	–
Add: Additions during the year	–	–
Less: Deletion during the year	–	–
Balance as at the end of the year	–	–
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	–	–
Add: Additions during the year	–	–
Less: Deletion during the year	–	–
Balance as at the end of the year	–	–
(C) General reserve		
Balance as at the beginning of the period	–	–
Add: Additions during the period	–	–
Less: Deletion during the period	–	–
Balance as at the end of the period	–	–
(D) Retained Earnings		
Balance as at the beginning of the year	(840.58)	(253.72)
Add: Profit for the year	(386.84)	(588.16)
Less: Actuarial gain/(loss) for the year	0.88	1.30
Balance as at the end of the year	**(1,226.54)**	(840.58)

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Note No. 12 - Non-Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Measured at amortised cost		
A. Secured Borrowings:		
(a) Term Loans		
(1) From Banks	–	0.89
(2) From Related Party	–	–
Total Secured Borrowings	–	0.89
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	–	–
(b) From Related Party	800.00	
Total Unsecured Borrowings	**800.00**	–
Total Borrowings	**800.00**	0.89

Note: i) Unsecured loan has been availed by way of Intere Corporate Deposit from the promoters of the company in the ratio of their shareholding. Loan shall be paid back to the lenders within 3 years from the date of first disbursement or on demand.

ICD taken at 8% interest p.a.

Note - 13: Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
A. Secured Borrowings	–	–
Current maturities of long-term debt	–	90.08
Total Secured Borrowings	–	90.08
B. Unsecured Borrowings		
from Banks	**1,148.33**	1,152.23
Total Unsecured Borrowings	**1,148.33**	1,152.23
Total Current Borrowings	**1,148.33**	1,242.31

Note: i) Vehicle loan has been taken at the rate of interest ranging from 8.15% p.a to 8.40% p.a.

ii) The Vehicle Loan was secured by way of hypothecation and paid in 57 equal monthly instalments ended on FY 2023.

iii) Working capital facilities has been availed at the rate of interest ranging between 7.25% to 8.90%

Note No. 14 - Trade Payables

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Total outstanding dues of micro enterprises and small enterprises	**13.16**	4.34
Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**445.12**	224.84
Total	**458.28**	229.18

Trade Payables ageing as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment #			
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	**13.16**	–	–	–
(ii) Others	**444.98**	**0.14**	–	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

Trade Payables ageing as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment #			
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	4.34	–	–	–
(ii) Others	184.66	25.51	14.66	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
a) Dues remaining unpaid		
- Principal	–	–
- Interest on the above	–	–
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day dring the year-	–	–
- Principal paid beyond the appointed date	–	–
- Interest paid in terms of section 16 of the Act	–	–
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
d) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	–	–
e) Amount of interest accrued and remaining unpaid at the end of accounting year	–	–

Note No. 15 - Provisions

Rs. in Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Provision for employee benefits				
a) Post- employment Benefit - Leave Encashment and Gratuity	**1.58**	**10.95**	1.39	9.80
Total	**1.58**	**10.95**	1.39	9.80

Note No. 16 - Other Liabilities

Rs. in Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
Statutory dues				
a) Taxes Payable	**12.51**	**–**	1.95	–
b) Employee Liabilities	**4.34**	**–**	4.80	–
c) Advance to customer	**–**	**–**	73.26	–
d) Interest accrued but not due	**33.52**			
TOTAL	**50.37**	**–**	80.01	–

Notes:

i) For disclosures related to employee benefits, refer note 28.

ii) For disclosures related to Interest Accrued but not due, refer note 12 Unsecured borrowing from Related Party.

Note No. 17: Deferred Tax Assets

Movement in deferred tax balances

Rs. in Lakhs

Particulars	Year ended 31st March 2023 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance	Year ended 31st March 2022 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) Allowances on Property, Plant and Equipment and Intangible Assets	**44.74**	**(22.68)**	**–**	**22.06**	75.08	(30.34)	–	44.74
Total	**44.74**	**(22.68)**	**–**	**22.06**	75.08	(30.34)	–	44.74
B. Tax effect of items constituting deferred tax assets								
a) On the Losses	**366.61**	**125.82**	**–**	**492.43**	171.07	195.54	–	366.61
b) MAT Credit	**58.39**	**–**	**–**	**58.39**	58.39	–	–	58.39
c) Provision for employee benefits	**3.11**	**0.62**	**(0.34)**	**3.39**	2.91	0.70	(0.50)	3.11
Total	**428.11**	**126.44**	**(0.34)**	**554.21**	232.37	196.24	(0.50)	428.11
Net Tax Asset/(Liabilities) (B-A)	**383.37**	**149.12**	**(0.34)**	**532.15**	157.29	226.58	(0.50)	383.37

Note No. 18 - Revenue from Operations

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from rendering of services	**2,069.03**	2,397.75
Total	**2,069.03**	2,397.75

Ind As 115 Disclosure

A. Country-wise break up of Revenue

Rs. in Lakhs

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	2,069.03	–	2,069.03	12.59	2,081.62
Others (specify)	–	–	–	–	–
Total	**2,069.03**	**–**	**2,069.03**	**12.59**	**2,081.62**

B. Reconciliation of revenue from contract with customer

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from contract with customer as per the contract price	**1,939.31**	3,096.55
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**8.29**	136.75
b) Sales Returns / Reversals	**23.94**	133.48
c) Any other adjustments-Unbilled Revenue	**161.95**	(428.57)
Revenue from contract with customer as per the statement of Profit and Loss	**2,069.03**	2,397.75

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Expected Credit loss recognised during the year on trade receivables	**–**	–

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening Balance	**37.27**	496.98
Additions during the year	**1,266.20**	37.27
Reclassification Adjustments:		
– Reclass of opening balances of contract assets to trade receivables	**1,125.18**	496.98
Closing Balance	**178.29**	37.27

Note No. 19 - Other Income

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Interest Income		
Other Assets	**0.88**	4.10
b) Miscellaneous Income		
i) Scrap Sales	**10.01**	8.48
ii) Other Misc Income	**1.82**	0.01
Total	**12.71**	12.59

Note No. 20 - Operating Expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Freight & other related Expense	**0.65**	–
b) Labour & other related Expense	**104.65**	159.21
c) Rent including lease rentals	**17.64**	23.67
d) Vehicle running expense	**850.00**	1,435.61
e) Fuel Expenses	**768.36**	743.04
f) Repairs and maintenance - machinery	**283.64**	184.84
Total Operating Expense	**2,024.94**	2,546.37

Note No. 21 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Salaries and wages, including bonus	**100.98**	112.54
b) Contribution to provident and other funds	**5.13**	5.61
c) Gratuity	**2.17**	2.43
d) Staff welfare expenses	**0.63**	1.85
Total Employee Benefit Expense	**108.91**	122.43

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIC, etc. pertaining to employees.

Note No. 22 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Interest expense on Term Loan	**3.24**	27.42
b) Interest expense on Bank Overdraft	**88.22**	75.19
c) Interest expense on ICD	**37.25**	–
Total	**128.71**	102.61

Note No. 23 - Other Expenses

Rs. in Lakhs

Particulars		Year ended 31st March 2023		Year ended 31st March 2022
a) Rent including lease rentals		**8.35**		7.65
b) Legal and Other professional costs		**19.38**		15.71
c) Insurance		**68.98**		70.69
d) Travelling and Conveyance Expenses		**4.16**		3.16
e) Repairs and maintenance - machinery				
f) Auditors remuneration and out-of-pocket expenses		**1.08**		(0.02)
i) As Auditors	0.65		(0.35)	
ii) For Taxation matters	0.43		0.33	
iii) For Other services	–		–	
g) Miscellaneous Expenses		**17.94**		36.11
Total		**119.89**		133.30

Note No. 24 - Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Current Tax:		
a) In respect of current year	**–**	–
b) In respect of prior year		
Total	**–**	–
B. Deferred Tax:		
In respect of current year originination and reversal of temporary difference	**(149.12)**	**(226.58)**
In respect of changes in tax rate		
Total	**(149.12)**	**(226.58)**
Total (A+B)..	**(149.12)**	**(226.58)**

(b) Income tax recognised in Other Comprehensive Income

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Current Tax:		
Remeasurement of defined benefit obligations		
Total	**–**	–
B. Deferred Tax:	**(0.34)**	(0.50)
Total	**(0.34)**	(0.50)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Total	**–**	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Profit Before tax	**(535.96)**	(814.74)
b) Income Tax using the Company's domestic tax rate#	**(149.10)**	(226.66)
c) Change in tax rate		
d) Expenses not allowed for tax purpose		
Income tax expense recognised In profit or loss..	**(149.10)**	(226.66)

Note:

The tax rate used in reconciliations above is the corporate tax rate of 25% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 25 - Earnings Per Share

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Basic Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**(4.29)**	(6.53)
B. Diluted Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**(4.29)**	(6.53)

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit / (loss) for the period attributable to owners of the Company	**(386.84)**	-588.16
Profit / (loss) for the period used in the calculation of basic earnings per share	**(386.84)**	-588.16
Weighted average number of equity shares	**90.10**	90.10
Earnings per share from continuing operations - Basic (in Rs.)	**(4.29)**	(6.53)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Profit / (loss) for the period used in the calculation of basic earnings per share	**(386.84)**	(588.16)
b) Add: adjustments on account of dilutive potential equity shares		
Profit / (loss) for the period used in the calculation of diluted earnings per share	**(386.84)**	(588.16)

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**90.10**	90.10
Add: Dilutive impact of potential equity shares on account of ESOPs and RSUs		
Weighted average number of equity shares used in the calculation of Diluted EPS	**90.10**	90.10
Earnings per share from continuing operations - Diluted (in Rs.)	**(4.29)**	(6.53)

Note No. 26 - Financial Instruments

I. Capital management Policy

a) The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity and all other equity reserves. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

		Rs. in Lakhs
Particulars	**As at 31st March 2023**	As at 31st March 2022
Equity	**(325.54)**	60.42
Capital	**(325.54)**	60.42

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

The Company is not subject to externally enforced capital regulation.

II. Categories of financial assets and financial liabilities

Rs. in Lakhs

As at 31st March 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Other Financial Assets	–	–	–	–
Total	–	–	–	–
B. Current Assets				
a) Trade Receivables	**179.64**	–	–	**179.64**
b) Cash and Bank Balances	**0.11**	–	–	**0.11**
c) Other Financial Assets	**186.21**	–	–	**186.21**
Total	**365.96**	–	–	**365.96**
C. Non-current Liabilities				
a) Other Financial Liabilities	**800.00**			**800.00**
Total	**800.00**	–	–	**800.00**
D. Current Liabilities				
a) Trade Payables	**458.28**	–	–	**458.28**
b) Current Maturities of long term Debt	–	–	–	–
c) Short Term Borrowing	**1,148.33**	–	–	**1,148.33**
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	**1,606.61**	–	–	**1,606.61**

Rs. in Lakhs

As at 31st March 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	–	–	–	–
Total	–	–	–	–
B. Current Assets				
a) Trade Receivables	14.85	–	–	14.85
b) Cash and Bank Balances	0.55	–	–	0.55
c) Other Financial Assets	38.89	–	–	38.89
Total	54.29	–	–	54.29
C. Non-current Liabilities				
a) Other Financial Liabilities	0.89	–	–	0.89
Total	0.89	–	–	0.89
D. Current Liabilities				
a) Trade Payables	229.18	–	–	229.18
b) Current Maturities of long term Debt	90.08	–	–	90.08
c) Short Term Borrowing	1,152.23	–	–	1,152.23
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	1,471.49	–	–	1,471.49

III) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company yearically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit year which is monitored through an approved policy.

(ii) Trade receivables consist of a small number of customers.

(iii) Apart from one large customer of the Company, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Company did not exceed 10% of trade receivables at the end of the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

(vi) The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

Particulars	Not Due	Less than 6 month past due	More than 6 month past due	Total
As at 31st March 2023				
a) Gross carrying amount	–	–	–	–
b) Loss allowance provision	–	–	–	–
As at 31st March 2022				
a) Gross carrying amount	–	–	–	–
b) Loss allowance provision	–	–	–	–

(vii) Reconciliation of loss allowance provision for Trade Receivables

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a) Balance as at beginning of the year	–	–
b) Impairment losses recognised in the year based on lifetime expected credit losses	–	–
- On receivables originated in the year	–	–
- Other receivables	–	–
c) Impairment losses reversed / written back	–	–
d) Balance at end of the year	–	–

b) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilites

Rs. in Lakhs

Particulars	As at 31st March 2023 Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
a) Trade Payables	458.28	–	–	–
b) Long term debt		800.00	–	–
c) Current maturities of long term debt	–	–	–	–
d) Employee Dues	–	–	–	–
e) Short Term Borrowings	1,148.33	–	–	–
Total	**1,606.61**	**800.00**	–	–

Particulars	As at 31st March 2022 Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
a) Trade Payables	229.18	–	–	–
b) Long term debt		0.89	–	–
c) Current maturities of long term debt	90.08	–	–	–
d) Employee Dues	–	–	–	–
e) Short Term Borrowings	1,152.23	–	–	–
Total	1,471.49	0.89	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a) Unsecured Bank Overdraft facility		
- Expiring within one year	–	–
- Expiring beyond one year	–	–

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Rs. in Lakhs

Particulars	As at 31st March 2023 Less than 1 Year In Rs. Lakhs	1-3 Years In Rs. Lakhs	3 Years to 5 Years In Rs. Lakhs	5 years and above In Rs. Lakhs
Non-derivative financial assets				
Trade Receivables	179.64	–	–	–
Security Deposits	7.61	–	–	–
Others	178.60	–	–	–
Total	**365.85**	–	–	–

Rs. in Lakhs

Particulars	As at 31st March 2022 Less than 1 Year In Rs. Lakhs	1-3 Years In Rs. Lakhs	3 Years to 5 Years In Rs. Lakhs	5 years and above In Rs. Lakhs
Non-derivative financial assets				
Trade Receivables	14.85	–	–	–
Security Deposits	1.31	–	–	–
Others	37.58	–	–	–
Total	53.74	–	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

c) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

								Rs. in Lakhs
Nature of Liability	**Nature of Borrowing**	**Type of Interest**	**Rate of interest**	**Loan amount outstanding as at year end**	**Increase in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**	**Decrease in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**
As at 31st March, 2023	**Bank Overdraft**	**Floating**	**8.90%**	**1,148.33**	**1.00%**	**(11.48)**	**1.00%**	**11.48**
As at 31st March, 2022	Bank Overdraft	Floating	7.25%	1,152.23	1.00%	(11.52)	1.00%	11.52

Note No. 27 - Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortised cost:

				Rs. in Lakhs
	31st March 2023		31st March 2022	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Trade and other receivables	**179.64**	**179.64**	14.85	14.85
ii) Deposits given	**7.61**	**7.61**	1.31	1.31
iii) Cash and cash equivalents	**0.11**	**0.11**	0.55	0.55
iv) Others	**178.60**	**178.60**	37.58	37.58
Total..	**365.96**	**365.96**	54.29	54.29
B) Financial liabilities				
b) Financial liabilities held at amortised cost				
i) Trade and other payables	**458.28**	**458.28**	229.18	229.18
ii) Borrowings	**–**	**–**	0.89	0.89
iii) Short Term Borrowings	**1,148**	**1,148.00**	1,242.31	1,242.31
Total..	**1,606.28**	**1,606.28**	1,472.38	1,472.38

Note No. 28 - Related Party Transactions

i) List of Related Party

a) Holding Company	**Mahindra Logistics Limited**
b) Other related parties	
1	**Mahindra & Mahindra Limited**
2	**IVC Logistics Limited**

ii) Details of transaction between the Company and its related parties are disclosed below:

		Rs. in Lakhs
Particulars	**Holding Company**	**Other related parties**
Nature of transactions with Related Parties		
a) Purchase of property and other assets	– –	– –
b) Rendering of services	1,267.98 (2,214.34)	529.35 (375.26)
c) Receiving of services	17.80 (0.60)	130.40 (70.15)
d) Reimbursements made to parties	– –	37.94 (27.03)
e) Reimbursements received from parties	– –	– –
f) Loans/Deposits Taken	440.00 –	360.00 –
g) Loans/Deposits paid	– –	– –
h) Interest on ICD	19.15 –	18.09 –

Nature of Balances with Related Parties	**Holding Company**	**Other related parties**
i) Trade payables	12.24 (40.82)	(1.90) (0.32)
j) Trade receivables & others	132.26 (73.26)	47.33 (13.34)
k) Loan Payable (ICD payable)	440.00 –	360.00 –
l) Interest accrued but not due	17.24 –	16.29 –

i) All the outstanding balances, whether receivables or payables are unsecured.

ii) All the Previous year balances are shown in Bracket.

iii) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Note No. 29 - Employee benefits

i) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and other Funds aggregating Rs. 5.13 lakhs (2021 : Rs. 5.61 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the

Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Rs. in Lakhs Valuation	
Particulars	**As at 31st March 2023**	As at 31st March 2022
a) Discount rate(s)	**7.30%**	6.80%
b) Expected rate(s) of salary increase	**6.00%**	6.00%
c) Mortality rate during employment	**IALM(2012-14) Ultimate**	IALM(2012-14) Ultimate

d) Defined benefit plans – as per actuarial valuation

	Non Funded Plan – Gratuity	
Particulars	**As at 31st March 2023**	As at 31st March 2022
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**0.95**	0.63
b) Past service cost and (gains)/losses from settlements		
c) Net interest expense		
Components of defined benefit costs recognised in profit or loss	**0.95**	0.63
Remeasurement on the net defined benefit liability		
a) Return on plan assets (excluding amount included in net interest expense)		
b) Actuarial (gains)/loss arising from changes in financial assumptions		
c) Actuarial (gains)/loss arising from changes in demographic assumptions		
d) Actuarial (gains)/loss arising from experience adjustments		
Components of defined benefit costs recognised in other comprehensive income	**–**	–
Total	**0.95**	0.63

	Non Funded Plan – Gratuity	
Particulars	**As at 31st March 2023**	As at 31st March 2022
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**8.82**	7.88
b) Fair value of plan assets		
c) Surplus/(Deficit)	**8.82**	7.88
d) Current portion of the above	**–**	–
e) Non current portion of the above	**8.82**	7.88
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the period	**7.88**	7.25
b) Add/(Less) on account of Scheme of Arrangement/ Business	**–**	–
c) Transfer	**–**	–
d) *Expenses Recognised in Profit and Loss Account*		
- Current Service Cost	**1.64**	1.97
- Past Service Cost		
- Interest Expense (Income)	**0.54**	0.46
e) *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**(0.30)**	(1.56)
ii. Demographic Assumptions	**–**	
iii. Experience Adjustments	**(0.92)**	(0.25)
f) Benefit payments		
g) Present value of defined benefit obligation at the end of the period	**8.84**	7.87
IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the period		
ii) *Expenses Recognised in Profit and Loss Account*		
- Expected return on plan assets		
iii) *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return		
iv) Contributions by employer (including benefit payments recoverable)		
v) Benefit payments		
vi) Fair value of plan assets at the end of the period	**–**	–
V. The Major categories of plan assets		
- Insurance Funds	**–**	–
VI. Actuarial assumptions		
a) Discount rate	**7.30%**	6.80%
b) Expected rate of return on plan assets	**7.30%**	6.80%
c) Attrition rate	**11.00%**	11.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2023 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**0.92**	**0.98**
b) Salary growth rate	1.00%	**0.98**	**0.91**
c) Rate of employee turnover	50.00%	**1.01**	**0.81**

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2022 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**0.66**	**0.59**
b) Salary growth rate	1.00%	**0.60**	**0.65**
c) Rate of employee turnover	50.00%	**1.01**	**(0.14)**

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

iii) The weighted average duration of the defined benefit obligation as at 31st March 2022 is 7 years

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	**2023**	2022
Within 1 year	**1.01**	0.90
2-5 years	**4.66**	4.02
6-10 years	**3.65**	3.00
More than 10 years	**6.96**	6.44

g) Experience Adjustments:

Rs. in Lakhs

Particulars	**As at 31st March 2023**	As at 31st March 2022
	Gratuity	
1. Defined Benefit Obligation	**(8.84)**	(7.87)
2. Fair value of plan assets	**–**	–
3. Surplus/(Deficit)	**8.82**	7.88
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**–**	–
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–

h) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

i) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

j) The current service cost and the net interest expense for the period are included in the employee benefits expense in profit or loss of the expense for the year.

All amounts are in Rs. Lakhs unless otherwise stated

Note No. 30 - MSME disclosures

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**Year ended 31st March 2023**	Year ended 31st March 2022	Year ended 31st March 2021
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	**13.16**	4.34	18.16
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**–**	–	–
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**–**	–	–
iv. The amount of interest due and payable for the year	**–**	–	–
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	**–**	–	–
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**–**	–	–

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 31 - Code on Social Security Disclosures

The newly enacted Code on Social Security, 2020 is expected to have an impact on employee remuneration and welfare benefits. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company is in process of evaluating the financial impact, if any and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.

Note No. 32 - Relationship with Struck Off Co

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2023	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed
NA						

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2023	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed
NA						

Note No. 33 - Financial Ratio

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance	Reason
Current Ratio	Current assest	Current Liability	0.62	0.28	121%	Current ratio has improved due to better working management.
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	(5.98)	20.72	-129%	Due to Losses incurred during FY22-23.
Debt Service Coverage Ratio	Earnings available for debt service(Earning Before Interest and Taxes)	Debt Service	(0.01)	(0.13)	-92%	Due to Losses incurred during FY22-23.
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	291%	-166%	-275%	Due to Losses incurred during FY22-23.
Trade receivables turnover ratio	Average Trade Receivable	Revenue	0.10	0.13	-23%	
Trade payables turnover ratio	Average Trade Payable	Purchases of services and other expenses	0.16	0.14	14%	
Net capital turnover ratio	Revenue	Working Capital	(3.32)	(2.14)	55%	Due to reduction in revenue.
Net profit ratio	Net Profit	Revenue	-19%	-25%	-24%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	-151%	-178%	-15%	
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA	

The accompaynig notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2022

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Prasanna Pahade
Director
DIN: 05358211

Place : Mumbai
Date : 18th April, 2022

Nitin Singhal
Director
DIN: 05358211

Place : Mumbai
Date : 18th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
LORDS FREIGHT (INDIA) PRIVATE LIMITED
Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of Lords Freight (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board Report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS Financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/or paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 23040852BGUQZN4289
Place: Mumbai
Date: 18th April, 2023

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(B) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management yearly. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(C) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Kotak bank and Axis Bank on the basis of security of a charge on Trade receivables. The quarterly statements / returns filed by the Company with banks on a quarterly basis are materially in agreement with the audited books of account as certified by the management.

III. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

XIV. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has four Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the

assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 23040852BGUQZN4289
Place: Mumbai
Date: 18th April, 2023

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **LORDS FREIGHT (INDIA) PRIVATE LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 23040852BGUQZN4289
Place: Mumbai
Date: 18th April, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

₹ in lakhs

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
I **NON-CURRENT ASSETS**			
(a) Property, Plant and Equipment	4	**21.92**	26.30
(b) Right of Use Asset	4	**100.57**	49.49
(c) Intangible Assets	5	**–**	3.06
(d) Intangible Assets Under Development	6	**19.01**	–
(e) Financial Assets			
(i) Other Financial Asset	7	**5.00**	0.13
(f) Deferred Tax Assets (Net)	8	**136.24**	160.31
(f) Income Tax Assets (Net)	9	**267.67**	85.33
TOTAL NON-CURRENT ASSETS		**550.41**	324.62
II **CURRENT ASSETS**			
(a) Financial Assets			
(i) Trade Receivables	10	**6,015.71**	7,497.55
(ii) Cash and Cash Equivalents	11	**275.80**	107.63
(iii) Other Financial Asset	7	**875.23**	490.62
(c) Other Current Assets	12	**110.80**	50.93
TOTAL CURRENT ASSETS		**7,277.54**	8,146.73
TOTAL ASSETS		**7,827.95**	8,471.35
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	**236.26**	236.26
(b) Other Equity	14	**3,989.14**	2,985.61
TOTAL EQUITY		**4,225.40**	3,221.87
LIABILITIES			
I **NON-CURRENT LIABILITIES**			
(a) Financial Liabilities			
(i) Lease Liability	32	**60.86**	30.49
(b) Provisions	18	**160.85**	144.75
TOTAL NON-CURRENT LIABILITIES		**221.71**	175.24
II **CURRENT LIABILITIES**			
(a) Financial Liabilities			
(i) Lease Liability	32	**45.93**	21.53
(ii) Borrowings	15	**–**	2,602.00
(iii) Trade Payables	16		
Due to Micro and Small Enterprises		**67.36**	54.81
Other then Micro and Small Entreprises		**2,961.36**	2,023.14
(iv) Other Financials Liabilites	17	**231.25**	317.52
(b) Provisions	18	**33.45**	20.08
(c) Other Current Liabilities	19	**41.49**	35.16
TOTAL CURRENT LIABILITIES		**3,380.84**	5,074.24
TOTAL EQUITY AND LIABILITIES		**7,827.95**	8,471.35

The accompanying notes 1 to 37 are an integral part of the financial statements.

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date : 18th April, 2023

Naveen Raju
Director
DIN : 07653394
Place : Mumbai
Date : 18th April, 2023

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date : 18th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in lakhs

	Particulars	Note No.	Year Ended 31st March, 2023	Year Ended 31st March, 2022
I	Revenue from operations	20	**36,582.91**	45,013.11
II	Other Income	21	**159.86**	252.36
III	**Total Revenue (I + II)**		**36,742.77**	45,265.47
IV	**EXPENSES**			
	(a) Freight & other related expense	22	**32,925.55**	40,544.96
	(b) Employee benefit expense	23	**1,737.35**	1,657.70
	(c) Finance costs	24	**113.82**	246.80
	(d) Depreciation and amortization expense	25	**59.73**	89.72
	(e) Other expenses	26	**567.95**	600.37
	Total Expenses (IV)		**35,404.40**	43,139.55
V	**Profit/(loss) before tax (III-IV)**		**1,338.37**	2,125.92
VI	**Tax Expense**			
	(1) Current tax	27	**320.24**	567.00
	(2) Deferred tax	27	**21.69**	(40.37)
	Total tax expense		**341.93**	526.63
VII	**Profit/(loss) after tax (V-VI)**		**996.44**	1,599.29
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities/(asset)		**9.47**	10.77
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(2.38)**	(2.71)
	Total Other Comprehensive Income/(Loss)		**7.09**	8.06
IX	**Total comprehensive income for the period (VII+VIII)**		**1,003.53**	1,607.35
X	**Earnings per equity share**			
	(1) Basic	28	**42.48**	68.04
	(2) Diluted	28	**42.48**	68.04
	(3) No. of Shares		**2,362,509**	2,362,509

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852
Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date : 18th April, 2023

Naveen Raju
Director
DIN : 07653394
Place : Mumbai
Date : 18th April, 2023

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date : 18th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(a) Equity Share Capital

₹ in lakhs

Particulars	Number of Shares	Equity share capital
As at 1st April, 2021	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
As at 31st March, 2022	**2,362,509**	**236.26**
As at 1st April, 2022	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
As at 31st March, 2023	**2,362,509**	**236.26**

(b) Other Equity

Particulars	Reserves & Surplus			
	Securities Premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance at 1st April, 2021	622.75	–	755.51	1,378.26
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	**622.75**	**–**	**755.51**	**1,378.26**
Total Comprehensive income for the year				
– Profit for the year	–	–	1,599.29	1,599.29
– Other Comprehensive Income transferred to retained earnings	–	–	8.06	8.06
Balance at 31st March, 2022	**622.75**	**–**	**2,362.86**	**2,985.61**
Balance at 1st April, 2022	622.75	–	2,362.86	2,985.61
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	**622.75**	**–**	**2,362.86**	**2,985.61**
Total Comprehensive income for the year				
– Profit for the year	–	–	996.44	996.44
– Other Comprehensive Income transferred to retained earnings	–	–	7.09	7.09
Balance at 31st March, 2023	**622.75**	–	**3,366.39**	**3,989.14**

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date : 18th April, 2023

Naveen Raju
Director
DIN : 07653394
Place : Mumbai
Date : 18th April, 2023

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date : 18th April, 2023

STATEMENT OF CASH FLOWS AS ON 31ST MARCH, 2023

₹ in lakhs

	Particulars	As at 31st March, 2023	As at 31st March, 2022
A.	**Cash flows from operating activities**		
	Profit before tax for the year	**1,338.37**	2,125.92
	Adjustments for:		
	Actuarial (Gain)/Loss	**9.47**	10.77
	Loss/(Gain) on disposal of property, plant and equipment	**3.12**	2.19
	Impairment loss recognized on trade receivables	**(130.71)**	(443.22)
	Depreciation and amortization of non-current assets	**59.73**	89.72
	Finance Charges	**113.82**	246.80
	Total	**1,393.80**	2,032.18
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**1,612.55**	1,041.67
	(Increase)/decrease in other assets	**(450.41)**	453.32
	(Increase)/Decrease in trade and other payables	**900.30**	(3,368.57)
	Cash generated from operations	**3,456.24**	158.60
	Income taxes paid	**(504.96)**	(564.29)
	Net cash generated by operating activities	**2,951.28**	(405.69)
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment including CWIP	**(32.56)**	(10.96)
	Proceeds from disposal of property, plant and equipment	**3.53**	0.40
	Net cash (used in)/generated by investing activities	**(29.03)**	(10.56)
C.	**Cash flows from financing activities**		
	Proceeds from Borrowings	**(2,602.00)**	819.60
	Rent Paid as per IND AS 116	**(45.85)**	(86.23)
	Interest paid	**(106.23)**	(236.95)
	Net cash (used in)/generated in financing activities	**(2,754.08)**	496.42
	Net increase in cash and cash equivalents (A + B + C)	**168.17**	80.17
	Cash and cash equivalents at the beginning of the year	**107.63**	27.46
	Cash and cash equivalents at the end of the year	**275.80**	107.63

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7.

2 Figures in bracket indicates cash outgo.

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date : 18th April, 2023

Naveen Raju
Director
DIN : 07653394
Place : Mumbai
Date : 18th April, 2023

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date : 18th April, 2023

Notes accompanying Financial Statements

1. **Corporate information**

LORDS Freight (India) Pvt Ltd is a private limited company incorporated on 25th April, 2011 under the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report. The Company's main activities are freight forwarding including transportation of goods via sea & air.

The financial statements for the year ended 31st March, 2023 are approved for issue in accordance with a resolution of the directors on 18th April, 2023.

2. **Significant accounting policies**

2.1. Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition

2.4.1. Rendering of services

Incomes from freight forwarding services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend and interest income

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.6. Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan :

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.11. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of::

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.12. Intangible assets

2.12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12.2. Useful lives of intangible assets

The expenditure incurred is amortized over ten financial years equally commencing from the year in which the expenditure is incurred.

2.13. Impairment of tangible and intangible assets

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.14. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.15. Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.16. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.16.4

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.16.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.16.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.17. Financial liabilities and equity instruments

2.17.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.3. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or
b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.18. Segment Accounting:

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.19. Earnings per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(v) Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(vi) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b) Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

i Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii Ind AS 102 – Share-based Payment

iii Ind AS 103 – Business Combinations

iv Ind AS 107 – Financial Instruments Disclosures

v Ind AS 109 – Financial Instruments

vi Ind AS 115 – Revenue from Contracts with Customers

vii Ind AS 1 – Presentation of Financial Statements

viii Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ix Ind AS 12 – Income Taxes

x Ind AS 34 - Interim Financial Reporting

The application of above amendments is not expected to have any significant impact on the company's financial statements.

Notes to the financial statements for the year ended 31st March, 2023

Note No. 4 - Property, Plant and Equipment

As at 31st March, 2023

₹ in lakhs

Description of Assets	Computer	Office Equipment	Furniture, Fittings and Fixtures	Right of Use Assets	Total
A. Gross Carrying Amount					
a) Balance as at 1st April, 2022	56.77	15.79	31.92	197.14	**301.62**
b) Additions	13.28	0.27	–	99.41	**112.96**
Less: Disposals/Adjustments	(5.73)	(11.87)	(28.03)	(150.05)	**(195.68)**
Balance as at 31st March, 2023	**64.32**	**4.19**	**3.89**	**146.50**	**218.90**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2022	39.03	14.54	24.61	147.65	**225.83**
b) Depreciation/Amortisation expense for the year	10.38	0.31	0.72	48.18	**59.59**
Less: Eliminated on disposal of assets	(5.44)	(11.15)	(22.52)	(149.90)	**(189.01)**
Balance as at 31st March, 2023	**43.97**	**3.70**	**2.81**	**45.93**	**96.41**
C. Net carrying amount (A-B)	**20.35**	**0.49**	**1.08**	**100.57**	**122.49**

As at 31st March, 2022

Description of Assets	Computer	Office Equipment	Furniture, Fittings and Fixtures	Right of Use Assets	Total
A. Gross Carrying Amount					
a) Balance as at 1st April, 2021	**78.74**	**22.15**	**36.79**	**128.00**	**265.68**
b) Additions	10.96	–	–	93.19	**104.15**
Less: Disposals/Adjustments	(32.93)	(6.36)	(4.87)	(24.05)	**(68.21)**
Balance as at 31st March, 2022	**56.77**	**15.79**	**31.92**	**197.14**	**301.62**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2021	60.75	19.96	26.35	75.23	**182.29**
b) Depreciation/Amortisation expense for the year	9.45	0.69	2.64	76.05	**88.83**
Less: Eliminated on disposal of assets	(31.17)	(6.11)	(4.38)	(3.63)	**(45.29)**
Balance as at 31st March, 2022	**39.03**	**14.54**	**24.61**	**147.65**	**225.83**
C. Net carrying amount (A-B)	**17.74**	**1.25**	**7.31**	**49.49**	**75.79**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2023 is Rs. Nil** (2022: Rs. NIL).

Note No. 5 - Intangible Assets

As at 31st March, 2023

₹ in lakhs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2022	17.50	**17.50**
b) Additions	–	**–**
Less: Disposals/ Adjustments	(17.50)	**(17.50)**
Balance as at 31st March, 2023	**–**	**–**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2022	14.44	**14.44**
b) amortization expense for the year	0.15	**0.15**
Less: Eliminated on disposal of assets	(14.59)	**(14.59)**
Balance as at 31st March, 2023	**–**	**–**
C. Net carrying amount (A-B)	**–**	**–**

As at 31st March, 2022

₹ in lakhs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2021	17.50	**17.50**
b) Additions	–	**–**
Less: Disposals/ Adjustments	–	**–**
Balance as at 31st March, 2022	**17.50**	**17.50**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2021	13.55	**13.55**
b) amortization expense for the year	0.89	**0.89**
Less: Eliminated on disposal of assets	–	**–**
Balance as at 31st March, 2022	**14.44**	**14.44**
C. Net carrying amount (A-B)	**3.06**	**3.06**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2023 is Rs.NIL** (2022: Rs. NIL).

Notes to the financial statements for the year ended 31st March, 2023

Note No. 6 – Intangible Assets Under Development

(i) Intangible Assets Under Development(ITUD) Ageing Schedule

As at 31st March, 2023

₹ in lakhs

Particulars	Intangible assets under development: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress	19.01	–	–	–	19.01
Projects temporarily suspended	–	–	–	–	–
	19.01	**–**	**–**	**–**	**19.01**

As at 31st March, 2022

Particulars	Intangible assets under development: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–
	–	**–**	**–**	**–**	**–**

(ii) Projectwise break-up

As at 31st March, 2023

Particulars	To be completed in: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress					
Custom House Agent License	19.01	–	–	–	19.01
	19.01	**–**	**–**	**–**	**19.01**

As at 31st March, 2022

Particulars	To be completed in: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress					
	–	–	–	–	–
	–	**–**	**–**	–	**–**

Note No. 7 – Other Financial Asset

₹ in lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March 2022 Current	As at 31st March 2022 Non-Current
A. Security Deposits				
a) Unsecured, considered good	64.11		119.89	
Less: Allowance for Credit Losses	–		–	–
B. Bank deposits with more than 12 months maturity		5.00		–
C. Others				
a) Interest Accrued	0.06		–	
b) Accrued Sales	811.06		370.73	
c) Equity Shares in Zoroastrian Cooperative Bank Limited		–		0.13
Total	**875.23**	**5.00**	**490.62**	**0.13**

Accrued Sales ageing

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
less than 6 Months........................	**811.06**	**–**	370.73	–
6 Months to 1 year........................	**–**	**–**	–	–
1 to 2 Year....................................	**–**	**–**	–	–
2 to 3 Years..................................	**–**	**–**	–	–
More than 3 Years.........................	**–**	**–**	–	–
Total	**811.06**	**–**	370.73	–

Note No. 8 – Deferred Tax Assets (Net)

(i) Movement in deferred tax balances

Particulars	As on 31st March, 2023: Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance	As on 31st March, 2022: Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance
Tax effect of items constituting deferred tax assets								
a) Allowances on Property, Plant and Equipment and Intangible Assets	**6.65**	**0.48**	**–**	**7.13**	6.64	0.01	–	6.65
b) Provision for employee benefits	**41.48**	**9.80**	**(2.38)**	**48.90**	36.63	7.56	(2.71)	41.48
c) Provisions and allowances for credit losses	**111.54**	**(32.90)**	**–**	**78.64**	78.80	32.74	–	111.54
d) Leases	**0.64**	**0.93**	**–**	**1.57**	0.58	0.06	–	0.64
Total	**160.31**	**(21.69)**	**(2.38)**	**136.24**	**122.65**	**40.37**	**(2.71)**	**160.31**
Net Tax Assets / (Liabilities)	**160.31**	**(21.69)**	**(2.38)**	**136.24**	**122.65**	**40.37**	**(2.71)**	**160.31**

Notes to the financial statements for the year ended 31st March, 2023

Note No. 9 – Income Tax Assets (Net)

₹ in lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax/TDS Receivable (Net off Provision for Tax)	**267.67**	85.33
Total	**267.67**	85.33

Note No. 10 – Trade receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables		
a) Trade Receivables considered good - Secured	**–**	–
b) Trade Receivables considered good - Unsecured	**6,015.71**	7,497.55
c) Trade Receivable which have significant increase in credit risk	**–**	–
d) Undisputed Trade Receivable - Credit Impaired	**26.00**	67.91
e) Disputed Trade Receivable - Credit Impaired	**286.50**	375.31
	6,328.21	7,940.77
Less: Allowance for Credit Losses	**312.50**	443.22
TOTAL	**6,015.71**	7,497.55

Trade Receivable ageing as at March, 2023

	Outstanding for following period from due date of payment						
Particulars	**Not Due**	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	3798.11	1982.31	112.46	121.47	1.36	–	**6,015.71**
b) Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
c) Undisputed Trade Receivable - Credit Impaired	–	–	–	26.00	–	–	**26.00**
d) Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	**–**
e) Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
f) Disputed Trade Receivable - Credit Impaired	–	23.30	1.42	175.17	15.74	70.87	**286.50**
Total Trade Receivables							**6,328.21**
Less: Allowance for Expected Credit Losses							**312.50**
Total							**6,015.71**

Trade Receivable ageing as at March, 2022

	Outstanding for following period from due date of payment						
Particulars	**Not Due**	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	4334.24	3052.30	97.60	7.46	4.33	1.62	**7,497.55**
b) Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
c) Undisputed Trade Receivable - Credit Impaired	–	–	–	67.91	–	–	**67.91**
d) Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	**–**

Notes to the financial statements for the year ended 31st March, 2023

₹ in lakhs

Particulars	Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
	Outstanding for following period from due date of payment						
e) Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
f) Disputed Trade Receivable - Credit Impaired	–	77.78	(1.01)	39.57	211.46	47.51	**375.31**
Total Trade Receivables							**7,940.77**
Less: Allowance for Expected Credit Losses							**443.22**
Total							**7,497.55**

Notes:

i) Refer Note 29 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind As 109, which permits the use of the lifetime expected loss provision for all trade receiables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables are hypothecated to Banks against working capital facility.

Note No. 11 – Cash and Bank Balances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
a) Balances with banks	**275.38**	107.07
b) Cash on hand	**0.42**	0.56
Total	**275.80**	107.63

Note No. 12 – Other Current Assets

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current
A. **Capital advances**				
a) For Capital work in progress	**–**	**–**	–	–
b) For intangible asset under development	**–**	**–**	–	–
Total (A)	**–**	**–**	–	–
B. **Advances other than capital advances**				
a) Prepaid Expenses	**17.54**		20.11	–
b) Balances with government authorities (other than income taxes)	**93.26**		30.82	–
Total (B)	**110.80**	**–**	50.93	–
TOTAL (A+B)	**110.80**	**–**	50.93	–
Less: Allowances for Credit Losses	**–**	**–**	–	–
Total (C)	**–**	**–**	–	–
TOTAL (A+B+C)	**110.80**	**–**	50.93	–

Notes to the financial statements for the year ended 31st March, 2023

Note No. 13 – Equity Share Capital

₹ in lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	**Amount**	No. of shares	Amount
I. **Authorised:**				
Equity shares of Rs. 10 each with voting rights	**2,500,000**	**250.00**	2,500,000	250.00
Total	**2,500,000**	**250.00**	2,500,000	250.00
II. **Issued, Subscribed and Fully Paid:**				
Equity shares of Rs. 10 each with voting rights	**2,362,509**	**236.26**	2,362,509	236.26
Total	**2,362,509**	**236.26**	2,362,509	236.26

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
A. **Equity Shares with Voting rights**				
a) **Year Ended 31st March 2023**				
No. of Shares	**2,362,509**	**–**	–	**2,362,509**
Amount	**236.26**	**–**	–	**236.26**
b) Year Ended 31st March 2022				
No. of Shares	2,362,509	–	–	2,362,509
Amount	236.26	–	–	236.26

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mahindra Logistics Limited	**2,340,009**	2,340,009

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Logistics Limited	**2,340,009**	**99.05%**	2,340,009	99.05%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2023

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year**
1. Mahindra Logistics Limited	**2,340,009.00**	**99.05%**	**–**

Shares held by promoters as at 31st March,2022

Promoter name	No. of Shares	%of total shares	% Change during the year
1. Mahindra Logistics Limited	2,340,009.00	99.05%	–

Notes to the financial statements for the year ended 31st March, 2023

Note No. 14 – Other Equity

₹ in lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities Premium reserve	**622.75**	622.75
Equity-settled employee benefits reserve	**–**	–
General Reserve	**–**	–
Retained earnings	**3,366.39**	2,362.86
Total	**3,989.14**	2,985.61

Movement in Reserves

Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Securities Premium reserve		
Balance as at the beginning of the year	**622.75**	622.75
Add: Additions during the year	**–**	–
Less: Deletion during the year	**–**	–
Balance as at the end of the year	**622.75**	622.75
(B) Equity-settled employee benefits reserve		
Balance as at the beginning of the year	**–**	–
Add: Additions during the year	**–**	–
Less: Deletion during the year	**–**	–
Balance as at the end of the year	**–**	–
(C) General Reserve		
Balance as at the beginning of the year	**–**	–
Add: Additions during the year	**–**	–
Less: Deletion during the year	**–**	–
Balance as at the end of the year	**–**	–
(D) Retained Earnings		
Balance as at the beginning of the year	**2,362.86**	755.51
Add: Profit for the year	**996.44**	1,599.29
Less: Actuarial gain/(loss) for the year	**7.09**	8.06
Balance as at the end of the year	**3,366.39**	2,362.86

Nature and purpose of other reserves:

<u>Securities Premium Reserve:</u>

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

<u>Retained earnings:</u>

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the company in accordance with the Companies Act, 2013.

Note No. – 15 Borrowings

₹ in lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current
A. Secured Borrowings				
Loans repayable on demand from Banks	**–**	**–**	2,602.00	–
Total Borrowings	**–**	**–**	2,602.00	–

Note:

i. Secured loan from banks is in the nature of Cash Credit facility availed against trade receivables.

ii. Cash credit facililty has been availed at the rate of interest ranging from 5.75% to 8.75% p.a. agianst the charge of trade receivables.

iii. Bank sanctioned facility comprises of Cash Credit limit and working capital facility of Rs 5,000 lacs and facility availed as on 31st March, 2023 is Rs. Nil (31st March 2022 - Rs2602Lacs)

Note No. 16 – Trade Payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	**67.36**	54.81
Total outstanding dues other than micro enterprises and small enterprises:		
- Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**2,961.36**	2,023.14
Total	**3,028.72**	2,077.95

Notes to the financial statements for the year ended 31st March, 2023

Trade Payables ageing as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment #				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	67.36	–	–	–	67.36
(ii) Others	2,961.36	–	–	–	2,961.36
(iii) Disputed Dues - MSME	–	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–	–

Trade Payables ageing as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment #				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	54.81	–	–	–	54.81
(ii) Others	2,246.73	–	0.23	3.74	2,250.70
(iii) Disputed Dues - MSME	–	–	–	–	
(iv) Disputed Dues - Others	–	–	–	–	

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues remaining unpaid		
— Principal	–	–
Interest on the above	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

Note No. 17 – Other Financials Liabilites

₹ in lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non–Current	Current	Non–Current
Salary & other payable to employees	**231.25**		315.93	–
Interest accrued on borrowings	**–**		1.59	
TOTAL	**231.25**	**–**	317.52	–

Note No. 18 – Provisions

₹ in lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non–Current	Current	Non–Current
Provision for Compensated absences	**23.01**	**90.25**	13.81	79.56
Post- Employment Benefit -Gratuity Liability	**10.44**	**70.60**	6.27	65.19
TOTAL	**33.45**	**160.85**	20.08	144.75

Note No. 19 – Other Liabilities

₹ in lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non–Current	Current	Non–Current
Statutory dues				
a) Taxes payable	**29.79**		26.77	–
b) Employee Liabilities	**11.70**		8.39	–
TOTAL (A+B)	**41.49**	**–**	35.16	–

Notes:

i) For disclosures related to employee benefits, refer note 23.

Notes to the financial statements for the year ended 31st March, 2023

Note No. 20 - Revenue from Operations

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from rendering of services................	**36,582.91**	45,013.11
Total	**36,582.91**	45,013.11

A. Continent-wise break up of Revenue

₹ in lakhs

Continent	Year ended 31st March, 2023 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2023 Total Revenue from Operations	Year ended 31st March, 2022 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2022 Total Revenue from Operations
Africa	**1,257.13**	**1,257.13**	1,204.63	1,204.63
Asia	**23,352.05**	**23,352.05**	31,124.08	31,124.08
Europe	**4,564.47**	**4,564.47**	5,453.81	5,453.81
North America	**6,212.60**	**6,212.60**	6,048.48	6,048.48
Oceania	**539.10**	**539.10**	281.90	281.90
South America	**657.56**	**657.56**	900.21	900.21
Total	**36,582.91**	**36,582.91**	45,013.11	45,013.11

B. Reconciliation of revenue from contract with customer

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from contract with customer as per the contract price	**36,582.91**	45,013.11
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**–**	–
b) Sales Returns / Reversals......................	**–**	–
c) Deferrment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	–
e) Recognition of revenue from contract liability out of	**–**	–
f) Any other adjustments............................	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**36,582.91**	45,013.11

C. Break-up of Provision for Expected Credit Losses recognized in P&L

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Expected Credit loss recognized during the year on trade receivables	**(130.71)**	130.09
Expected Credit loss recognized during the year on contract assets.................................	**–**	–
Expected Credit loss recognized during the year on others	**–**	–
Expected Credit loss recognized during the year on loan related assets	**–**	–
Total	**(130.71)**	130.09

D. Movement of Contract Assets and Contract Liabilities

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Balance...	**370.72**	91.19
Additions during the year	**20,137.00**	9,973.89
Reclassification Adjustments:		
- Reclass of opening balances of contract assets to trade receivables	**(370.72)**	(91.19)
- Reclass of contract assets (out of additions during the year) to trade receivables.......	**(19,325.94)**	(9,603.17)
Closing Balance	**811.06**	370.72

Note No. 21 - Other Income

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Interest Income		
i) Financial assets carried at amortised cost	**0.07**	–
ii) Other Assets.....................................	**4.61**	13.38
b) Miscellaneous Income		
i) Gain on exchange fluctuation	**123.75**	243.49
ii) Provisions/Liabilities no longer required written back.........................	**31.43**	(4.51)
Total	**159.86**	252.36

Note No. 22 - Freight & Other related Expenses

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Freight & Other related Expenses	**32,925.55**	40,544.96
Total	**32,925.55**	40,544.96

Note No. 23 - Employee Benefits Expense

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Salaries and wages, including bonus	**1,545.45**	1,512.78
b) Contribution to provident and other funds ..	**70.96**	67.75
c) Gratuity	**24.14**	25.43
d) Share based payment expenses	**26.99**	–
e) Staff welfare expenses	**69.81**	51.74
Total	**1,737.35**	1,657.70

Notes:

i) Salaries and wages would include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

ii) Contribution to provident fund and other funds would include contributions to other funds like superannuation fund etc.pertaining to employees. Contributions to ESIC, Labour Welfare Fund.

iii) **Share based payment**

Pursuant to the Employees Stock Options Scheme established by the holding Company (i.e. Mahindra Logitstics Limited), stock options was granted to the employee of the Company. Total cost incurred by the holding Company, in respect of the same is Rs. 50.46Lacs. The same is being recovered from the company over the period of vesting by the holding Company. Accordingly, cost of Rs. 26.99Lacs (P.Y. Rs. Nil) has been recovered by the holding Company upto current year, out of which, Rs. 26.99Lacs (P.Y. Rs. Nil) was recovered during the year.

Notes to the financial statements for the year ended 31st March, 2023

Note No. 24 - Finance Cost

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Interest expense on financial instruments designated at amortised cost	**106.23**	236.95
b) Interest expense on Lease liability	**7.59**	9.85
Total	**113.82**	246.80

Note No. 25 - Depreciation and Amortisation expenses

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Depreciation on Property, Plant and Equipment	**11.42**	12.78
b) Amortisation on Right-of-use asset	**48.16**	76.05
c) Amortisation on Intangible Assets	**0.15**	0.89
Total	**59.73**	89.72

Note No. 26 - Other Expenses

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Rent including lease rentals	**134.15**	30.06
b) Legal & Other Professional charges	**62.71**	68.84
c) Travelling and Conveyance Expenses	**101.97**	75.12
d) Provision for expected credit losses (Net of Reversals)	**(130.71)**	130.09
e) Expenditure on Corporate Social Responsibility (CSR)	**23.08**	8.04
f) Advertisment	**5.22**	–
g) Net loss on sale of property, plant and equipments	**3.12**	2.19
h) Repairs and maintenance :		
i) Machinery	**–**	–
ii) Others	**186.18**	128.95
i) Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**4.40**	4.27
ii) For Taxation matters	**0.90**	0.75
iii) For Other services	**0.10**	–
j) Other expenses		
i) Miscellaneous expense	**116.89**	86.57
ii) Loss arising on derecognition of financial assets-Bad debts/advances written off	**59.94**	65.49
Total	**567.95**	600.37

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 Rs.23.08 lacs (2022:Rs 8.04Lacs).

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) amount required to be spent by the company during the year,	23.08	7.97
(ii) amount of expenditure incurred,	23.08	8.04
(iii) shortfall at the end of the year,	–	–
(iv) total of previous years shortfall,	–	–
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,		
a) Building Communities	2.00	
b) Disaster Management		
c) Nanhi Kali	11.54	
d) Skill Development		
e) Sustainability	9.54	8.04
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation	NA	–
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	–

Note No. 27 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Current Tax:		
a) In respect of current year	**320.24**	564.29
Total	**320.24**	564.29
B. Deferred Tax:		
a) In respect of current year origination and reversal of temporary differences	**21.69**	(40.37)
Total	**21.69**	(40.37)
Total (A=B)	**341.93**	523.92

(b) Income tax recognized in Other Comprehensive Income

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Current Tax:		
Remeasurement of defined benefit obligations	**–**	–
Total	**–**	–
B. Deferred Tax:		
Remeasurement of defined benefit obligations	**2.38**	2.71
Total	**2.38**	2.71
Classification of income tax recognized in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**2.38**	2.71
Total	**2.38**	2.71

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	As at 31st March, 2023 Per Share	As at 31st March, 2022 Per Share
a) Profit Before tax	**1,338.37**	2,125.92
b) Income Tax using the Company's domestic tax rate	**336.84**	535.09
c) Expenses not allowed for tax purpose	**5.09**	(8.46)
	341.93	526.63
Income tax expense recognized In profit or loss	**341.93**	526.63

Note

The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Notes to the financial statements for the year ended 31st March, 2023

Note No. 28 - Earnings per Share

₹ in lakhs

Particulars		Year ended 31st March, 2023 Per Share	Year ended 31st March, 2022 Per Share
A.	Basic Earnings per share (in Rs) (face value Rs. 10/- per share)	**42.48**	68.04
B.	Diluted Earnings per share (in Rs) (face value Rs. 10/- per share)	**42.48**	68.04

Notes:

i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Profit / (loss) for the year attributable to owners of the Company	**1,003.53**	1,607.35
Profit / (loss) for the year used in the calculation of basic earnings per share	**1,003.53**	1,607.35
Total number of equity shares	**2,362,509**	2,362,509
Earnings per share from continuing operations - Basic (in Rs)	**42.48**	68.04

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Profit / (loss) for the year used in the calculation of basic earnings per share	**1,003.53**	1,607.35
b) Add: Dilutive Impact	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**1,003.53**	1,607.35

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**2,362,509.00**	2,362,509.00
Add: Dilutive Impact	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**2,362,509.00**	2,362,509.00
Earnings per share from continuing operations - Diluted (in Rs.)	**42.48**	68.04

Note No. 29 - Financial Instruments

I. Capital management Policy

a) The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

₹ in lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Equity	**4,225.40**	3,221.87
Total	**4,225.40**	3,221.87

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

₹ in lakhs

As at 31st March 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	**5.00**	**–**	**–**	**5.00**
Total	**5.00**	**–**	**–**	**5.00**
B. Current Assets				**–**
a) Trade Receivables	**6,015.71**	**–**	**–**	**6,015.71**
b) Cash and Bank Balances	**275.80**	**–**	**–**	**275.80**
c) Other Financial Assets	**875.23**	**–**	**–**	**875.23**
Total	**7,166.74**	**–**	**–**	**7,166.74**
C. Non-current Liabilities				
a) Lease Liabilities	**60.86**	**–**	**–**	**60.86**
Total	**60.86**	**–**	**–**	**60.86**
D. Current Liabilities				
a) Lease Liabilities	**45.93**	**–**	**–**	**45.93**
b) Borrowings	**–**	**–**	**–**	**–**
c) Trade Payables	**3,028.72**	**–**	**–**	**3,028.72**
d) Other Financial Liabilities	**231.25**	**–**	**–**	**231.25**
Total	**3,305.90**	**–**	**–**	**3,305.90**

As at 31st March 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	0.13	–	–	0.13
Total	0.13	–	–	0.13
B. Current Assets				–
a) Trade Receivables	7,497.55	–	–	7,497.55
b) Cash and Bank Balances	107.63	–	–	107.63
c) Other Financial Assets	490.62	–	–	490.62
Total	8,095.80	–	–	8,095.80
C. Non-current Liabilities				
a) Lease Liabilities	30.49	–	–	30.49
Total	30.49	–	–	30.49

Notes to the financial statements for the year ended 31st March, 2023

As at 31st March 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
D. Current Liabilities				
a) Lease Liabilities	21.53	–	–	21.53
b) Borrowings	2,602.00	–	–	2,602.00
c) Trade Payables	2,077.95	–	–	2,077.95
d) Other Financial Liabilities	317.52	–	–	317.52
Total	5,019.00	–	–	5,019.00

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India and outside India

(iii) Apart from one large customer of the company, the company does not have significant credit risk exposure to any single customer.Concentration of credit risk related to a single company did not exceed 10 % of gross monetary assets at any time during the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

₹ in lakhs

As at 31st March, 2023

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
a) Gross carrying amount	**3,798.10**	**2,005.61**	**524.50**	**6,328.21**
b) Loss allowance provision				**312.50**

₹ in lakhs

As at 31st March, 2022

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	7,211.59	345.71	383.47	7,940.77
b) Loss allowance provision				443.22

(vii) Reconciliation of loss allowance provision for Trade Receivables

₹ in lakhs

Particulars	**31 March, 2023**	31 March, 2022
a) Balance as at beginning of the year	**443.22**	313.13
b) Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year...............................	**25.36**	195.58
– Other receivables................	**52.82**	
c) Impairment losses reversed/written back...	**208.90**	65.49
d) Balance at end of the year	**312.50**	443.22

(viii) During the period, the company has made write off of Rs. 59.94 lacs (31 March, 2022: Rs.65.49 lacs) of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2023 the company held cash and cash equivalents of Rs. 275.80 Lacs (As at 31st March, 2022 Rs. 107.63 Lacs). The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial iabilites:

₹ in lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
A) Non-derivative financial liabilities				
As at 31st March 2023				
a) Lease Liabilities	**45.93**	**60.86**	**–**	**–**
b) Borrowings	**–**	**–**	**–**	**–**
c) Trade Payables.........	**3,028.72**	**–**	**–**	**–**
d) Other Financial Liabilities	**231.25**	**–**	**–**	**–**
Total	**3,305.90**	**60.86**	**–**	**–**
As at 31st March 2022				
a) Lease Liabilities	21.53	30.49	–	–
b) Borrowings	2,602.00	–	–	–
c) Trade Payables.........	2,077.95	–	–	–
d) Other Financial Liabilities	317.52	–	–	–
Total	5,019.00	30.49	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the financial statements for the year ended 31st March, 2023

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

₹ in lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Secured Cash credit facility		
– Expiring within one year..........	**5,000.00**	2,398.00
– Expiring beyond one year.......	**–**	–
b) Bank Guarantees*		
– Expiring within one year..........	**465.00**	470.00
– Expiring beyond one year.......	**–**	–

* These limits are as a sub-limit of secured cash credit facility.

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs
Non-derivative financial assets				
As at 31st March 2023				
a) Trade Receivables	**6,015.71**	**–**	**–**	**–**
b) Cash and Bank Balances	**275.80**	**–**	**–**	**–**
c) Other Financial Assets ..	**875.23**	**–**	**–**	**5.00**
Total	**7,166.74**	**–**	**–**	**5.00**
As at 31st March 2022				
a) Trade Receivables	7,497.55	–	–	–
b) Cash and Bank Balances	107.63	–	–	–
c) Other Financial Assets ..	490.62	**–**	–	0.13
Total	8,095.80	–	–	0.13

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	31st March, 2022	31st March, 2021
Trade Receivables	USD	**352,983**	380,516
	EUR	**3,296**	14,638
	CAD		30.69
	SGD	**1,257**	–
	GBP		10.00
	HKD		–
Trade Payables	USD	**784,224**	1,167,767
	HKD	**156,779**	118,215
	EUR	**200,720**	213,043
	GBP	**25,777**	48,542
	SGD	**8,541**	31,675
	CAD	**3,506**	4,420
	CHF	**230**	499
	AUD	**6,703**	11,820
	DKK	**–**	5,462
	JPY	**1,044,446**	2,257,184

The Company does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts designated as Fair Value hedges of USD-INR as at 31 March 2023 and 31 March 2022 was Nil.

Outstanding number of contracts as at 31 March 2023 and 31 March 2022 were Nil.

Following table demonstrate the Notional value of forward contracts designated as fair value hedges in lakhs.

Currency	As at 31st March, 2023		As at 31st March, 2022	
	Amount in foregeign Currency	Amount in INR	Amount in foregeign Currency	Amount in INR
USD - INR	**–**	**–**	–	–
HKD - INR	**–**	**–**	–	–
GBP- INR	**–**	**–**	–	–
Euro - INR	**–**	**–**	–	–

The foreign exchange forward contracts designated as Fair Value hedges mature maximum within 1 months.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
31-March-23	**USD**	**+10%**	**32.65**	**32.65**
	USD	**-10%**	**(32.65)**	**(32.65)**
	HKD	**+10%**	**1.50**	**1.50**
	HKD	**-10%**	**(1.50)**	**(1.50)**
	EUR	**+10%**	**16.68**	**16.68**
	EUR	**-10%**	**(16.68)**	**(16.68)**
	GBP	**+10%**	**2.56**	**2.56**
	GBP	**-10%**	**(2.56)**	**(2.56)**
31-March-22	USD	+10%	(59.61)	(59.61)
	USD	-10%	59.61	59.61
	HKD	+10%	(1.13)	(1.13)
	HKD	-10%	1.13	1.13
	EUR	+10%	(16.77)	(16.77)
	EUR	-10%	16.77	16.77
	GBP	+10%	(4.82)	(4.82)
	GBP	-10%	4.82	4.82

Notes to the financial statements for the year ended 31st March, 2023

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in Interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of Interest	Rate of interest	Loan amount outstanding	Increase in Base Rate	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate	Sensitivity Impact on P&L (pre-tax)
As at 31st March, 2023	**Cash Credit**	**Floating**	**8.75%**	**–**	**1.00%**	**–**	**1.00%**	**–**
As at 31st March, 2022	Cash Credit	Floating	6.70%	2,602.00	1.00%	(26.02)	1.00%	26.02

Note No. 30 - Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

₹ in lakhs

Particulars	**31st March, 2023** Carrying amount	**31st March, 2023** Fair value	31st March, 2022 Carrying amount	31st March, 2022 Fair value
A) Financial assets				
a) Financial assets carried at amortized Cost				
i) Trade and other receivables	**6,015.71**	**6,015.71**	7,497.55	7,497.55
ii) Deposits given	**64.11**	**64.11**	119.89	119.89
iii) Cash and cash equivalents	**275.80**	**275.80**	107.63	107.63
iii) Others	**816.12**	**816.12**	370.86	370.86
Total	**7,171.74**	**7,171.74**	8,095.93	8,095.93
B) Financial liabilities				
b) Financial liabilities held at amortized cost				
i) Lease Liabilities	**106.79**	**106.79**	52.02	52.02
ii) Borrowings	**–**	**–**	2,602.00	2,602.00
iii) Trade and other payables	**3,028.72**	**3,028.72**	2,077.95	2,077.95
iv) Other financial liabilities	**231.25**	**231.25**	317.52	317.52
Total	**3,366.76**	**3,366.76**	5,049.49	5,049.49

Note No. 31 - Segment information

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. “Freight Forwarding”.

iii) The Chief Operating Decision Maker (“CODM”) monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

The Segmental Disclosures are as follows :-

(iv) Geographic information

₹ in lakhs

Particulars	**Year Ended 31st March, 2023**	Year Ended 31st March, 2022
Revenue from external customers		
India	**20,482.56**	28,302.35
Outside India	**16,100.35**	16,710.76
Total Revenue as per statement of Profit or Loss	**36,582.91**	45,013.11

v) Non-current operating assets

Particulars	**As at 31st March, 2023**	As at 31st March, 2022
India	**122.49**	78.85
Outside India	**–**	–
Total	**122.49**	78.85

Non-current assets for this purpose consist of property, plant and equipment, and intangible assets.

The revenues of the company from a group of customers under common control amounts to around 6.23% (Previous year 6.71%) of its total revenues.

Notes to the financial statements for the year ended 31st March, 2023

Note No. 32 - Leases

Following are the changes in the carrying value of right of use assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at 1st April	**49.49**	52.77
Addition	**99.41**	93.19
Deletion	**(0.15)**	(20.42)
Amortisation expense for the year	**(48.18)**	(76.05)
Balance at 31st March	**100.57**	49.49

The aggregate Amortisation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at 1st April	**52.02**	55.63
Additions	**99.41**	93.19
Finance cost accrued during the period	**7.59**	9.85
Deletions	**(0.17)**	(20.42)
Payment of lease liabilities	**(52.06)**	(86.23)
Balance at 31st March	**106.79**	52.02
Current lease liabilities	**45.93**	21.53
Non-current lease liabilities	**60.86**	30.49
Total	**106.79**	52.02

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	**51.79**	24.68
One to five years	**63.74**	33.74
More than five years	**–**	–
Total undiscounted lease liabilities at Balance sheet date	**115.53**	58.42

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹134.15 lacs and ₹86.23 lacs for the year ended March 31, 2023 and year ended March 31, 2022 respectively.

Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest on lease liabilities	**7.59**	9.85
Expense relating to short term leases	**134.15**	30.06
Amortisation expense of right of use asset	**48.16**	76.05
Total Expenses	**189.90**	115.96

Amounts recognised in Statement of cash flows

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total cash outflows for leases	**180.00**	116.29

Note No. 33 - Employee benefits

i) **Defined Contribution Plan**

The Company's contribution to Provident Fund aggregating Rs. 70.96 lacs (2021 : Rs. 67.75 lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) **Defined Benefit Plans:**

Gratuity

(a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31st March, 2023	Valuation as at 31st March, 2022
a) Discount rate(s)	**7.30%**	6.80%
b) Expected rate(s) of salary increase	**7.00%**	7.00%
c) Mortality rate during employment	**IALM(2012-14) Ultimate**	IALM(2012-14) Ultimate

(d) Defined benefit plans – as per actuarial valuation

Particulars	Unfunded Plan – Gratuity 2023	Unfunded Plan – Gratuity 2022
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**19.29**	19.93
b) Past service cost and (gains)/losses from settlements		
c) Net interest expense	**4.86**	3.84
Components of defined benefit costs reconised in profit or loss	**24.15**	23.77
a) Remeasurement on the net defined benefit liability		
b) Return on plan assets (excluding amount included in net interest expense)		
c) Actuarial (gains)/loss arising form changes in demaographic	**(0.74)**	

Notes to the financial statements for the year ended 31st March, 2023

Particulars	Unfunded Plan – Gratuity 2023	2022
d) Actuarial (gains)/loss arising form changes in financial assumptions	**(2.80)**	(2.33)
e) Actuarial (gains)/loss arising form experience adjustments	**(5.93)**	(8.44)
Components of defined benefit costs recognised in other comprehensive income	**(9.47)**	(10.77)
Total	**14.68**	13.00
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**(81.04)**	(71.46)
b) Fair value of plan assets		–
c) Surplus/(Deficit)	**(81.04)**	(71.46)
d) Current portion of the above	**(10.44)**	(6.27)
e) Non current portion of the above	**(70.60)**	(65.19)
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the year	**71.46**	60.48
b) Add/(Less) on account of Scheme of Arrangement/Business		
c) Transfer		
d) Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**19.29**	19.93
– Past Service Cost		
– Interest Expense (Income)	**4.86**	3.84
e) Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(0.74)**	–
ii. Financial Assumptions	**(2.80)**	(2.33)
iii. Experience Adjustments	**(5.93)**	(8.44)
f) Benefit payments	**(5.09)**	(2.02)
g) Present value of defined benefit obligation at the end of the year	**81.04**	71.46
IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the year	**–**	–
ii) Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**–**	–
iii) Recognised in Other Comprehensive Income	**–**	–
Remeasurement gains/(losses)		

Particulars	Unfunded Plan – Gratuity 2023	2022
– Actual Return on plan assets in excess of the expected return	**–**	–
iv) Contributions by employer (including benefit payments recoverable)	**–**	–
v) Benefit payments	**–**	–
vi) Fair value of plan assets at the end of the year	**–**	–
V. The Major categories of plan assets		
– Insurance Funds	**–**	–
VI. Actuarial assumptions		
a) Discount rate	**7.30%**	6.80%
b) Expected rate of return on plan assets		
c) Attrition rate	**15.00%**	12.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
a) Discount rate	**2023**	**1.00%**	**76.61**	**85.92**
	2022	1.00%	66.68	76.83
b) Salary growth rate	**2023**	**1.00%**	**85.66**	**76.72**
	2022	1.00%	76.69	66.65
c) Rate of employee turnover	**2023**	**0.50%**	**78.94**	**82.60**
	2022	0.50%	68.25	75.18
d) Rate of Mortality	**2023**	**0.10%**	**81.05**	**81.03**
	2022	0.10%	71.46	71.46

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The weighted average duration of the defined benefit obligation as at **31 March 2023 is 6 years** (2022: 9 years)

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2023	2022
Within 1 year	**10.43**	6.26
2 - 5 year	**43.20**	33.91
6 - 10 year	**41.90**	35.48
More than 10 years	**37.33**	51.02

Notes to the financial statements for the year ended 31st March, 2023

g) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 34 - Related Party Transactions

i) List of Related Parties:

a) Ultimate Holding Company:			
1		Mahindra & Mahindra Limited	
b) Holding Company:			
1		Mahindra Logistics Limited	
c) Fellow Subsidiaries			
1		Mahindra Heavy Engines Limited	
2		Mahindra Two Wheelers Limited	
3		Mahindra Defence Systems Limited	
4		Classic Legends Private Limited	
5		Mahindra Electric Mobility Limited (Merged with Mahindra & Mahindra Limited w.e.f. 2nd February, 2023)	
6		Mahindra Auto Steel Private Limited	
7		Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited)	
8		V-Link freight Services Private Limited	
d) Other Related Parties:			
1		Sanyo Special Steel Manufacturing India Private Limited	
2		Mahindra CIE Automotive Limited	
3		Tech Mahindra Limited	
c) Key management Personnel		**Name of KMP**	**Designation**
1		Rampraveen Swaminathan	Non-Executive Director
2		Sushil Rathi (Upto 31st March 2023)	Non-Executive Director
3		Naveen Raju Kollaickal	Non-Executive Director
4		Ajay Mehta	Independent Director
5		Chandra Iyer	Independent Director

ii) Details of transaction between the Company and its related parties are disclosed below:

						₹ in lakhs
Particulars	**Year**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary**	**Other related parties**	**KMP**
<u>Nature of transactions with Related Parties</u>						
a) Rendering of services	31-Mar-23	**1,939.61**		**334.97**	**5.59**	
	31-Mar-22	2,874.71		119.40	27.63	
b) Receiving of services	31-Mar-23			**49.46**		
	31-Mar-22			–		
c) Reimbursements made to parties	31-Mar-23	**1.29**	**292.01**			
	31-Mar-22	2.63	102.78			
d) Reimbursements received from the parties	31-Mar-23			**2.00**		
	31-Mar-22				–	
e) Interest paid to the parties	31-Mar-23		**–**			
	31-Mar-22		1.78			
f) Loans received from parties	31-Mar-23		**–**			
	31-Mar-22		200.00			
g) Loans repaid to parties	31-Mar-23		**–**			
	31-Mar-22		200.00			
h) Director sitting fees	31-Mar-23					**5.00**
	31-Mar-22					4.60
<u>Nature of Balances with Related Parties</u>						
a) Trade payables	31-Mar-23	**0.45**	**53.46**			**0.54**
	31-Mar-22	1.96	24.46			–
b) Trade Receivable	31-Mar-23	**549.50**	**–**	**4.19**	**–**	**–**
	31-Mar-22	482.43	–	41.35	–	–

iii) All the outstanding balances, whether receivables or payables are unsecured.

iv) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

v) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

vi) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Notes to the financial statements for the year ended 31st March, 2023

vii) Material related party transactions are as under:

						₹ in lakhs
Particulars	**Year**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary**	**Other related parties**	**KMP**
a) Rendering of Services						
Mahindra & Mahindra Limited	31-Mar-23	**1,939.61**				
	31-Mar-22	2,874.71				
Mahindra Two Wheelers Limited	31-Mar-23			**6.93**		
	31-Mar-22			10.77		
Classic Legends Private Limited	31-Mar-23			**0.78**		
	31-Mar-22			1.85		
Mahindra Heavy Engines Limited	31-Mar-23			**58.56**		
	31-Mar-22			15.96		
Mahindra Auto Steel Private Limited	31-Mar-23			**2.62**		
	31-Mar-22					
Mahindra Accelo Limited	31-Mar-23			**1.07**		
	31-Mar-22					
Mahindra Electric Mobility Limited	31-Mar-23			**265.01**		
	31-Mar-22			23.92		
Mahindra Defence System Limited	31-Mar-23			–		
	31-Mar-22			66.90		
Mahindra CIE Automotive Limited	31-Mar-23				**5.40**	
	31-Mar-22				–	
Sanyo Special Steel Manufacturing India Private Limited	31-Mar-23				**0.19**	
	31-Mar-22				–	
Tech Mahindra Limited	31-Mar-23					
	31-Mar-22				27.63	
b) Receiving of services						
V-Link Freight Services Private Limited	31-Mar-23			**49.46**		
	31-Mar-22			–		
c) Reimbursements made to parties						
Mahindra & Mahindra Limited	31-Mar-23	**1.29**				
	31-Mar-22	2.63				
Mahindra Logistics Limited	31-Mar-23		**292.01**			
	31-Mar-22		102.78			
d) Reimbursements received from the parties						
V-Link Freight Services Private Limited	31-Mar-23			**2.00**		
	31-Mar-22			–		
e) Interest paid to the parties						
Mahindra Logistics Limited	31-Mar-23		**–**			
	31-Mar-22		1.78			
f) Loans received from parties						
Mahindra Logistics Limited	31-Mar-23		**–**			
	31-Mar-22		200.00			
g) Loans repaid to parties						
Mahindra Logistics Limited	31-Mar-23		**–**			
	31-Mar-22		200.00			
h) Director sitting fees						
Mr. Ajay Mehta	31-Mar-23					**2.50**
	31-Mar-22					2.30
Ms. Chandra Iyer	31-Mar-23					**2.50**
	31-Mar-22					2.30

Notes to the financial statements for the year ended 31st March, 2023

Note No. 35 - Ratio

S.No.	Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% variance	Reasons
1	Current Ratio	Current Assets	Current Liabilities	**2.15**	1.61	34%	Better working capital management
2	Debt-equity Ratio	Borrowing	Networth	**–**	0.81	(100)%	Repaid working capital borrowings
3	Debt service coverage Ratio	Net Profit before tax + Interest	Borrowing	**–**	0.91	(100)%	Repaid working capital borrowings
4	Return on equity Ratio	Profit After Tax	Shareholder's Equity	**26.76%**	66.14%	(60)%	Reduction in profit due to correction in freight rates (air and ocean both) in FY 22-23 vs FY 21-22
5	Inventory Turnover Ratio	NA*	NA*	**NA**	NA	NA	
6	Trade receivables turnover ratio	Net Credit Sales	Avg.Accounts Receivables + Avg. Accrued Receivables	**4.98**	5.72	(13)%	
7	Trade payables turnover ratio	Net Purchases of Freight Services	Avg.Accounts Payable	**12.90**	12.31	5%	
8	Net capital turnover ratio	Revenue from Operations	Working Capital	**9.77**	14.65	(33)%	Reduction in revenue and increase in Daily Sales Outstanding
9	Net profit ratio	Net Profit	Revenue from Operations	**2.72%**	3.55%	(23)%	
10	Return on capital employed	EBIT***	Capital Employed****	**34.37%**	40.74%	(16)%	
11	Return on investment	NA*	NA*	**NA**	NA	NA	

NA* ratios are not applicable

EBIT***= Earnings before Interest and tax

Capital Employed**** = Sharedholde's fund + Borrowings

Note No. 36 - Relationship with Struck Off Co

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2023	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed
LUFTHANSA CARGO AG	Payable	3.28	–	Vendor	–	Vendor
SHINE FREIGHT SYSTEMS INDIA PRIVATE LIMITED	Payable	51.81	0.67	Vendor	6.01	Vendor

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2022	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2021	Relationship with the struck off company, if any to be disclosed
H T L LOGISTICS INDIA PRIVATE LIMIT	Receivables	–	–	Customer	0.19	Customer
SYNERGY LIFESTYLES PRIVATE LIMITED	Receivables	1.48	–	Customer	–	Customer
JAYEM AUTOMOTIVES PRIVATE LIMITED	Receivables	20.03	(1.37)	Customer	–	Customer

Note No. 37

Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 18th April, 2023

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date : 18th April, 2023

Naveen Raju
Director
DIN : 07653394
Place : Mumbai
Date : 18th April, 2023

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date : 18th April, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of MLL Express Services Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of MLL Express Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2021 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 23040852BGUQZO9872

Place: Mumbai
Date: April 20, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **MLL Express Services Private Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZO9872

Place: Mumbai
Date: April 20, 2023

ANEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under '**Report on other Legal and Regulatory Requirements' section** of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and the discrepancies noticed on such verification have been appropriately dealt with in the books of account.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Service tax, Duty of Customs and Duty of Excise as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or

other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company, post-acquisition of its operating business, has finalised enhanced scope of internal audit which is commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the year under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is an unregistered Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. In our opinion and according to the information and explanations given to us, the Company does not continue to fulfill the criteria of a CIC as at the date of our audit report.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3,468 lakhs during the current financial year and Rs. 28.59 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a

period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 23040852BGUQZO9872

Place: Mumbai
Date: April 20, 2023

STANDALONE STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
(I) Non-current assets			
a) Investment in subsidiaries	3	**–**	5,048.01
b) Property, plant and equipment	4	**164.98**	–
c) Right of Use Asset	36	**2,655.95**	–
d) Goodwill	5	**17,441.14**	–
e) Intangible assets	6	**5,234.56**	–
f) Financial assets			
i) Other financial assets	20	**959.84**	–
h) Deferred Tax Assets (net)	19	**1,071.62**	–
j) Other non-current assets	7	**497.50**	–
Sub-total		**28,025.59**	5,048.01
(II) Current assets			
a) Financial assets			
i) Investments	8	**220.02**	–
ii) Trade receivables	9	**5,312.82**	–
iii) Cash and cash equivalents	10	**769.48**	0.08
iv) Bank Balances other than (iii) above	11	**2.00**	–
b) Other Financial assets	12	**1,344.01**	–
Sub-total		**7,648.34**	0.08
Total Assets		**35,673.94**	5,048.09
Equity and liabilities			
(I) Equity			
a) Equity share capital	13	**9,713.78**	9,713.78
b) Other equity		**(7,867.90)**	(4,689.14)
Sub-total		**1,845.88**	5,024.64
(II) Liabilities:			
Non-current liabilities:			
a) Financial liabilities			
i) Borrowings	14	**22,000.00**	–
ii) Lease Liabilities	36	**813.48**	–
iii) Other financial liabilities	17		
b) Provisions	15	**224.24**	–
Sub-total		**23,037.71**	–
Current liabilities:			
a) Financial liabilities			
i) Lease Liabilities	36	**1,815.08**	-
ii) Trade Payables	16		
a) Due to Micro and Small Enterprises		**45.41**	–
b) Other than Micro and Small Enterprises		**7,621.60**	22.77
iii) Other financials liabilities	17	**386.93**	–
b) Provisions	15	**86.63**	–
c) Other liabilities	18	**834.70**	0.69
Sub-total		**10,790.37**	23.45
Total Equity and Liabilities		**35,673.94**	5,048.09
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 46		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sreeram Venkateswaran
Chief Executive Officer

Swati Rane
Chief Financial Officer

Sheetal Jain
Company Secretary
Membership No. A40730

Place : Mumbai
Date : April 20, 2023

Place : Mumbai
Date : April 20, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Notes	Period ended March 31, 2023	Period ended March 31, 2022
Revenue			
Revenue from operations	21	**12,162.39**	–
Other income	22	**152.64**	–
TOTAL INCOME (I)		**12,315.03**	–
EXPENSES			
Operating expenditure	23	**10,485.59**	-
Employee benefits expense	24	**2,757.55**	-
Depreciation and amortisation expenses	4	**782.37**	-
Finance costs	26	**779.49**	-
Other expenses	25	**1,760.40**	28.59
Impairment of Investment in subsidiary		**–**	7,479.95
TOTAL EXPENSES (II)		**16,565.39**	7,508.54
Profit / (Loss) before tax		**(4,250.37)**	(7,509)
Tax expenses	27		
Current Tax			
Deferred Tax	31	**(1,071.62)**	–
Profit / (Loss) after tax		**(3,178.75)**	(7,508.54)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**–**	–
Income tax related to above		**–**	–
Net other comprehensive (income) / loss not to be reclassified to statement of profit and loss in subsequent years		**–**	–
Other comprehensive income / (loss) for the year, net of tax		**–**	–
Total Comprehensive loss for the year, net of tax		**(3,178.75)**	(7,508.54)
Earnings per share			
Basic and diluted	15	**(3.27)**	(7.73)
[Nominal Value INR 10 per share]			
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 46		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sreeram Venkateswaran
Chief Executive Officer

Swati Rane
Chief Financial Officer

Sheetal Jain
Company Secretary
Membership No. A40730

Place : Mumbai
Date : April 20, 2023

Place : Mumbai
Date : April 20, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Notes	Period ended March 31, 2023	Period ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(4,250.37)**	(7,508.54)
Adjustments for:			
Impairment of investments in subsidiary		**–**	7,479.95
Finance Charges		**704.73**	–
Provision for expected credit loss recognised on trade receivables		**127.06**	–
Depreciation and amortisation expense		**440.31**	–
Amortisation expense - ROU		**342.06**	–
Finance Charges - Lease Liability		**74.76**	–
Interest Income		**(132.44)**	–
Profit on sale of mutual funds		**(20.02)**	–
Operating Cash flow before working capital changes		**(2,713.92)**	(28.59)
Working Capital Adjustments			
Trade Receivables		**2,205.12**	–
Other Receivables		**(2,975.01)**	–
Trade Payables		**(1,425.76)**	13.48
Other liabilities & Provisions		**1,531.81**	0.66
Loans and Advances		**–**	–
Cash generated from operations		**(3,377.75)**	(14.45)
Interest on Income Tax Refund		**(46.36)**	–
Net cash flows (used) in operating activities (A)		**(3,424.11)**	(14.45)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment in subsidiary		**–**	–
Redemption of Preference shares		**–**	(3.00)
Proceeds from sale of current investments		**5,048.01**	–
Investment in Fixed Deposits		**(2.00)**	–
Purchased Consideration Paid on Acquistion of Business .		**(21,855)**	–
Rent Paid (pertaining to Ind AS 116)		**(445.44)**	–
Interest Income		**132.44**	–
Profit on sale of mutual funds		**20.02**	–
Net cash flow used in investing activities (B)		**(17,101.76)**	(3.00)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of equity share capital		**–**	3.00
Proceeds from short term borrowings (net)		**22,000.00**	–
Interest Expenses		**(704.73)**	–
Net cash flows from financing activities (C)		**21,295.27**	3.00
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**769.40**	(14.45)
Cash and cash equivalents at the beginning of the year		**0.08**	14.53
Cash and cash equivalents at the end of the year (refer note 4)		**769.48**	0.08
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 22		

The notes referred to above are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sreeram Venkateswaran
Chief Executive Officer

Swati Rane
Chief Financial Officer

Sheetal Jain
Company Secretary
Membership No. A40730

Place : Mumbai
Date : April 20, 2023

Place : Mumbai
Date : April 20, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

a) Equity Share Capital

	Note	No. of Shares	Equity Share Capital
As at April 1, 2022	5	**97,137,796**	**9,713.78**
Changes in equity share capital during the year		**–**	**–**
As at March 31, 2023	5	**97,137,796**	**9,713.78**

b) Other Equity

For the year ended March 31, 2023

	Equity component of preference shares	Reserves & Surplus			
Particulars		**Securities premium**	**Capital Reserve**	**Retained earnings**	**Total Other equity**
As at April 1, 2022	**11,885.28**	**30,206.57**	**9,589.68**	**(56,370.68)**	**(4,689.15)**
Net loss for the year	–	–	–	(3,178.75)	(3,178.75)
Add: Share issued during the year	–	–	–	–	–
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**(3,178.75)**	**(3,178.75)**
As at March 31, 2023	**11,885.28**	**30,206.57**	**9,589.68**	**(59,549.43)**	**(7,867.90)**

a) Equity Share Capital

	Note	No. of Shares	Equity Share Capital
As at April 1, 2021	5	**97,118,058**	**9,711.81**
Changes in equity share capital during the year		19,738	1.97
As at March 31, 2022	5	**97,137,796**	**9,713.78**

b) Other Equity

For the year ended March 31, 2022

	Equity component of preference shares	Reserves & Surplus			
Particulars		**Securities premium**	**Capital Reserve**	**Retained earnings**	**Total Other equity**
As at April 1, 2021	**11,885.28**	**30,205.54**	**9,589.68**	**(48,862.14)**	**2,818.35**
Net loss for the year	–	–	–	(7,508.54)	(7,508.54)
Add: Share issued during the year	–	1.04	–	–	1.04
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income	**–**	**1.04**	**–**	**(7,508.54)**	**(7,507.50)**
As at March 31, 2022	**11,885.28**	**30,206.57**	**9,589.68**	**(56,370.68)**	**(4,689.14)**

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sreeram Venkateswaran
Chief Executive Officer

Swati Rane
Chief Financial Officer

Sheetal Jain
Company Secretary
Membership No. A40730

Place : Mumbai
Date : April 20, 2023

Place : Mumbai
Date : April 20, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate information

MLL Express Services Private Limited (Formerly known as Meru Travel Solutions Private Limited) ('the Company') is registered as a private limited company incorporated on December 4, 2006 under the Companies Act, 1956 and having its Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai City MH 400018, India. The company is a service Provider mainly engaged in the business of Transportation of goods , warehousing, Supply Chain Management.

These financial statements were authorized for issue in accordance with a Board resolution of April 20, 2023.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act').

These separate financial statements were approved by the Company's Board of Directors and authorized for issue on April 20, 2023.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for, leasing transactions that are within the scope of Ind AS 116, In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in Lakhs.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4. Revenue recognition

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2A.5 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.6. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

a) the Company as a lessee has the right to operate the asset; or

b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April 2019.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortized cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee Operating leases: For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2A.7 Employee benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan

Company's contributions paid/payable during the year to the ESIC, Provident Fund and labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

Short-term and other long-term employee benefits.

A liability is recognised for benefits accruing to employees in respect of wages and salaries. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.8 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.9 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.10 Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 as mentioned below:-

Particular	**Useful Life**
Computer	3 Years
Server	6 Years
Furniture & Fixture	10 Years
Office Equipment	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2A.11 Intangible assets

Intangible assets acquired separately.

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Particulars	Life
Softwares	3 Years
Brand	8 Years
Customer relationship	8 Years

2A.12 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in profit or loss.

2A.13 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Onerous contracts</u>

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2A.14 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits, if any, with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

2A.15 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

<u>Financial assets at Fair value through Profit and Loss</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

<u>Impairment of financial assets</u>

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

<u>Derecognition of financial assets</u>

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities & Equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.16 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of Property, Plant and Equipment, Intangibles

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment, Intangibles at the end of each annual reporting period.

ii. Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vi. Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future

A. Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

i Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii Ind AS 102 – Share-based Payment

iii Ind AS 103 – Business Combinations

iv Ind AS 107 – Financial Instruments Disclosures

v Ind AS 109 – Financial Instruments

vi Ind AS 115 – Revenue from Contracts with Customers

vii Ind AS 1 – Presentation of Financial Statements

viii Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix Ind AS 12 – Income Taxes

x Ind AS 34 – Interim Financial Reporting

The application of above amendments is not expected to have any significant impact on the company's financial statements.

Note 3: Investment in subsidiaries

	As at March 31, 2023	As at March 31, 2022
Investments in unquoted equity instruments of subsidiaries:		
Meru Mobility Tech Private Limited *[formerly known as Meru Cab Company Private Limited]* ('MMTPL')		
173,695 equity shares of INR. 10 each fully paid (March 31, 2022: 173,695)	**–**	31,454.08
Less: Impairment in value of Investments (Refer Note 16)	**–**	(29,317.08)
	–	2,137.00
V-Link Fleet Solutions Private Limited ('VFSPL')		
12,050 equity shares of INR. 10 each fully paid (March 31, 2022: 12,050)	**–**	411.88
Less: Impairment in value of Investments (Refer Note 16)	**–**	(411.87)
	–	0.01
V-Link Automotive Services Private Limited ('VASPL')		
13,294 equity shares of INR. 10 each fully paid (March 31, 2022: 13,294)	**–**	16,288.29
Less: Impairment in value of Investments	**–**	(13,376.29)
	–	2,911.00
Total	**–**	5,048.01
(a) Aggregate amount of unquoted investments; and	**–**	48,154.25
(b) Aggregate amount of impairment in value of investments.	**–**	(43,105.24)

Note: During the year, company has sold its shareholding in Meru Mobility Tech Private Limited (MMTPL), V-Link Fleet Solutions Private Limited (VFSPL) and V-Link Automotive Services Private Limited (VASPL) to Mahindra Logistics Limited at a carrying value of Rs. 5048.01 lakhs. Refer Related Party note: 32 for the details of the transaction.

Note 4:

a) Property, plant and equipment

	Gross carrying amount					**Accumulated depreciation**					**Net carrying amount**
Asset description	**As at April 01, 2022**	**Additions during the year**	**Disposals during the year**	**Transferred to assets held for sale**	**As at March 31, 2023**	As at April 01, 2022	Acquired for the year	Depriciation during the year	Disposals during the year	**As at March 31, 2023**	**As at March 31, 2023**
Computers	**–**	**1,806.44**	**0.51**	**–**	**1,805.93**	–	1,739.98	1.65	0.49	**1,741.14**	**64.80**
Furniture and fixtures	**–**	**82.13**	**–**	**–**	**82.13**	–	44.63	3.41	–	**48.05**	**34.08**
Office equipments	**–**	**903.86**	**–**	**–**	**903.86**	–	812.95	24.81	–	**837.76**	**66.10**
Total	**–**	**2,792.44**	**0.51**	**–**	**2,791.93**	–	2,598	29.87	0.49	**2,627**	**164.98**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note:
1. These are Tangible Assets acquired during the year from Rivigo Service Private Limited as Part of overall Business Transfer Agremeent.

	Gross carrying amount				Accumulated depreciation				Net carrying amount
Asset description	**As at April 01, 2021**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	As at April 01, 2021	Depreciation for the year	Disposals during the year	**As at March 31, 2022**	**As at March 31, 2022**
Computers	–	–	–	–	–	–	–	–	–
Furniture and fixtures	–	–	–	–	–	–	–	–	–
Office equipments	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–

Note 5: Goodwill

	As at March 31, 2023				As at March 31, 2022			
Asset description	**As at April 01, 2022**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2023**	As at April 01, 2021	Amortised during the year	Disposals during the year	As at March 31, 2022
Goodwill	–	**17,441**	–	**17,441**	–	–	–	–
Total	–	**17,441**	–	**17,441**	–	–	–	–

Note 6: Intangible Assets

	Gross carrying amount				Accumulated depreciation				Net carrying amount
Asset description	**As at April 01, 2022**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2023**	As at April 01, 2022	Amortised during the year	Disposals during the year	**As at March 31, 2023**	**As at March 31, 2023**
Computer softwares									
Software	–	**1,677**	–	**1,677**	–	217.47	–	**217.47**	**1,459.53**
Brand	–	**2,191**	–	**2,191**	–	106.55	–	**106.55**	**2,084.45**
Customer relationship	–	**1,777**	–	**1,777**	–	86.42	–	**86.42**	**1,690.58**
Total	–	**5,645**	–	**5,645**	–	410.44	–	**410.44**	**5,234.56**

Note:
1. These are Inangible Assets has been identiified as a part of Purchase Price allocation.

	Gross carrying amount				Accumulated depreciation				Net carrying amount
Asset description	**As at April 01, 2021**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	As at April 01, 2021	Amortised during the year	Disposals during the year	**As at March 31, 2022**	**As at March 31, 2022**
Computer softwares									
Computers	–	–	–	–	–	–	–	–	–
Furniture and fixtures	–	–	–	–	–	–	–	–	–
Office equipments	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–

There are no proceedings initiated or pending against the company for holding any Benami property under the provision of Benami Transaction (Prohibitions) Act, 1988

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 7: Other Non-Current Assets

	As at March 31, 2023	As at March 31, 2022
Balance with government and statutory authorities	**451.14**	–
Advance Income Tax	**46.36**	–
	497.50	348.74

Note 8: Investments

Current
Quoted mutual funds (Classified at Fair value through Profit or Loss)

	As at March 31, 2023	As at March 31, 2022
Quoted Mutual Funds	**220.02**	–
	220.02	–

Note 9: Trade receivables

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	**8,642.07**	–
Unsecured, considered good	**0.00**	–
Unsecured, considered credit impairment	**0.00**	–
Less: Impairment allowance doubtful trade receivables	**(3,329.25)**	–
	5,312.82	–

Note 10: Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	**0.00**	–
Balances with bank in current accounts	**769.48**	0.08
	769.48	0.08

Note 11: Other bank balance

	As at March 31, 2023	As at March 31, 2022
Fixed Deposits with Banks with Maturity Period more than 3 months but less then 12 months	**2.00**	–
	2.00	–

Note 12: Other Financial Assets

	Period ended Mar 31, 2023	Year ended March 31, 2022
Advance to Suppliers	**13.92**	–
Prepaid Expenses	**2.00**	–
Advance to Employees	**5.66**	–
Interest accrued on bank fixed deposits	**0.01**	–
Considered credit impaired	**0.00**	–
Less: Impairment allowance for doubtful advances	**0.00**	–
Unbilled Revenue	**1,322.42**	–
Total	**1,344.01**	–

Note 13 : Equity share capital

	As at March 31, 2023	As at March 31, 2022
Authorised shares:		
125,000,000 equity shares of INR 10 each (March 31, 2022: 125,000,000)	**1,250,000,000**	1,250,000,000
Issued, subscribed and fully paid-up shares:		
97,137,796 equity shares of INR. 10/- each (March 31, 2022: 971,37,796)	**97,137,796**	97,137,796
	97,137,796	97,137,796

(i) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2023		As at March 31, 2022	
Equity shares	**No.**	**Amount**	No.	Amount
At the beginning of the year	**97,137,796**	**9,713.78**	97,118,058	9,711.81
Issued during the year	**–**	**–**	19,738	1.97
Outstanding at the end of the year	**97,137,796**	**9,713.78**	97,137,796	9,713.78

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2023 (March 31, 2022 - Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2023		As at March 31, 2022	
	No.	**Amount**	No.	Amount
Equity shares				
Mahindra & Mahindra Limited	**–**	**–**	97,137,796	9,713.78
Mahindra Logistics Limited	**97,137,796**	**9,713.78**	–	–
Pecentage of holding	*100.00%*		*100.00%*	
% Change during the year	*0%*		*100.00%*	

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2023		As at March 31, 2022	
	No	**%**	No	%
Equity shares				
Mahindra & Mahindra Limited*	**–**	**0.00%**	97,137,796	100.00%
Mahindra Logistics Limited	**97,137,796**	**100%**	–	0.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(v) Aggregates number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the 5 year periods ended March 31, 2023 and March 31, 2022

603,372 Equity shares of Rs. 10 each allotted as fully paid shares on account of share warrant liability during the financial year March 31, 2020

1,489 Equity shares of Rs. 10 each allotted as fully paid shares by on account of share warrant agreement during the financial year March 31, 2020 (Refer footnote (i) "Equity component of preference shares" to the statement of changes in equity for details.)

Note 14: Borrowings

	As at March 31, 2023	As at March 31, 2022
Non-current		
Term Loans- Secured		
(i) Term Loan from Banks	**22,000.00**	–
Total Non-current Borrowings	**22,000.00**	–

The Company has Secured Term Loan from which are repayable over a period of maximum eight years upto 30th September 2030 and carry interest rates which are linked to Repo rate /T-Bill rate with spread ranging from 120 bps to 200 bps. These Loans are Secured by hypothecation of Tangible, Intangible and Current Assets of the Company.

The Company has not been declared willfull defaulter by any bank or financial institution or any other lender

Note 15: Provisions

	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for employee benefits		
Provision for gratuity	**203.00**	–
Provision for leave encashment	**21.24**	–
Total Non current	**224.24**	–
Current		
Provision for employee benefits		
Provision for gratuity	**76.44**	–
Provision for leave encashment	**10.19**	–
Total current	**86.63**	–

Note 16: Trade Payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
a) total outstanding dues to small enterprise and micro enterprises	**45.41**	–
b) total outstanding dues of creditors other than small enterprise and micro enterprises	**7,567.74**	22.77
Employee benefits payable	**53.85**	–
	7,667.01	22.77

Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

Refer Note-29 for the Ageing of Trade Payables as per Schedule-III.

For terms and conditions with related parties, *Refer to note 32*

The Company's exposure to liquidity risk is disclosed in note 30

Note 17: Other financials liabilities

	As at March 31, 2023	As at March 31, 2022
Current maturities of long term borrowings *(Refer note 15)*	**0.00**	–
Deposits from subscribers and customers	**3.46**	–
Creditor for capital expenditure	**0.00**	–
Interest accrued but not due on borrowings	**2.60**	–
Deferred Revenue	**380.86**	–
	386.93	0.00

Note 18: Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Contract liabilities	**0.00**	0.69
Statutory dues	**179.47**	–
Employee stock option scheme	**0.00**	–
Statutory dues_GST	**655.23**	–
	834.70	0.69

Note 19: Deferred Tax Asset / Liability

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets / Liabilities (Net)	**1,071.62**	–
	1,071.62	–

Note 20: Other Financial Assets

	As at March 31, 2023	As at March 31, 2022
Non Current		
Security Deposits - Unsecured, considered good	**959.84**	–
Unsecured, considered credit impaired	**–**	–
Less: Impairment allowance for doubtful security deposits	**–**	–
	959.84	–

Note 21: Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operation:		
Revenue from rendering of services	**12,162.39**	–
	12,162.39	–

Note 22: Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Non Current		
Profit on sale / write off of property, plant and equipment (net)	**0.17**	–
- Fixed deposits / bank balances	**132.44**	–
Gain on mutual funds	**20.02**	–
	152.64	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 23: Operating Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Service provider service charges	–	–
Freight & Other Related Expenses	10,468.34	–
Vehicle repairs, maintenance and fuel	14.93	–
Drivers recruitment, uniform and training expenses	2.32	–
	10,485.59	–

Note 24: Employee benefits expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	2,007.61	–
Contribution to provident and other funds	109.56	–
Gratuity expenses (Refer note 28)	86.63	–
Compensated absences	37.57	–
Staff welfare expenses	516.17	–
	2,757.55	–

Note 25: Operating and other administrative expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Legal and professional fees	150.64	–
Advertisement and sales promotion	4.26	–
Rent	1,119.48	–
IT Expenses	118.68	–
Insurance Expenses	39.24	–
Repairs and maintenance - other than vehicles	12.94	–
Communication expenses	12.59	–
Bad debts written off	127.06	–
Security charges	0.95	–
Travelling and conveyance	45.18	–
Rates and taxes	5.67	–
Printing and stationery	0.98	–
Auditor’s remuneration (refer note below)	2.50	–
Bank charges	49.55	–
Miscellaneous expenses	70.68	–
Loss on Sale of Subsidiaries	–	–
Impairment of Investment in subsidiary	–	–
	1,760.40	–

Auditor's Remuneration (including GST)

Statutory audit fees	2.50	–
	2.50	–

Note 26: Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings (Including CG Commission)	779.49	–
	779.49	–

Note 27: Tax expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax Expenses		
`- Deferred Tax Income	1,071.62	–
- current tax	–	–
`- Mat	–	–
	1,071.62	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 28: Trade Receivable Ageing

Trade Receivables ageing schedule as at March 31, 2023

(A) Billed and Outstanding

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	4,279.91	508.54	524.35	0.00	–	**5,312.81**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(iii) Undisputed Trade Receivables — credit impaired	213.44	–	254.06	860.22	2,001.53	**3,329.25**
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	**–**
Subtotal	**4,493.35**	**508.54**	**778.41**	**860.22**	**2,001.53**	**8,642.07**
Less: Loss Allowance						**(3,329.25)**
Total Trade Receivables						**5,312.82**

Trade Receivables ageing schedule as at March 31, 2022

(A) Billed and Outstanding

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	–	–	–	–	–	**–**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(iii) Undisputed Trade Receivables — credit impaired	–	–	–	–	–	**–**
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	**–**
Total	–	–	–	–	–	–

(B) Unbilled Trade Receivables

Note 29: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2023

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	45.41	–	–	–	**45.41**
(ii) Others	5,257.23	2,326.67	31.94	5.58	0.17	**7,621.60**
(iii) Disputed dues – MSME	–	–	–	–	–	**–**
(iv) Disputed dues – Others	–	–	–	–	–	**–**
Total	**5,257.23**	**2,372.08**	**31.94**	**5.58**	**0.17**	**7,667.01**

Trade Payables ageing schedule as at March 31, 2022

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–	**–**
(ii) Others	–	22.77	–	–	–	**22.77**
(iii) Disputed dues — MSME	–	–	–	–	–	**–**
(iv) Disputed dues - Others	–	–	–	–	–	**–**
Total	**–**	**22.77**	**–**	**–**	**–**	**22.77**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 30: Ratio Analysis

Particulars	Numerator	Denominator	Year ended Mar 31, 2023	Year ended Mar 31, 2022	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	0.71	0.00	20718%	
Debt-Equity Ratio	Debt consists of lease liabilities	Total equity	11.92	0.00%	0%	
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Lease payments	(3.45)	n/a	n/a	
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	(172%)	(149%)	15%	Since the Company was a non operating holding company as on 31st March 2022 the corrsponding period ratios are not comparable with ratios as on 31st March 2023.
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	2.29	n/a	n/a	
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	1.59	0.90	77%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(3.87)	n/a	n/a	
Net profit ratio	Profit for the year	Revenue from operations	(26%)	n/a	n/a	
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	(16%)	(149%)	(89%)	
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	n/a	n/a	n/a	

Note 31: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	–	–
Adjustments in respect of current income tax of previous year	–	–
Deferred tax:		
Relating to origination and reversal of temporary differences	–	–
Income tax expense reported in the statement of profit or loss	–	–

	March 31, 2023	March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	–	–
Income tax expense charged to OCI	–	–

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the year ended

	March 31, 2023	March 31, 2022
Accounting loss before income tax	**(3,178.75)**	(7,508.54)
At India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	**(800.09)**	(1,889.90)
Adjustments in respect of current income tax of previous years	–	–
Effect of current year losses for which no deferred tax asset is recognised	–	1,889.90
At the effective income tax rate	–	–
Income tax expense reported in the statement of profit and loss	–	–

Deferred tax working for the year ended:

	Balance Sheet	
	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment, intangibles and leases as compared to tax base of respective assets	**(88.71)**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Balance Sheet	
	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax assets		
Provision For Post Retirement Benefits	**24.13**	–
Provision for Doubtful Debts	**53.72**	–
Carry forward Unabsorbed business losses	**1,082.48**	–
Deferred tax expense	**1,071.62**	–
Net deferred tax assets	**1,071.62**	–
Net deferred tax assets\(liabilities) recognised	**–**	–

	Statement of Profit & Loss	
	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**(88.7)**	–
Tax effect of items constituting deferred tax assets		
Carry forward Unabsorbed business losses	**(1,082.5)**	–
Deferred tax expense/(income)	**(1,082.48)**	–
Net deferred tax assets\(liabilities) recognised in profit and loss	**–**	–

The Company has following tax losses which arose in India that are available for offsetting against future taxable profits.

	March 31, 2023	March 31, 2022
Carry forward business losses	**4,172.12**	130.87

The carry forward tax losses would expire beginning from the financial year 2023-24 up to 2030-31.

Note 32: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate Holding Company	Mahindra & Mahindra Limited from effective date 17th May 2022
Holding Company	Mahindra & Mahindra Limited upto 16th May 2022 and from 17th May 2022 onward Mahindra Logistics Limited

Related parties with whom transactions have taken place during the year

Subsidiaries including sub-subsidiaries	Meru Mobility Tech Private Limited (MMTPL) and V-Link Fleet Solutions Private Limited (VFSPL) ceased to be subsidiaries from effective date 12th May 2022 and V-Link Automotive Services Private Limited (VASPL) ceased to be subsidiary from 13th May 2022
Fellow Subsidiaries	Carnot Technologies Private Limited become fellow subsidiary effective date 9th November 2022
Associate of Holding Co.	Brainbees Solutions Private Limited from effective date 9th November 2022
Key Management Personnel (KMP)	Neeraj Gupta (CEO) upto April 30, 2021
	Pravin Shah (CEO) with effect from May 1, 2021 till December 31, 2021
	Kannan Chakravarthy with effect from 1st January, 2022 upto 9th November 2022
	Sreeram Venkateshwar(CEO). With effect from 10th November 2022
	Bharat Trivedi (CFO)- upto 9th November 2022
	Swati Rane-(CFO)- With effect from 10th November 2022
	Manjinder Singh (CS) with effect from April 29, 2020 till April 7, 2021
	Supriya Naik (CS) with effect from July 27, 2021 upto 14th April 2023
	Nikhilesh Panchal : Independent Director with effect from Dec 5, 2019 till April 30, 2021
	G. Chellakrishna : Independent Director with effect from August 3, 2020
	Abhimanyu Bhattacharya: Independent Director with effect from May 3, 2021

Transactions with related parties

	Holding Company		Key Management Personnel		Subsidiaries	
Particulars	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Issue of shares						
Mahinadra & Mahindra Limited	**–**	3.00	**–**	–	**–**	–
Sale of Investment in Subsidiaries						
Mahindra Logistics Limited	**5,048.08**	–				
Redemption of OCORPS						
True North Trusteeship Company Private Limited	**–**	3.00	**–**	–	**–**	–
Business Support Services						
Mahindra Logistics Limited	**904.11**					
Reimbursement To Parties						
Mahindra And Mahindra Limited	**0.98**					
Mahindra Logistics Limited	**124.09**					

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Holding Company		Key Management Personnel		Subsidiaries	
Particulars	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Reimbursements from Party						
Mahindra Logistics Limited	**55.53**					
Gaurantee for the loan taken						
Mahindra Logistics Limited	**22,000.00**					
Gaurantee Commission						
Mahindra Logistics Limited	**55.55**					
Directors sitting fees						
Nikhilesh Panchal	**–**	–	**–**	1.20	**–**	–
Moin Lodha	**–**	–	**–**	–	**–**	–
Abhimanyu Bhattacharya			**4.01**	2.70		
G. Chellakrishna	**–**	–	**4.28**	4.60	**–**	–
Remmuneration to KMPs	**33.80**	–				
Impairment charge / (reversal) in value of Investments in subsidiary						
Meru Mobility Tech Private Limited	**–**	–	**–**	–		7,690.96
V-Link Automotive Services Private Limited	**–**	–	**–**	–		(211.00)
V-Link Fleet Solutions Private Limited	**–**	–	**–**	–		(0.01)

Details of Balances Receivable / (Payable) to related parties

	Holding Company		Key Management Personnel		Subsidiaries		Fellow Subsidiaries		Associate of Holding Co.	
Particulars	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Balance Receivable at the year end										
Carnot Technologies Private Limited							**0.08**			
Brainbees Solutions Private Limited									**59.79**	
Mahindra Logistics Limited	**50.83**									
Balance payable at the year end										
Meru Mobility Tech Private Limited	**–**	–	**–**	–	**–**	1.95	**–**		**–**	
Mahinadra & Mahindra Limited	**–**	10.80	**–**	–	**–**	–	**–**		**–**	
Mahindra Logistics Limited	**179.64**									

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Note 33: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 23 under "Contribution to provident and other funds":

Particulars	March 31, 2023	March 31, 2022
Contribution to employees provident fund	**98.50**	
Contribution to ESI	**11.06**	–
Total	**109.56**	–

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

Liability recognised in the Balance Sheet in respect of Gratuity

	March 31, 2023	March 31, 2022
Present value of the defined benefit obligation at the end of the year	**203.00**	–
Total	**203.00**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2023	March 31, 2022
Defined benefit obligation at beginning of the year	**–**	–
Current service cost	**69.73**	–
Interest cost	**–**	–
Past Service costand (gains)/losses from settlements	**15.50**	–
Sub-total included in statement of profit and loss	**85.23**	–
Remeasurement (gains)/losses recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumptions	**0.01**	–
Experience adjustments	**–**	–
Sub-total included in OCI	**0.01**	–
Acquisition Adjustment	**215.41**	–
Benefits paid	**(21.20)**	–
Defined benefit obligation at the end of the year	**279.45**	–

Following table summarises the principal assumptions used for actuarial valuation of gratuity obligation for each reporting period:

Actuarial assumptions	**March 31, 2023**	March 31, 2022
Discount rate	**7.20%**	–
Future salary increases	**7.00%**	–

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Demographic assumptions	**0**	0
Mortality rate	**100% of IALM 2012-14**	–
Normal Retirement age	**60 Years**	–
Attrition rate (% p.a.)	**30.00%**	–

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc

A quantitative sensitivity analysis for significant assumptions as at each reporting date is as shown below:

	Discount rate assumption	
Gratuity plan:	**March 31, 2023**	March 31, 2022
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**270.22**	–
Impact of decrease of 1 % p.a. on defined benefit obligation	**289.29**	–

	Future salary increase assumption	
Gratuity plan:	**March 31, 2023**	March 31, 2022
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**289.21**	–
Impact of decrease of 1 % p.a. on defined benefit obligation	**270.12**	–

	Future Attrition rate assumption	
Gratuity plan:	**March 31, 2023**	March 31, 2022
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**261.49**	–
Impact of decrease of 1 % p.a. on defined benefit obligation	**304.04**	–

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2023: 5 years).

The following are expected contributions over the future years (valued on undiscounted basis):

Actuarial assumptions	**March 31, 2023**	March 31, 2022
Within the next 1 year (next annual reporting period)	**76.45**	0.00
Between 2 to 5 years	**190.26**	0.00
Between 6 to 10 years	**79.04**	0.00
Beyond 10 years	**22.73**	0.00
Total expected payments	**368.47**	0.00

C. Other employee benefits

Compensated absences are payable to employees at the rate of Last drwan basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2023 INR 31.42 Lakh (March 31, 2022: Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 34: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts of financial instruments.

Particulars	Notes	Carrying value\Fair Value	
		March 31, 2023	March 31, 2022
Financial assets carried at amortised cost			
Cash and cash equivalents		**769.48**	0.08
Trade Receivables		**5,312.82**	–
Total		**5,312.82**	–
FVTPL			
Quoted Mutual Funds		**220.02**	–
Total		**220.02**	–
Financial liabilities carried at amortised Cost			
Liability portion of Preference shares			
Non-current portion		**–**	–
Trade and other Payables		**7,667.01**	22.78
Total		**7,667.01**	22.78

B] Fair Value Measurement

The management assessed that cash and cash equivalents Trade Receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

(i) Liquidity risk

The Company's liquidity risk mainly arises from term loan taken during the year. The Companies Management is responsible for managing this liquidity risk with the oversight of the Board of Directors.

The table below summarises the maturity profile of the Companys' financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2023						
Borrowing				11,000	11,000	**22,000.00**
Trade payables to related parties		231	–	–	–	**230.55**
Other trade payables	–	7,436			–	**7,436.46**
	–	**7,667.01**	**–**	**11,000.00**	**11,000.00**	**29,667.01**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2022						
0.01% optionally convertible optionally redeemable preference shares	–	–	–	–	–	**–**
Borrowings	–	–	–	–	–	**–**
Trade payables to related parties	–	12.8	–	–	–	**12.8**
Other trade payables	–	10.03	–	–	–	**10.03**
	–	**22.78**	**–**	**–**	**–**	**22.78**

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. Since Company is non-revenue generating entity, Company monitors its capital considering requirements at Group level after including all subsidiaries' capital requirements as mentioned below.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as at each period end and identify need for additional funding from the existing / new share holders to meet the outstanding commitments and future cash flow requirements to meet the business plan for 1 year to 3 years. The Company includes within net debt, interest bearing loans and borrowings (excluding redeemable preference share), less cash and cash equivalents (Including intercorporate deposits & liquid mutual fund units).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 35 Disclosure on Business Combination

for the year ended March 31, 2023

(Currnecy in INR Lakhs)

1 **Purchase of B2B express business from Rivigo Services Private Limited ("Rivigo")**

i) During the year Company has acquired/purchased B2B express business from Rivigo Services Private Limited ("Rivigo") for cash consideration of Rs. 218.5 crores (post adjustments as per the terms of the Business Transfer Agreement) at end of day on 9th November, 2022. The purchase consideration has been accounted for as per as per Ind AS 103 "Business Combination"

ii) Fair value of assets and liabilities acquired are as follows:

In lacs

Particulars	**Total**
Assets	
Non-current assets	
Property, plant and equipment	189.86
Intangible assets Identified	5,645.00
Other non-current assets	1,558.00
	7,392.86
Current assets	
Investment	–
Trade receivables	5,251.00
Other current assets	836.00
	6,087.00
Total assets	**13,479.86**
Liabilities	
Non-current liabilities	
Other non current liabilities	1,311.00
	1,311.00
Current liabilities	
Trade payables	7,064.00
Other current liabilities	695.00
	7,759.00
Total liabilities	**9,070.00**
Net Assets	**4,409.86**
Cash purchase consideration	21,851.00
Goodwill on acquisition	17,441.14

i) As on 31st March 2023 Goodwill is attributable to future growth of business from this acquisition.

Note 36: Right to use assets and lease Liability

i) Amounts recognized in balance sheet

	As at March 31, 2023	As at March 31, 2022
Right of use of asset		
Leasehold premises Opening	**–**	–
Addition/(Deletion)	**2,998.01**	–
Less: Depreciation	**342.06**	–
Total	**2,655.95**	–
Lease liabilities		
Current	**1,815.08**	–
Non- current	**813.48**	–
Total	**2,628.56**	–

ii) Amounts Recognized in statement of profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation charge on right of use asset		
Depreciation	**342.06**	–
Total	**342.06**	–

*Depreciation is charged on a straight line basis on the right of use of asset

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
Interest on lease liabilities	**74.76**	–
Total	**74.76**	–

iii) Maturities of lease liabilities as on March 31

	Current	Current
Less than 1 year	**1,003.16**	–
Between 1 year and 5 years	**2,060.38**	–
5 years and above	**20.52**	–
Total	**3,084.06**	–

Note 37: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
(Loss) attributable to equity holders	**(3,178.75)**	(7,508.54)
Number of Shares outstanding at the beginning of the year	**97,118,058**	87,057,696
Add: Shares issued during the year	**–**	10,060,362
Number of Shares outstanding at the end of the year	**97,118,058**	97,118,058
Weighted average number of Equity shares for basic EPS	**97,118,058**	97,135,092
Basic and diluted EPS (INR Rupees)	**(3.27)**	(7.73)
Weighted average number of Equity shares adjusted for the effect of dilution	**97,118,058**	97,135,092

Note 38: Capital Commitments

	March 31, 2023	March 31, 2022
Estimated value of contracts in capital account remaining to be executed (No Capital Commitment)	**–**	–
	–	–

Note 39: Impairment in value of Investment in subsidiary

Currently the company does not have any invesments in subsidiaries. During the previous year ended March 31, 2022, the Company has recorded / (reversed) impairment charge in respect of the investment in all three subsidiaires at the value at which it has agreed to Sale its subsidiaries to Mahindra Logistics Limited ('MLL') as per the Share Purchase Agreement ('SPA') signed on November 9, 2021.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 40: Segment reporting

The Company operates through its subsidiaries and does not have any operational business activity. Hence the requirements of the Indian Accounting Standard 108 – "Operating Segments", are not applicable to the Company.

Note 41: Going Concern

The Company has acquired Express Business during the year and has commenced effective operations from November 2022. In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 42: Other Matter

During last Financial the year, the Company and its subsidiaries i.e. MMTPL, VFSPL and VASPL, M&M and MLL have entered in SPA, whereby the shares of all the three subsidiaries will be transferred by the Company to MLL and the shares of the Company will be transferred by M&M to MLL.

Other than these disclosures disclosed in this Financial Statements, other disclosures as per Schedule -III are not applicable to the company.

Note 43: Subsequent Events

On 30th March 2023, Company has entered in Business Transfer Agreement with Mahindra Logistics Limited to acquire Express Business. The Transaction would be effective from 1st April 2023, however the closing of transaction will be susequent to Condition Precedents (CPs) by both the parties.

Note 44: Stuck off Companies

The Company has not transacted, during the current year or previous year, with any of the companies which have been struck off.

Note 45: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 46: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sreeram Venkateswaran
Chief Executive Officer

Swati Rane
Chief Financial Officer

Sheetal Jain
Company Secretary
Membership No. A40730

Place : Mumbai
Date : April 20, 2023

Place : Mumbai
Date : April 20, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 30 to the Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, except as disclosed in notes to accounts in Note no 41, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZX8968

Place : Mumbai
Date : April 19, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)** ("the Company") as of March 31, 2023, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZX8968

Place : Mumbai
Date : April 19, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) The Company does not have any immoveable properties and hence reporting under Clause 3 (i) (c) is not applicable to this Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis bank and ICICI bank on the basis of security of trade receivables and current assets during the year. The required statements filed by the Company with these banks on a quarterly basis are materially in agreement with the audited / unaudited books of account as certified by the management.

3. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clause 3 (iii) (a) is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clause 3 (iii) (b) is not applicable to the Company

   (c) According to the information and explanations given to us, the terms and conditions of the loan granted by the Company to a fellow subsidiary company in the earlier years is interest-free and repayable on demand.

   (d) According to the information and explanations given to us, the terms and conditions of the loans granted by the Company to a fellow subsidiary company in the earlier years is repayable on demand. We have been informed that the loan has not been demanded by the Company and hence the amount of the loan is not overdue.

   (e) According to the information and explanations given to us, the loan granted to the fellow subsidiary in the earlier years has not been demanded during the year and hence not fallen due during the year and accordingly reporting under clause 3 (iii) (e) is not applicable.

   (f) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clause 3 (iii) (f) is not applicable to the Company.

4. According to the information and explanations given to us, during the year, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at 31 March 2023, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	Interest on Reverse Charge Liability on unregistered suppliers	1,19,95,650	July 1, 2017 to October 12, 2017	Directorate General of GST Intelligence

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year in compliance with the requirements of Section 42 of the Act. In our opinion the entire amount raised by the company has been utilized for the purposes for which the funds were raised.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

14. a) In our opinion and based on our examination even though company is not required to have an internal audit system as per the provisions of the Act, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the company issued till date for the period under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the current financial year but incurred cash losses of Rs.1,212.45 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 23040852BGUQZX8968

Place : Mumbai
Date : April 19, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
(I) ASSETS			
(1) NON-CURRENT ASSETS			
a) Property, plant and equipment	3	**868.14**	1,512.42
c) Intangible assets	4	**241.49**	–
d) Financial assets			
(i) Other financial assets	6	**247.43**	273.38
(e) Non-current tax assets	7	**114.25**	130.34
(f) Other non-current assets	8	**440.13**	348.74
Total non-current assets		**1,911.44**	2,264.88
(2) CURRENT ASSETS			
(a) Financial assets			
(i) Investments	9	**–**	166.57
(ii) Trade receivables	10	**7,494.24**	884.10
(iii) Cash and cash equivalents	11	**9.28**	163.19
(iv) Other bank balance	12	**–**	43.60
(v) Loans	5	**1,423.08**	1,423.56
(vi) Other financial assets	6	**337.56**	394.09
(b) Other current assets	13	**1,804.67**	207.73
Total current assets		**11,068.83**	3,282.84
Total Assets		**12,980.27**	5,547.72
(II) EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	14	**46.09**	17.37
(b) Other equity	15	**1,570.36**	(904.31)
Total Equity		**1,616.45**	(886.94)
2) Liabilities:			
Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**–**	63.96
(b) Provisions	17	**1,449.95**	1,412.62
Total non-current liabilities		**1,449.95**	1,476.58
Current liabilities:			
(a) Financial liabilities			
(i) Borrowings	16	**4,595.09**	3,108.53
(ii) Trade Payables	18		
(a) total outstanding dues to small and micro enterprises		**8.53**	–
(b) total outstanding dues of creditors other than small and micro enterprises		**4,051.54**	897.83
(iii) Other financial liabilities	19	**834.74**	762.95
(b) Other current liabilities	20	**228.87**	101.49
(c) Provisions	17	**195.10**	87.28
Total current liabilities		**9,913.87**	4,958.08
Total Liabilities		**11,363.82**	6,434.66
Total Equity and Liabilities		**12,980.27**	5,547.72
Significant accounting policies	2A		
Notes to the financial statements	3 to 45		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 19, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue			
Revenue from operations	21	**18,432.93**	5,726.36
Other income	22	**118.77**	69.04
TOTAL INCOME (I)		**18,551.70**	5,795.40
EXPENSES			
Fleet operating expenditure	23	**15,555.03**	4,539.59
Employee benefits expense	24	**1,946.32**	1,453.59
Operating and other administrative expenses	25	**899.96**	987.91
TOTAL EXPENSES (II)		**18,401.31**	6,981.09
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I) – (II)]		**150.39**	(1,185.69)
Depreciation and amortisation expenses	26	**953.98**	712.35
Finance costs	27	**58.14**	30.20
Loss before tax		**(861.73)**	(1,928.24)
Tax expenses		**–**	–
Loss after tax		**(861.73)**	(1,928.24)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**(23.27)**	(2.73)
Income tax related Items that will not be reclassified to statement of profit and loss		**–**	–
Total Other Comprehensive loss/(Income) for the year		**(23.27)**	(2.73)
Total Comprehensive (loss) for the year, net of tax		**(838.46)**	(1,925.51)
Earnings per equity share			
Basic and diluted earnings per share	36	**(350.17)**	(1,110.13)
[Nominal value per share: INR 10]			
Significant accounting policies	2A		
Notes to the financial statements	3 to 45		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 19, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	**(861.73)**	(1,928.24)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation, amortisation and impairment expenses	**953.98**	712.35
Interest expenses	**58.14**	30.20
Provision for compensated absences, gratuity and other contingencies	**58.81**	16.49
Finance income	**(39.85)**	(29.56)
Gain on mutual fund	**(1.16)**	(18.06)
Forfeiture of security deposits	**(62.21)**	–
Bad Debts written off and provision for doubtful debts and advances	**7.93**	1.41
Sundry balance and provision no longer required written back	**(0.23)**	(0.92)
Loss/ (Profit) on sale of fixed asset & asset held for sale	**(15.31)**	(20.51)
Operating (loss) before working capital changes	**98.37**	(1,236.84)
Movement in working capital		
Changes in Trade Receivables	**(4,318.96)**	(41.34)
Changes in loans, Other financial assets and other assets	**980.15**	220.95
Changes in trade payable, other payables and other liabilities	**1,428.56**	151.87
Cash (used in) operating activities	**(1,811.87)**	(905.36)
Direct taxes paid (net of refunds)	**47.88**	(36.75)
Net cash flows (used in) operating activities	**(1,763.99)**	(942.11)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including Capital work-in-progress)	**(33.23)**	(39.60)
Proceeds from disposal of property, plant & equipment	**57.77**	64.55
Purchase of current investments	**–**	(2,340.00)
Proceeds from sale of current investments	**167.72**	3,345.06
Interest income on fixed deposits	**2.93**	5.80
Loans given to fellow subsidiaries	**(11.13)**	(96.60)
Loans repaid by fellow subsidiaries	**11.13**	119.17
Deposits with bank as margin money	**43.60**	(1.72)
Net cash flows generated from / (used in) investing activities	**238.79**	1,056.66

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD...)

(Currency in INR lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(51.29)**	(30.20)
Loans received from fellow subsidiaries	**16.20**	136.08
Loans repaid to fellow subsidiaries	**(21.79)**	(104.21)
Repayment of long term borrowings	**(134.80)**	(155.50)
Proceeds from Current Borrowings	**1,562.99**	–
Net cash flows generated from / (used in) financing activities	**1,371.29**	(153.83)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(153.91)**	(39.28)
Cash and cash equivalents at the beginning of the year	**163.19**	202.47
Cash and cash equivalents at the end of the year (refer note 11)	**9.28**	163.19

Significant accounting policies	2A
Notes to the financial statements	3 to 45

The Cash Flow Statement should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

Note: The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 19, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Equity share capital	Other Equity					Total
		Securities premium	General reserve	Capital Reserve	Retained earnings	Total Other Equity	
As at April 1, 2021 (I)	17.37	31,436.72	48.44		(30,463.96)	1,021.20	1,038.57
Net (loss) for the year (II)	–	–	–		(1,928.24)	(1,928.24)	(1,928.24)
Other comprehensive income for the year (III)	–	–	–		2.73	2.73	2.73
Total comprehensive income IV= (II) + (III)	**–**	**–**	**–**		**(1,925.51)**	**(1,925.51)**	**(1,925.51)**
Add: shares issued during The Year (V)	–	–	–		–	–	–
As at March 31, 2022 (I+IV+V)	**17.37**	**31,436.72**	**48.44**	**–**	**(32,389.47)**	**(904.31)**	**(886.94)**

Particulars	Equity share capital	Other Equity					Total
		Securities premium	General reserve	Capital Reserve	Retained earnings	Total Other Equity	
As at April 1, 2022 (I)	17.37	31,436.72	48.44	–	(32,389.47)	(904.31)	(886.94)
Net (loss) for the year (II)	–	–			(861.73)	(861.73)	(861.73)
Other comprehensive income for the year (III)	–	–	–		23.27	23.27	23.27
Total comprehensive income IV= (II) + (III)	–	–	–	–	(838.46)	(838.46)	(838.46)
Add: shares issued during The Year (V)	–	–	–	–	–	–	–
Arising pursuant to slump exchange (Note c)	28.72	3,582.93	–	(269.80)	–	3,313.13	3,341.85
As at March 31, 2023 (I+IV+V)	46.09	35,019.64	48.44	(269.80)	(33,227.93)	1,570.36	1,616.45

a. **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

b. **General reserve:** General reserve is in the nature of a free reserve and can be utilised inter-alia for distribution of dividends subject to compliance of the provisions of the Companies Act, 2013.

c. **Capital reserve:** Goodwill arising on account of purchase of “Alyte” business from Mahindra Logistics Limited (MLL) under slump exchange (refer note 33), accounted under Ind AS 103 “Business Combination”.

d. **Retained earnings:** Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

Significant accounting policies 2A

Notes to the financial statements 3 to 45

The Statement of Changes in Equity should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 19, 2023

NOTES ACCOMPANYING FINANCIAL STATEMENTS

1. Corporate information

MLL Mobility Private Limited ('the Company') is registered as a private limited company incorporated on December 4, 2006 under the Companies Act, 1956 and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai Mumbai 400018, India and corporate office at Arena Space, 10 & 11 Floor, Plot No. 20, Jogeshwari Vikhroli Link Road, Near Majas Bus Depot, Jogeshwari (E), Mumbai – 400060. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of owning, operating and maintaining vehicle fleet for transportation of passengers in form of taxis, providing taxi aggregator services and to acquire and operate similar existing businesses.

On May 29, 2018, the name of the Company was changed from Meru Cab Company Private Limited to Meru Mobility Tech Private Limited. Further, on August 23, 2022, the name of the Company was changed from Meru Mobility Tech Private Limited to MLL Mobility Private Limited.

These financial statements were authorized for issue in accordance with a Board resolution of April 19, 2023.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in lakhs.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

Incomes is recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

i. Revenue from taxi services, convenience fees, airport charges

Revenue from taxi services represents revenue earned from transportation of passengers as part of metered tax operations. Revenue from taxi services is measured as per the contractual terms and is recognised on completion of each trip. Convenience fees are charged to customer for facilitating booking of taxi services through the Company. Convenience fees are recognised as revenue at completion of trip. Airport charges are recovered from customers towards the airport charges incurred at airports as per the contractual terms. Airport charges are recognised as revenue at completion of trip.

ii. Revenue from taxi aggregator services

Revenue from taxi aggregator services is recognised net of the share of revenue paid to drivers, as and when the services are rendered as per the terms of the contract. Taxi aggregator services involve the Company providing a platform to facilitate booking of taxi services by passengers with third party independent taxi service providers.

iii. Revenue from B2B Customers

Revenue from B2B Customers represents revenue earned from providing taxi services to corporates for their employee transportation. Revenue is measured as per the contractual terms and recognised as and when the service is rendered as per contract terms.

iv. Advertisement revenue

Revenue from advertisement contracts are recognised pro-rata over the period of contract as and when services are rendered. Revenue is measured as per the contractual terms

The Company generally does not offer a credit period in respect of its billing to drivers. In respect of corporate customers, the Company credit period offered generally ranged from 30 days to 90 days.

Dividend and Interest income:

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable

NOTES ACCOMPANYING FINANCIAL STATEMENTS

that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.5 Leasing

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 01, 2019.

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

<u>Short-term leases and leases of low-value assets</u>

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<u>As a Lessor</u>

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

Transition

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 01, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under IAS 17. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

<u>As a lessee</u>

<u>**Operating leases**</u>

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2A.6 Foreign currencies

i. <u>Initial recognition</u>

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. <u>Conversion</u>

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost in a foreign currency are are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2A.7 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.8 Employee benefits

2A.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2A.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.9 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.9.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.10 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Equipment individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

ii. Certain items of Plant & Equipment individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 - 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2A.11 Intangible assets

2A.11.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2A.11.2. Useful lives of intangible assets

Taxi permits (Leased):

Taxi permits are amortised using the straight-line method over a period of 8 years or contractual life whichever is lower.

Software:

ERP software is amortised using the straight-line method over a period of 5 years and other software are amortised using the straight-line method over a period of 3 years or contractual life, whichever is lower.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2A.12 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.13 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.14 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.15.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

2A.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2A.15.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.15.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.16 Financial liabilities & Equity instruments

2A.16.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

2A.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.16.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.16.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.17 Segment reporting

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

iii) The COO/director monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

2A.18 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2A.19 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss / reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2A.20 Business Combination

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill.

Before recognising capital reserve in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve.

Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of noncontrolling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries. When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date. In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

2A.21 Exceptional item

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of intangibles and property, plant and equipment:

As described in note 2A.10 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

ii. Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. Contracts with Driver - Whether the arrangement with drivers contains a lease:

Significant judgement is required to apply lease accounting rules under Appendix C of Ind AS 17 - Determining whether an arrangement contains a lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant terms and conditions of the arrangements to conclude whether the arrangements meet the criteria under Appendix C.

vi. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vii. Trade Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

viii. Revenue from Contracts with Customers

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

2C. Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

i Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii Ind AS 102 – Share-based Payment

iii Ind AS 103 – Business Combinations

iv Ind AS 107 – Financial Instruments Disclosures

v Ind AS 109 – Financial Instruments

vi Ind AS 115 – Revenue from Contracts with Customers

vii Ind AS 1 – Presentation of Financial Statements

viii Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix Ind AS 12 – Income Taxes

x Ind AS 34 – Interim Financial Reporting

The application of above amendments is not expected to have any significant impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 3: Property, plant and equipment (PPE)

(Currency in INR lakhs)

	Office Equipments	Computers and Peripherals	Furniture and Fittings	* Motor Vehicles - Fleet	Electric Chargers	** ROU-Building	Total	Capital Work In Progress
Gross Block								
Balance at March 31, 2021	64.32	222.01	15.79	4,910.46	18.20	40.82	5,271.59	14.11
Additions	11.67	14.69	–	35.36	16.15	–	77.87	24.16
Capitalised during the year	–	–	–	–	–	–	–	(38.27)
Disposals	(54.94)	(64.64)	(10.80)	(370.73)	–	(40.82)	(541.93)	–
Balance at March 31, 2022	**21.05**	**172.06**	**4.99**	**4,575.09**	**34.34**	**–**	**4,807.52**	**–**
Addition	3.96	23.02	6	–	–	–	33.23	–
Acqusition under slump exchange#	8.49	14.19	0.08	–	–	–	22.75	–
Disposals	–	–	–	(586.37)	–	–	(586.37)	–
Balance at March 31, 2023	**33.49**	**209.27**	**11.32**	**3,988.72**	**34.34**	**–**	**4,277.14**	**–**
Accumulated depreciation and impairment								
Balance at March 31, 2021	59.96	201.96	12.92	2,763.50	2.42	40.82	3,081.75	–
Depreciation charge for the year	7.50	15.48	2.10	683.49	3.77	–	712.35	–
Disposals	(54.25)	(61.79)	(10.85)	(331.31)	–	(40.82)	(499.00)	–
Balance at March 31, 2022	**13.21**	**155.75**	**4.27**	**3,115.68**	**6.19**	**–**	**3,295.10**	**–**
Depreciation charge for the year	8.47	17.20	2.62	624.66	4.87	–	657.82	
Disposals	–	–	–	(543.91)	–	–	(543.91)	
Balance at March 31, 2023	**21.68**	**172.95**	**6.89**	**3,196.42**	**11.06**	**–**	**3,409.00**	**–**
Net block								
Balance at March 31, 2023	**11.81**	**36.32**	**4.43**	**792.30**	**23.28**	**–**	**868.14**	**–**
Balance at March 31, 2022	**7.84**	**16.31**	**0.72**	**1,459.41**	**28.15**	**–**	**1,512.42**	**–**
Balance at March 31, 2021	**4.36**	**20.05**	**2.87**	**2,146.96**	**15.77**	**–**	**2,189.84**	**14.11**

Notes:

Refer note 33

* Motor Vehicles - Fleet having net carrying value of INR 76.91 Lacs as at March 31, 2023 are given as security against secured loans from NBFCs (March 31, 2022 : INR 152.16 lacs).

** (Refer Note 30 A for details)

Note 4: Intangible assets

	Taxi Permits (Leased)	Computer software	Total
Gross Block			
Balance at March 31, 2021	383.30	84.46	467.76
Additions	–	–	–
Disposals	(383.30)	(13.07)	(396.37)
Balance at March 31, 2022	**–**	**71.39**	**71.39**
Additions	–	–	–
Acqusition under slump exchange#	–	537.65	537.65
Disposals	–	–	–
Balance at March 31, 2023	**–**	**609.04**	**609.04**
Accumulated Amortization and impairment			
Balance at March 31, 2021	**383.30**	**84.53**	**467.82**
Additions	–	–	–
Disposals	(383.30)	(13.13)	(396.43)
Balance at March 31, 2022	**–**	**71.39**	**71.39**
Additions		296.16	296.16
Disposals			–
Balance at March 31, 2023	**–**	**367.55**	**367.55**
Balance at March 31, 2023	**–**	**241.49**	**241.49**
Balance at March 31, 2022	**–**	**–**	**–**
Balance at March 31, 2021	**–**	**–**	**–**

Refer note 33

Note 5 : Loans

(Measured at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good;		
Loans to related parties (*Refer note 31*):		
Inter-corporate deposit to fellow subsidiaries *	**1,422.48**	1,422.48
Loans to employees **		
Unsecured, considered good	**0.60**	1.08
Total Current	**1,423.08**	1,423.56

* Loan (Intercorporate deposit) to fellow subsidiary is interest free repayable on demand.

** Loan to employee is in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 6 : Other financial assets

(Measured at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Security Deposits - Unsecured, considered good	**203.38**	201.56
Unsecured, considered credit impaired	**42.58**	42.58
Less: Impairment allowance for doubtful security deposits	**(42.58)**	(42.58)
	203.38	201.56
Balances with banks held as margin money *	**44.05**	37.90
Receivables towards assets given on finance lease	**–**	33.92
Total Non current	**247.43**	273.38
Current		
Advance recoverable in cash		
Unsecured, considered good	**22.02**	14.19
Unsecured, considered credit impaired	**15.44**	15.44
Less: Impairment allowance for doubtful advance recoverable in cash	**(15.44)**	(15.44)
	22.02	14.19
Other loans:		
Security deposits		
Unsecured, considered good	**282.44**	331.22
Unsecured, considered good		
Interest accrued on bank fixed deposits	**0.25**	0.56
Receivables towards assets given on finance lease	**32.85**	48.12
Total current	**337.56**	394.09

* These balances are given as margin money against the bank guarantees issued by the banks for Airport contracts / to Transport authorities for issuance of licenses in respective cities. The remaining maturity is more than 12 months from the Balance Sheet date.

Note 7 : Non-current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Income-tax assets	**114.25**	130.34
	114.25	130.34

Note 8 : Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with government and statutory authorities		
Unsecured, considered good	**440.13**	348.74
Unsecured, considered credit impaired	**–**	122.26
Less: Impairment allowance for doubtful balance	**–**	(122.26)
	440.13	348.74

Note 9 : Investment

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Quoted mutual funds (Classified at Fair value through Profit or Loss)		
Nil (March 31, 2022 - 60.81) units HDFC Overnight Fund	**–**	1.92
Nil (March 31, 2022 - 16,028.81) units Aditya Birla Sunlife Liquid fund	**–**	55.00
Nil (March 31, 2022 - 769.61) units Mahindra Manulife Liquid fund	**–**	10.65
Nil (March 31, 2022 - 151.51) units SBI Liquid fund	**–**	5.05
Nil (March 31, 2022 - 81,970.76) units ICICI Prudential Overnight Fund	**–**	93.95
	–	166.57

Refer Note 28 for information about fair value measurement

Note 10 :Trade receivables

(Measured at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good	**90.13**	129.13
Unsecured, considered good	**7,404.11**	754.97
Unsecured, considered credit impairment	**442.23**	349.01
Less: Impairment allowance doubtful trade receivables	**(442.23)**	(349.01)
	7,494.24	884.10

Trade receivables from drivers are due immediately. The Company also holds security deposit from a number of the drivers as collateral. Trade receivables from corporate customers are generally on credit terms of 30 to 60 days.

Refer Note-35.1 for the Ageing of Trade Receivables as per Schedule-III.

Refer Note 28 for information about credit risk. Refer note 32 for details of trade receivables from related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	**1.25**	3.90
Balances with bank in current accounts	**2.35**	159.29
Cheque on hand	**5.68**	–
	9.28	163.19

Note 12 :Other bank balance

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks held as margin money*	**–**	43.60
	–	43.60

* These balances are given as margin money against the bank guarantees issued by the banks for Airport contracts / to Transport authorities for issuance of licenses in respective cities. The balances have original maturity of more than 3 months and remaining maturity of less than 12 months from the balance sheet date).

Note 13 : Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance to suppliers		
Unsecured considered good	**1,741.39**	91.10
Unsecured considered credit impaired	**62.18**	62.18
Less: Impairment allowance for doubtful advances	**(62.18)**	(62.18)
	1,741.39	91.10
Prepaid Expenses	**63.27**	116.63
	1,804.66	207.73

Note 14 : Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
500,000 equity shares of INR.10 each (March 31, 2022: 2,50,000)	**50.00**	25.00
Issued, subscribed and fully paid-up shares:		
4,60,899 equity shares of INR. 10 each fully paid up (March 31, 2022: 1,73,695)	**46.09**	17.37

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year (refere note 41)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year		
No. of shares	**173,695**	173,695
Amount	**17.37**	17.37
Issued during the year for consideration other than cash		
No. of shares	**287,204**	–
Amount	**28.72**	–
Outstanding at the end of the year		
No. of shares	**460,899**	173,695
Amount	**46.09**	17.37

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. All equity shares rank equally with regard to dividends and share in the residual assets of the Company. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2023 (March 31, 2022: Nil). No dividend has been proposed for the year ended March 31, 2023.

(c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year (refere note 40)

Particulars	As at March 31, 2023	As at March 31, 2022
MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited) (MTSPL), the Holding and Promotor Company (including nominees)		
No. of shares	**–**	173,695
Amount	**–**	17.37
Percentage of holding	**–**	100%
% Change during the year	**–100%**	–
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No. of shares	**460,899**	–
Amount	**46.09**	–
Percentage of holding	**100%**	–
% Change during the year	**100%**	–

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares (refere note 41)

Particulars	As at March 31, 2023	As at March 31, 2022
MLL Express Services Private Limited, the Holding and Promotor Company (including nominees)	**–**	173,695
	–	100%
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No. of shares	**460,899**	–
Percentage(%)	**100%**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 15: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	**35,019.65**	31,436.72
General reserve	**48.44**	48.44
Capital Reserve	**(269.80)**	–
Retained earnings	**(33,227.93)**	(32,389.47)
Total Other Equity	**1,570.37**	(904.31)

Movement in Reserves

1 Securities premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**31,436.72**	31,436.72
Add: Shares issued during the year	**3,582.93**	–
Closing balance	**35,019.65**	31,436.72

2 General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**48.44**	48.44
Closing balance	**48.44**	48.44

3 Capital Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**–**	–
Adjustment pursuant to slump exchange*	**(269.80)**	–
Closing balance	**(269.80)**	–

* Capital reserve pertains to goodwill arising on account of purchase of "Alyte" business from Mahindra Logistics Limited (MLL) under slump exchange (Refer Note 33), accounted under Ind AS 103 "Business Combination".

4 Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**(32,389.47)**	(30,463.96)
Loss for the year	**(861.73)**	(1,928.24)
Other comprehensive income, net of tax	**23.27**	2.73
Closing balance	**(33,227.93)**	(32,389.47)

Note 16 : Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Term Loans- Secured		
(i) Vehicle loan from NBFC	**–**	63.96
Total Non-current Borrowings	**–**	63.96
Current		
(a) Term Loan- Secured:		
(i) Vehicle loan from NBFC	**68.19**	139.03
(ii) Cash credit from bank (Secured)	**1,562.99**	–
Total Secured Current Borrowings	**1,631.18**	139.03
(b) Unsecured:		
Interest free loan from fellow subsidiary repayable on demand	**2,963.91**	2,969.50
Total Unsecured Current Borrowings	**2,963.91**	2,969.50
Total current borrowing	**4,595.09**	3,108.53

(i) Vehicle loan from NBFCs

The loans are secured against hypothecation of vehicles as a first charge. The rate of interest on these loans ranges from 9.29% p.a. to 10.15% p.a. The loans are repayable in 36 to 48 equal monthly instalments. Refer note 27[C](iii) 'Liquidity risk' for maturity profile of future instalments. These loans will be fully repaid by December 15, 2023.

The carrying value of vehicles pledge as at March 31, 2023 is INR 76.91 lakhs (March 31, 2022: INR 152.16 lakhs)

(ii) Cash credit from bank (Secured)

The loans are secured by first pari pasu charge by way of hypothecation on all current assets of the company, both present and future. The rate of interest stipulated by the bank shall be sum of I-MCLR-3M and "spread" per annuam, subject to minumum of I-MCLR-3M, plus applicable statutory levy, if any.

Note 17 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for employee benefits		
Provision for gratuity *(Refer Note 29)*	**68.85**	64.21
Other provisions		
Provision for contingencies*	**1,381.10**	1,348.41
Total Non current	**1,449.95**	1,412.62
Current		
Provision for employee benefits		
Provision for gratuity *(Refer Note 29)*	**31.72**	26.91
Provision for leave encashment	**163.38**	60.37
Total current	**195.10**	87.28

* The Company has created provision towards various disputed legal matters that arise in the ordinary course of business on a best estimate basis. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash out flows, if any, pending resolution. Movement of provision is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	**1,348.41**	1,323.96
Created during the year	**61.00**	61.79
Reversed during the year	**(28.31)**	(37.34)
At the end of the year	**1,381.10**	1,348.41
Current portion	**–**	–
Non-current portion	**1,381.10**	1,348.41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 18 : Trade Payables

Particulars	**As at March 31, 2023**	As at March 31, 2022
Trade payables		
a) total outstanding dues to small enterprise and micro enterprises	**8.53**	–
b) total outstanding dues of creditors other than small enterprise and micro enterprises	**4,051.54**	897.83
	4,060.07	897.83

Notes:

i) Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

Refer Note-35.2 for the Ageing of Trade Payables as per Schedule-III.

ii) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

iii) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below: This has been relied upon by the auditors.

Particulars	**March 31, 2023**	March 31, 2022
a. Principal and interest amount remaining unpaid		
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed day	**8.5**	–
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under Micro, small and medium enterprises act, 2006	**–**	–
d. Interest accrued and remaining unpaid	**–**	
e. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–

Note 19: Other financials liabilities

Particulars	**As at March 31, 2023**	As at March 31, 2022
Deposits from subscribers and customers	**493.50**	605.65
Employee benefits payable	**332.44**	155.36
Interest accrued but not due on borrowings	**8.80**	1.95
	834.74	762.95

Note 20: Other current liabilities

Particulars	**As at March 31, 2023**	As at March 31, 2022
Contract liabilities	**163.95**	74.83
Statutory dues	**64.92**	26.66
	228.87	101.49

Note 21: Revenue from operations

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Revenue from operation:		
Revenue from Metered taxi operations	**1,875.51**	1,201.73
Revenue from taxi aggregator services	**1,261.37**	454.04
Revenue from B2B Business	**14,089.94**	3,433.84
Advertisement revenue	**20.85**	16.96
Convenience fee	**12.82**	10.37
Airport charges	**1,141.95**	543.88
	18,402.44	5,660.82
Other operating revenue:		
Enrolment fees	**1.10**	0.43
Infrastructure Support Services	**6.32**	29.67
Income from operating lease	**23.07**	35.44
	30.49	65.54
	18,432.93	5,726.36

Note 22: Other income

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
a) Interest Income		
Financial assets carried at amortised cost	**2.93**	4.04
Finance income on net investment in lease	**5.14**	9.47
Other asset	**31.79**	16.04
b) Miscellaneous Income		
Liabilities no longer required written back	**0.23**	0.92
Forfeiture of security deposits	**62.21**	–
Profit on sale / write off of property, plant and equipment (net)	**15.31**	20.51
Gain on mutual funds	**1.16**	18.06
	118.77	69.04

Note 23: Fleet operating expenditure

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Service provider service charges	**1,030.53**	661.11
Car Hire Charges	**12,632.46**	2,643.37
Accreditation fee	**1,531.17**	732.49
Insurance	**74.67**	121.94
Vehicle Electricity, repairs and maintenance	**259.74**	337.61
Registration charges and taxes	**22.42**	39.73
Drivers recruitment, uniform and training expenses	**4.04**	3.34
	15,555.03	4,539.59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 24: Employee benefits expenses

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Salaries, wages and bonus	**1,750.64**	1,330.70
Contribution to provident and other funds	**69.52**	56.26
Gratuity expenses (Refer note 29)	**36.15**	17.76
Compensated absence expenses	**22.66**	(1.27)
Share based payment to employees	**2.74**	–
Staff welfare expenses	**64.61**	50.14
	1,946.32	1,453.59

Note 25: Operating and other administrative expenses

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Legal and professional fees	**30.22**	45.69
Information Technology Cost	**316.61**	192.14
Advertisement and sales promotion	**17.61**	173.84
Rent	**221.59**	184.81
Repairs and maintenance - other than vehicles	**10.03**	32.38
Communication expenses	**7.85**	15.20
Impairment allowance doubtful trade receivables	**93.23**	(200.85)
Bad debts written off	**36.97**	273.56
Security charges	**67.56**	51.53
Travelling and conveyance	**35.51**	30.85
Rates and taxes	**79.22**	104.83
Electricity charges	**0.65**	14.18
Printing and stationery	**5.05**	10.13
Auditor’s remuneration (refer note below)	**6.37**	7.08
Bank charges	**67.56**	33.12
Provision for doubtful advances	**(122.26)**	1.41
Miscellaneous expenses	**26.20**	18.01
	899.96	987.91

Auditor's Remuneration (including GST)

Statutory audit fees	5.19	7.08
Other services	1.18	–
	6.37	7.08

Note 26: Depreciation and amortisation expense

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Depreciation on property, plant and equipment	**657.82**	712.35
Amortisation on intangible assets	**296.16**	–
	953.98	712.35

Note 27: Finance costs

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Interest on borrowings	**58.14**	30.03
Interest on delayed payment of statutory dues	**–**	0.17
	58.14	30.20

Note 28: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net of any provision for impairment) of financial instruments.

Particulars	**Notes**	**Carrying value/ Fair Value**	
		March 31, 2023	March 31, 2022
Financial assets carried at amortised cost			
Security deposits	6	**485.82**	532.79
Loans to related parties - Inter-corporate deposits	5	**1,422.48**	1,422.48
Loans to employees	5	**0.60**	1.08
Balances with banks held as margin money (non-current)	6	**44.05**	37.90
Advances recoverable in cash	6	**22.02**	14.19
Accrued interest	6	**0.25**	0.56
Receivables towards assets given on finance lease	6	**32.85**	82.04
Trade Receivables	10	**7,494.24**	884.10
Cash and cash equivalents and other bank balances	11, 12	**9.28**	206.79
Financial assets classified at FVTPL			
Investments	9	**–**	166.57
Total		**9,511.59**	3,348.50
Financial liabilities carried at amortised cost			
Long term Borrowings	16	**4,595.09**	3,172.49
Other financial liabilities	19	**834.74**	762.95
Trade payables	18	**4,060.07**	897.83
Total		**9,489.90**	4,833.28

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, loans, other financial assets trade payables, borrowings and other financial liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments in mutual funds are recorded at fair value. The fair value is determined at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of investments in mutual fund units is based on Net Asset Value (NAV) on the balance sheet date as published by the mutual fund. The fair value is categorised as Level 2 in the fair value measurement hierarchy.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company’s policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Market risk - interest rate risk
– Credit risk
– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings are all in fixed rate instruments and there is no investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), liquid mutual fund units, inter corporate deposits, cash deposits and other financial instruments.

Trade receivables

The Company's Management divides its customers primarily into following two categories for purposes of monitoring credit risk:

Trade receivables from subscribers

Credit risk relating to subscribers is managed in accordance with the Company's established policy, procedures and controls relating to driver credit risk management. Trade receivables are non-interest bearing. Outstanding receivables are regularly monitored. The Company recognises impairment of trade receivables from drivers based on outstanding receivable, its historical experience and its expectation of credit losses in the future except to the extent the trade receivables are secured by way of deposits received from customers.

	March 31, 2023	March 31, 2022
Gross Trade receivables from subscribers	**207.99**	204.63
Less: Impairment allowance doubtful trade receivables	**(142.88)**	(95.41)
Net Trade receivables from subscribers	**65.11**	109.21
Security deposits received from above subscribers held as at the respective reporting dates	**90.13**	129.13

Trade receivables from other customers

Credit risk relating to other customers is managed in accordance with the Company's established policy, procedures and controls relating to other customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from other customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

Particulars	**March 31, 2023**	March 31, 2022
Gross Trade receivables from other customers	**7,728.49**	1,028.48
Less: Impairment allowance doubtful trade receivables	**(299.35)**	(253.60)
Net Trade receivables from other customers	**7,429.14**	774.89
Ageing of gross trade receivables relating to other customers:		
Less than 6 months	**7,410.56**	761.54
More than 6 months	**317.93**	266.94
	7,728.49	1,028.48

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**March 31, 2023**	March 31, 2022
Opening balance	**349.01**	549.86
Add: Net impairment allowance provision for the year	**93.23**	–
Less: Impairment allowance provision reversed	**–**	(200.85)
Closing balance	**442.23**	349.01

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behaviour.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 27A. The Company has assessed the concentration risk with respect to trade receivables as low for its business.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations including deposits received from drivers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Undiscounted amount					
Year ended - March 31, 2023	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Borrowings*						
(i) Vehicle loan from NBFC	**68.19**	**68.19**	**–**	**–**	**–**	**68.19**
(ii) Cash credit from bank (Secured)	**1,562.99**	**1,562.99**	**–**	**–**	**–**	**1,562.99**
Interest free loan from fellow subsidiary repayable on demand	**2,963.91**	**2,963.91**	**–**	**–**	**–**	**2,963.91**
Deposits from Subscribers and customers	**493.50**	**493.50**	**–**	**–**	**–**	**493.50**
Interest accrued but not due on borrowings	**8.80**	**8.80**	**–**	**–**	**–**	**8.80**
Employee benefits payable	**332.44**	**332.44**	**–**	**–**	**–**	**332.44**
Trade Payable	**4,060.07**	**4,060.07**	**–**	**–**	**–**	**4,060.07**
	9,489.90	**9,489.90**	**–**	**–**	**–**	**9,489.90**

	Undiscounted amount					
Year ended - March 31, 2022	Carrying Value	Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Borrowings*						
(i) Vehicle loan from NBFC	202.99	134.15	68.84	–	–	202.99
Interest free loan from fellow subsidiary repayable on demand	2,969.50	2,969.50	–	–	–	2,969.50
Deposits from Subscribers and customers	605.65	605.65	–	–	–	605.65
Interest accrued but not due on borrowings	1.95	1.95	–	–	–	1.95
Employee benefits payable	155.36	155.36	–	–	–	155.36
Trade Payable	897.83	897.83	–	–	–	897.83
	4,833.28	4,764.43	68.84	–	–	4,833.28

D] Capital management

For the purpose of capital management, the Company considers capital to include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the loan covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as forecasts at each period end and identifies need for additional funding from the share holders to meet the outstanding commitments and future cash flow requirements to meet the business plans. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and liquid mutual fund units.

Particulars	**March 31, 2023**	March 31, 2022
Borrowings	**1,631.19**	202.99
Less: Cash and Cash Equivalent and liquid mutual fund units	**9.28**	373.36
Net Debt/(Surplus funds)	**1,621.91**	(170.37)

Note 29: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 24 under "Contribution to provident and other funds":

Particulars	**March 31, 2023**	March 31, 2022
Contribution to employees provident fund	**67.13**	51.98
Contribution to ESI	**2.39**	4.28
Total	**69.52**	56.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (funded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

Liability recognised in the Balance Sheet in respect of Gratuity

	March 31, 2023	March 31, 2022
Present value of the defined benefit obligation at the end of the year	**100.57**	91.12
	100.57	91.12

Changes in the present value of the defined benefit obligation are as follows :

	March 31, 2023	March 31, 2022
Defined benefit obligation at beginning of the year	**91.12**	122.50
Current service cost	**25.74**	12.02
Interest cost	**10.41**	5.74
Sub-total included in statement of profit and loss	**36.15**	17.76
Remeasurement (gains)/losses recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**(0.22)**	–
Actuarial changes arising from changes in financial assumptions	**(29.06)**	(2.66)
Experience adjustments	**6.00**	(0.07)
Sub-total included in OCI	**(23.27)**	(2.73)
Transfer in	**20.29**	2.47
Employer Contribution	**(5.00)**	(5.00)
Benefits paid	**(18.72)**	(43.88)
Defined benefit obligation at the end of the year	**100.57**	91.12

Following table summarises the principal assumptions used for actuarial valuation of gratuity obligation for each reporting period:

Actuarial assumptions	March 31, 2023	March 31, 2022
Discount rate	**7.30%**	5.25%
Future salary increases	**7.00%**	8.00%
Attrition rate (% p.a.)	**refer note below**	refer note below

Note : Call center – 15.32%, Non Call center – 15.32%, Management committee –15.32% (March 31, 2022:Call center – 60%, Non Call center – 35%, Management committee –10%)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions :

Mortality in Service: Indian Assured Lives Mortality 2012-14 Mortality in Retirement : 60 Years (March 31, 2022: Mortality in Service: Indian Assured Lives Mortality 2012-14) Mortality in Retirement : 58 Years

A quantitative sensitivity analysis for significant assumptions as at each reporting date is as shown below:

	Discount rate assumption	
	March 31, 2023	March 31, 2022
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**(9.49)**	(3.82)
Impact of decrease of 1 % p.a. on defined benefit obligation	**10.44**	4.16

	Future salary increase assumption	
	March 31, 2023	March 31, 2022
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**9.50**	3.14
Impact of decrease of 1 % p.a. on defined benefit obligation	**(8.88)**	(3.18)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2022: 5 years).

The following are expected contributions over the future years (valued on undiscounted basis):

	March 31, 2023	March 31, 2022
Within the next 1 year (next annual reporting period)	**31.72**	26.91
Between 2 to 5 years	**117.88**	53.98
Between 6 to 10 years	**77.51**	21.51
Beyond 10 years	**77.90**	20.80
Total expected payments	**305.01**	123.20

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2023 INR 22.66 Lakh (March 31, 2022: INR (1.27) Lakhs).

Note 30: Commitments and contingencies

A. Leases

a. Lease commitments

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023

Particulars	ROU Assets Building	Total
Balance as at March 31, 2021	**40.82**	40.82
Additions	**–**	–
Deletions	**(40.82)**	(40.82)
Balance as at March 31, 2022	**–**	–
Additions	**–**	–
Deletions	**–**	–
Balance as at March 31, 2023	**–**	–

During the year ended March 31, 2023, the Company has paid INR 221.59 lakhs (March 31, 2022 : INR 184.81 lakhs) towards short-term lease payments. This has been recorded under Rent expense in the statement of profit and loss.

b. Finance lease - where the Company is lessor

The Company has taken taxi permits on finance lease by paying the consideration upfront as a onetime payment.

The Company has leased out 31 vehicles (March 31, 2022 : 31) on finance lease. The lease term is for 3 years and is non-renewable, after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement.

Gross investments	March 31, 2023	March 31, 2022
Within one year	**34.06**	54.32
After one year but not more than five years	**–**	35.30
More than five years	**–**	–
	34.06	89.63
Less: Unearned finance income	**(1.21)**	(7.59)
Present value of minimum lease payments	**32.85**	82.04
Present value of future rentals		
Within one year	**32.85**	48.12
After one year but not more than five years	**–**	33.92
More than five years	**–**	–
Present value of minimum lease payments	**32.85**	82.04

During the year ended March 31, 2023, the Company has earned INR 5.14 Lakhs (March 31, 2022: INR 9.47 Lakh) as interest income. This has been recorded under "Other income - Finance income on net investment in lease" in the statement of profit and loss.

Movement for the receivables towards assets given on finance lease	**Amount**
Opening balance as at 1 April 2021	**152.94**
Add: Additions made during the year	**21.12**
Less: Adjustment on account of lease term modification	**–**
Less: Deletion made during the year	**(53.62)**
Less: amount recovered during the year	**(38.41)**
Closing balance as at March 31, 2022	**82.03**
Add: Additions made during the year	**–**
Less: Adjustment on account of lease term modification	**–**
Less: Deletion made during the year	**–**
Less: amount recovered during the year	**(49.19)**
Closing balance as at March 31, 2023	**32.84**

B. Commitments

The Company has entered into License Agreements/Contracts with Airport authorities at some locations. These agreements are for periods of 1 to 5 years and include non-cancellable period of 1 to 3 years. Under the contracts, the Company guarantees a certain minimum payment to the airports each month. Management believes that it would perform its obligations for the entire period of these contracts taking into account the past experience and management's intent and future business plans. Management has disclosed contractual commitments under these contracts below based on the total contractual period.

	As at March 31, 2023	As at March 31, 2022
Minimum commitment to Airports		
Delhi Airport Terminal 1	**72.90**	145.80
Delhi Airport Terminal 2	**109.35**	218.70
Delhi Airport Terminal 3	**218.70**	437.40
Mumbai Airport Terminal 1 & 2	**120.00**	–
Hyderabad Airport	**1,618.23**	543.40
	2,139.18	1,345.30

C] Contingent liabilities

Particulars	**As at March 31, 2023**	As at March 31, 2022
Claims against the Company not acknowledged as debts (Refer note "a" below)	**126.85**	16.06
Advertisement tax (refer note "b" below)	**55.40**	55.40
	182.25	71.46

Note:

a) Claims against the Company pertain to various legal claims filed against the Company by customers/ third parties. The Company has contested these claims and the same are pending adjudication at various judicial forums. The timing of any possible cash outflows with regard to the aforesaid matters depends upon the final outcome of the respective litigations and exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the possible outflow, if any.

b) Advertisement tax liability pertains to earlier years, where Muncipal Corporation of Delhi has demanded unproportionately higher Advertisement taxes, which are part of the on-going legal cases with MCD at High Court Delhi.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 31: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	–
Income tax expense reported in the statement of profit or loss	**–**	–

Statement of OCI

	March 31, 2023	March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	**–**	–
Income tax expense charged to OCI	**–**	–

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the years ended

	March 31, 2023	March 31, 2022
Accounting profit/(loss) before income tax	**(861.73)**	(1,928.24)
At India's statutory income tax rate of 26% [March 31, 2022: 26%]	**(224.05)**	(501.34)
Effect of set off of carried forward tax losses for which no deferred tax asset was recognised previously	**224.05**	501.34
Effect of current year losses for which no deferred tax asset is recognised	**–**	–
At the effective income tax rate for the Company	**–**	–
Income tax expense reported in the statement of profit and loss	**–**	–

Deferred tax working for the year ended:

	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**221.44**	205.06
Provisions (Doubtful debts/Impairment/Advances)	**146.23**	153.78
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**68.63**	40.69
Carry forward Tax Loss (Unabsorbed depreciation)		
Unabsorbed depreciation	**5,833.36**	6,310.89
Unabsorbed business losses	**–**	815.01
Provision for contingencies	**359.09**	350.59
	6,628.75	7,876.02
Net deferred tax assets/(liabilities)	**6,628.75**	7,876.02
Net deferred tax assets/(liabilities) recognised	**–**	–

	Statement of Profit and Loss	
Tax effect of items constituting deferred tax liabilities	**March 31, 2023**	March 31, 2022
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**16.38**	(13.72)
Provisions (Doubtful debts/Impairment/ Advances)	**(7.55)**	(51.85)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**27.94**	(14.58)
Carry forward Tax Loss	**–**	
Unabsorbed depreciation	**(477.53)**	248.60
Unabsorbed business losses	**(815.01)**	238.49
Provision for contingencies	**8.50**	6.36
Deferred tax expense/(income)	**(1,247.28)**	413.29
Deferred tax expense/(income) recognised in profit and loss	**–**	–

The Company has following tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	March 31, 2023	March 31, 2022
Losses that expire - Carry forward business losses*	**–**	3,134.67
Losses that never expire - Unabsorbed depreciation	**22,435.99**	24,272.66

The Company has a net deferred tax asset position as at March 31, 2023, However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets considering there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/unabsorbed depreciation may be offset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 32: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate holding Company ('UHC')	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (till May 11, 2022)
	Mahindra Logistics Limited ('MLL') (w.e.f May 12, 2022)

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	V-Link Fleet Solutions Private Limited ('VFSPL')
	V-Link Automotive Services Private Limited ('VASPL')
	Mahindra Electric Mobility Limited
	Mahindra Integrated Business Solutions Pvt. Ltd.
	Mahindra Logistics Limited ('MLL') (up to May 11, 2022)
	Mahindra & Mahindra Financial Services Ltd.
	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (w.e.f May 12, 2022)
	Mahindra Heavy Engines Limited
	NBS International Limited
Key Management Personnel (KMP) & other relationships	Tech Mahindra Business Services Limited (Associate of UHC)
	Mahindra World City (Jaipur) Limited (Joint Venture of UHC)
	Mahindra Homes Private Limited (Joint Venture of UHC)
	Classic Legends Private Limited (Joint Venture of UHC)
	Neeraj Gupta (CEO) upto April 30, 2021
	Pravin Shah (CEO) with effect from May 1, 2021 till December 31, 2021
	Kannan Chakravarthy (CEO) with effect from January 1, 2022 upto June 28, 2022

Details of transactions during the year with related parties

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2023	March, 31 2022	**March, 31 2023**	March, 31 2022	**March, 31 2023**	March, 31 2022
Sale of services :						
V-Link Automotive Services Private Limited	**–**	–	**3.22**	29.67	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**3.10**	5.29	**–**	–
Mahindra & Mahindra Ltd.	**417.29**	162.71	**–**	–	**–**	–
Mahindra Logistics Limited (up to May 11, 2022)	**–**	–	**–**	18.57	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**3,019.28**	–	**–**	–	**–**	–
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**455.77**	31.60
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**13.75**	6.99
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	0.27
Mahindra & Mahindra Financial Services Ltd.	**–**	–	**–**	1.56	**2.10**	–
Mahindra Heavy Engines Limited	**–**	–	**3.60**	–	**–**	–
Classic Legends Private Limited	**–**	–	**–**	–	**5.89**	27.96
Services received:						
V-Link Automotive Services Private Limited	**–**	–	**27.34**	12.53	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**–**	0.60	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2023	March, 31 2022	**March, 31 2023**	March, 31 2022	**March, 31 2023**	March, 31 2022
Mahindra Electric Mobility Limited	**–**	–	**–**	4.41	**–**	–
NBS International Limited	**–**	–	**14.03**	10.23	**–**	–
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**1.34**	1.91	**–**	
Reimbursements made to parties						
Mahindra & Mahindra Ltd.	**124.92**	–	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**114.83**	–	**–**	–	**–**	–
Loans given:						
V-Link Fleet Solutions Private Limited	**–**	–	**11.13**	96.60	**–**	–
Meru Travel Solutions Private Limited	**–**	1.95	**–**	–	**–**	–
Loans repayment received :						
Meru Travel Solutions Private Limited	**1.95**	–	**–**	–	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**11.13**	119.17	**–**	–
Loans taken:						
V-Link Automotive Services Private Limited	**–**	–	**5.07**	136.08	**–**	–
Loans repayment made:						
V-Link Automotive Services Private Limited	**–**	–	**10.66**	104.21	**–**	–
Equity Share issued:						
Mahindra Logistics Limited	**3,611.65**	–	**–**	–	**–**	–
Remuneration to key management personnel @						
Neeraj Gupta**	**–**	–	**–**	–	**–**	37.08
Pravin Shah **	**–**	–	**–**	–	**–**	120.57
Kannan Chakravarthy	**–**	–	**–**	–	**88.12**	30.48

Details of Balances receivable from/payable to related parties

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2023	March, 31 2022	**March, 31 2023**	March, 31 2022	**March, 31 2023**	March, 31 2022
Balance receivable / (payable) as at year end :						
Classic Legends Private Limited	**–**	–	**–**	–	**–**	6.34
Mahindra & Mahindra Financial Services Ltd.	**–**	–	**–**	–	**–**	0.83
Mahindra & Mahindra Ltd.	**130.15**	–	**–**	–	**–**	–
Mahindra & Mahindra Ltd. #	**(187.41)**	(96.39)	**–**	–	**–**	–
Mahindra Electric Mobility Limited #	**–**	–	**–**	0.13	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	0.27
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**(0.30)**	(0.14)	**–**	–
Mahindra Logistics Limited (up to May 11, 2022)	**–**	–	**–**	(0.81)	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**927.46**	–	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**(87.53)**	–	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**4.98**	2.90
MLL Express Services Private Limited	**–**	1.95	**–**	–	**–**	–
NBS International Limited	**–**	–	**(0.46)**	(2.87)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2023	March, 31 2022	**March, 31 2023**	March, 31 2022	**March, 31 2023**	March, 31 2022
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**187.75**	–
Mahindra Heavy Engines Limited			**3.74**	–	**–**	–
V-Link Automotive Services Private Limited - ICD	**–**	–	**(2,963.91)**	(2,969.50)	**–**	–
V-Link Automotive Services Private Limited			**10.95**	–	**–**	–
V-Link Fleet Solutions Private Limited - ICD	**–**	–	**1,422.48**	1,422.48	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**13.84**	–	**–**	–

Note: Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

@ The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

** The current year remuneration includes leave encashment & gratuity paid at the time of resignation.

* less than Rs. 5,000

Mahindra Electric Mobility Limited, merged with Mahindra & Mahindra Ltd.

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The loans receivable and payable are all repayable on demand.

Note 33: Disclosures pursuant to Ind AS 103 "Business Combinations".

On September, 26, 2022, the Company entered into a Business Transfer Agreement (BTA) with Mahindra Logistics Limited (MLL) to acquired it's Enterprise Mobility business of the MLL as a going concern on slump exchange basis, effective October 1, 2022, for a lump sum consideration of Rs. 3611.65 lakhs. Consideration for the slump exchange has been discharged by the company through issue of 2,87,204 equity shares of Rs.10 each. As per the method of accounting under Ind AS for the company has recognised negative capital reserve of INR 269.78 lakhs.

Particulars	Amount	Amount
Sale consideration		3,611.66
<u>**Less: Book value of assets transferred**</u>		
Total Assets Transferred	5,357.60	
Total Liabilities Transferred	2,015.73	
Book value of assets transferred		3,341.87
Debited to Capital reserve		**269.78**

Note 34: Operating Segments Reporting

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

Note 35.1: Trade Receivable Ageing

Trade Receivables ageing schedule as at March 31, 2023

(A) Billed and Outstanding

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	**2,534.71**	**1,585.04**	**22.81**	**4.59**	**4.73**	**7.54**	**4,159.44**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**						**–**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**49.15**	**123.87**	**33.37**	**18.95**	**216.90**	**442.23**
(iv) Disputed Trade Receivables — considered good	**–**						**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	**2,534.71**	**1,634.20**	**146.68**	**37.96**	**23.68**	**224.44**	**4,601.67**

(B) Unbilled Trade Receivables		**3,334.80**	**–**	**–**	**–**	**–**	**3,334.80**

Trade Receivables ageing schedule as at March 31, 2022

(A) Billed and Outstanding

Particulars	Not Due	Outstanding for the following period from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	356.72	121.45	13.56	83.14	–	–	574.87
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	19.06	34.47	59.61	32.42	203.45	349.01
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	**356.72**	**140.51**	**48.03**	**142.75**	**32.42**	**203.45**	**923.87**

(B) Unbilled Trade Receivables	309.23

Note 35.2: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2023

Particulars	Unbilled	Outstanding for the following period from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**–**	**8.53**	**–**	**–**	**–**	**8.53**
(ii) Others	**3,116.40**	**845.55**	**89.58**	**–**	**–**	**4,051.54**
(iii) Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**3,116.40**	**854.09**	**89.58**	**–**	**–**	**4,060.07**

Trade Payables ageing schedule as at March 31, 2022

Particulars	Unbilled	Outstanding for the following period from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–	–
(ii) Others	582.79	218.09	84.48	11.17	1.30	897.83
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues — Others	–	–	–	–	–	–
Total	**582.79**	**218.09**	**84.48**	**11.17**	**1.30**	**897.83**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Note 35.3: Financial Ratios

Ratio	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	0.90	1.55	-42%	Decrease in ratio is on account of increase in utilisation of OD facility offset by increase in trade receivable.
Debt-Equity Ratio	Debt	Total equity	0.05	(0.23)	-121%	The change is on account of issue of fresh shares during the year.
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	1.95	(5.79)	-134%	Improvement in ratio is on account of overdraft facility utilised.
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	-53.31%	-217.00%	-75%	Improvement in ratio is on account of higher volume due to transfer of "Alyte" business from MLL.
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	3.41	5.60	-39%	Decrease in ratio is on account of increase in turnover resulting in higher trade receivable due to transfer of "Alyte" business from MLL.
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	6.65	7.97	-17%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	46.46	9.57	385%	Ratio has improved due to increase in turnover on account of transfer of "Alyte" busuness from MLL.
Net profit ratio	Profit for the year	Revenue from operations	-5%	-34%	-86%	Improvement in the ratio is on account of transfer of "Alyte" busuness from MLL.
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	-26%	-324%	-92%	Improvement in the ratio is on account of transfer of "Alyte" busuness from MLL.
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	3.89%	0.68%	471%	Increase in ratio is on account of disposal of investment in current year.

Note 36: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
Profit / (Loss) attributable to equity holders	**(861.73)**	(1,928.24)
Number of Shares outstanding at the beginning of the year	**173,695**	173,695
Add: Weighted average shares issued during the year	**72,391**	–
Number of Shares outstanding at the end of the year	**246,086**	173,695
Weighted average number of Equity shares for basic EPS and diluted	**246,086**	173,695
Basic and diluted EPS calculations	**(350.17)**	(1,110.13)
Weighted average number of Equity shares adjusted for the effect of dilution	**–**	–

Note 37: IND AS 115 ‘Revenue from Contracts with Customers’

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR lakhs)

Revenue from operations

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
Revenue from operation	**18,432.93**	5,726.36
	18,432.93	5,726.36

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
People Transportation (refer note 21)	**18,432.93**	5,726.36
	18,432.93	5,726.36

iii) Revenue by geography

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
Asia		
India	**18,432.93**	5,726.36
	18,432.93	5,726.36

Note 38: During the current year, the earstwhile holding Company i.e. MESPL, has transferred its entire shareholding into the Company and its fellow subsidiaries i.e. VFSPL and VASPL, to MLL and the shares of MESPL were transferred by utlimate holding Company i.e. M&M to MLL. Pursuant to this restructuring, the Company has become 100% subsidiary of MLL and fellow subsidiary of MESPL.

Note 39: Based on the contracts with taxi operators under the taxi aggregator services, the Company's revenue is determined as a share of the total passenger revenue of INR 6,908.40 lakhs (March 31, 2022: INR 2,828.3 lakhs) generated by these taxi operators.

Note 40: During the earlier year, the Company has identified that one of its ex-employee handling paperwork for owned Motor Vehicles of the Company, was involved in fraudulent activity, and was submitting fake documents with the Company, the same has resulted into loss to the Company of INR 61.8 lakhs. The Company is in the process of filling FIR against him and recorded provision for expenses for correcting the above paperwork.

Note 41: As at March 31, 2023, the Company has accumulated losses of INR 33,227.93lakhs (March 31, 2022: INR 32,389.47 lakhs) and a positive net worth of INR 1,616.44 lakhs (March 31, 2022: negative net worth INR 886.94 lakhs). The Company has significant improvement in operations during the year and the Company is expected to be profitable starting next year.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 42: The Company has given Loan to VFSPL of INR 1422.48 Lakhs in the earlier years out of the money borrowed from V-Link Automotive Services Private Limited. The balance outstanding as on March 31, 2023 is INR 1422.48 Lakhs receivable from V-Link Fleet Solutions Private Limited and INR 2963.91 Lakhs payable to V-Link Automotive Services Private Limited.

Note 43: Additional regulatory information:

a) There are no transaction during the current and previous year with the entities struck off from the register under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. The outstanding balances of such Comapnies are as under:

Name of the struck off company	**Balance outstanding Receivable / (Payable)**
1. Ride Car Zone Private Limited	0.39
2. T.R. Travels Private Limited	0.00
3. Jatayu Logistics Private Limited	(0.03)
4. Trimurty Tourism Private Limited	(0.22)
5. Purwanchal Tours And Travels Privatelimited	(0.01)
6. Swiss Cabs India Private Limited	(0.77)
7. S K S Automobiles India Private Limited	(0.26)
8. SST Concierge Private Limited	(0.07)
Total	**(0.97)**

b) Quarterly returns/statements filed by the Company with banks are in agreement with the books of accounts.

Note 44: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 45: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 19, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
V-Link Automotive Services Private Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **V-Link Automotive Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Boards Report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sdection 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The company does not have any pending litigations which will impact its financial positions;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZT6709

Place: Mumbai
Date: April 19, 2023

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the Company has no Property, Plant and Equipment hence reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has no intangible assets and hence reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

(B) According to the information and explanations given to us, the Company has no Property, Plant and Equipment hence reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

(C) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the company does not have Property, Plant and Equipment hence reporting under Clause 3(i)(d) of the Order is not applicable to the company.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

III. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

Accordingly, the reporting under Clauses 3(iii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clause 3 (iii) (b) is not applicable to the Company.

(c) According to the information and explanations given to us, the terms and conditions of the loans granted by the Company to a fellow subsidiary company is interest-free.

(d) According to the information and explanations given to us, the terms and conditions of the loans granted by the Company to a fellow subsidiary company in the earlier years is repayable on demand. We have been informed that the loan has not been demanded by the Company and hence the amount of the loan is not overdue. Accordingly, the reporting under Clause 3 (iii) (d) are not applicable to the Company.

(e) According to the information and explanations given to us, the loan granted to the fellow subsidiary in the earlier years have not fallen due during the year and hence have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clause 3 (iii) (f) is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services tax, and other material statutory dues.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, and other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax on Mutual fund dealings	18,41,382	April 2015 to June 2017	Commissioner of CGST & Central Excise
Service Tax	Service Tax	12,51,36,770	April 2015 to June 2017	Commissioner of CGST & Central Excise
Income Tax Act, 1961	Tax deducted at source	2,51,170	Various Years	Traces

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

XIV. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 0.41 lacs in the current financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZT6709

Place: Mumbai
Date: 19th April, 2023

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **V-Link Automotive Services Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZT6709

Place: Mumbai
Date: April 19, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
(I) Assets			
(1) Non-current assets			
a) Financial assets			
i) Other financial assets	3	**1.17**	1.12
b) Non current tax assets	4	**0.62**	0.71
c) Other non-current assets	5	**110.65**	111.45
Total Non-Current assets		**112.44**	113.28
(2) Current assets			
a) Financial assets			
i) Trade receivables	6	**49.68**	51.84
ii) Cash and cash equivalents	7	**8.00**	7.49
iii) Loans	8	**2,963.91**	2,969.50
Total Current Assets		**3,021.59**	3,028.83
Total Assets		**3,134.03**	3,142.11
(II) Equity and Liabilities			
1) Equity			
a) Equity share capital	9	**1.33**	1.33
b) Other equity	10	**2,914.39**	2,914.79
Total Equity		**2,915.72**	2,916.12
2) Liabilities			
Current liabilities			
a) Financial liabilities			
i) Trade Payables	11		
a) total outstanding dues to small and micro enterprises		**–**	–
b) total outstanding dues of creditors other than small and micro enterprises		**20.39**	11.52
ii) Other financials liabilities	12	**93.66**	97.52

BALANCE SHEET AS AT MARCH 31, 2023 (continued)

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
b) Other current liabilities	13	**104.26**	116.95
Total current liabilities		**218.31**	225.99
Total liabilities		**218.31**	225.99
Total equity and liabilities		**3,134.03**	3,142.11
Significant accounting polices	2		
Notes to the financial statements	3 to 30		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations	14	**30.46**	60.68
Other income	15	**0.31**	12.12
TOTAL INCOME (I)		**30.77**	72.80
EXPENSES			
Fleet operating expenditure	16	**25.56**	11.92
Operating and other administrative expenses	17	**5.61**	41.29
TOTAL EXPENSES (II)		**31.17**	53.21
Earnings before interest, tax, depreciation, amortization and Impairment (EBITDA) [(I) – (II)]		**(0.40)**	19.59
Finance costs	18	**–**	0.01
Profit/(loss) before tax		**(0.40)**	19.58
Tax expenses		**–**	–
Profit/(loss) after tax		**(0.40)**	19.58
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plan		**–**	–
Other comprehensive loss/(income) for the year, net of tax		**–**	–
Total Comprehensive income/(loss) for the year, net of tax		**(0.40)**	**19.58**
Earnings per equity share			
Basic and diluted [Nominal value per share INR 10]	24	**(3.04)**	147.28
Diluted, computed on the basis of profit for the year			
Significant accounting polices	2		
Notes to the financial statements	3 to 30		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**(0.40)**	19.58
Adjustments to reconcile profit before tax to net cash flows		
Finance costs	**–**	0.01
Finance income	**(0.05)**	(0.28)
Bad Debts written off and provision thereof	**0.16**	–
Provision no longer required written back	**–**	(10.59)
Operating profit before working capital changes	**(0.29)**	8.72
Movement in working capital		
Changes in Trade Receivables	**2.16**	(11.16)
Changes in loans, Other financial assets, other assets	**0.75**	14.12
Changes in trade payables, other payables and other liabilities	**(7.93)**	0.33
Cash generated from/(used in) operating activities	**(5.30)**	12.01
Direct taxes paid (net of refunds)	**0.18**	9.75
Net cash flows generated from/(used in) operating activities	**(5.13)**	21.76
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income on fixed deposits & intercorporate deposits	**0.05**	1.01
Investment in bank deposits (having original maturity of more than 3 months)	**–**	1.10
Loans given to fellow subsidiaries	**(5.07)**	(136.08)
Loans repaid by fellow subsidiaries	**10.66**	104.21
Net cash flows generated from/(used in) investing activities	**5.64**	(29.76)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (continued)

(Currency in INR Lakhs)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**–**	–
Net cash flows (used in) financing activities		**–**	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**0.51**	(8.00)
Cash and cash equivalents at the beginning of the year		**7.49**	15.49
Cash and cash equivalents at the end of the year (refer note 7)		**8.00**	7.49
Significant accounting policies	2		
Notes to the financial statements	3 to 30		

The notes referred to above are an integral part of the financial statements.

The Cash Flow Statement should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

Note: The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Rampraveen Swaminathan
Director
DIN: 01300682

Place: Mumbai
Date: April 19, 2023

Sreenivas Pamidimukkala
Director
DIN: 09447924

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

For the year ended March 31, 2023

Particulars	Equity Share Capital	Other Equity: Securities Premium	Other Equity: Retained Earning	Other Equity: Capital Reserve	Other Equity: Total Other Equity	Total
As at April 1, 2022	**1.33**	**16,286.96**	**(13,409.67)**	**37.50**	**2,914.79**	**2,916.12**
Net loss for the year	**–**	**–**	**(0.40)**	**–**	**(0.40)**	**(0.40)**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**(0.40)**	**–**	**(0.40)**	**(0.40)**
Received on shares issued during the year	**–**	**–**	**–**	**–**	**–**	**–**
As at March 31, 2023	**1.33**	**16,286.96**	**(13,410.07)**	**37.50**	**2,914.39**	**2,915.72**

For the year ended March 31, 2022

Particulars	Equity Share Capital	Other Equity: Securities Premium	Other Equity: Retained Earning	Other Equity: Capital Reserve	Other Equity: Total Other Equity	Total
As at April 1, 2021	1.33	16,286.96	(13,429.25)	37.50	2,895.21	2,896.54
Net profit for the year	–	–	19.58	–	19.58	19.58
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	19.58	–	19.58	19.58
Received on shares issued during the year	–	–	–	–	–	–
As at March 31, 2022	1.33	16,286.96	(13,409.67)	37.50	2,914.79	2,916.12

Notes:

Securities premium: Securities premium is credited when shares are issued at a premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013 for specified purposes such as to issue bonus shares, to provide for premium on redemption of shares or debentures etc.

Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

Capital Reserve: Capital Reserve represents the fair value in respect of financial guarantee provided by the holding company in favour of the Company recognised on transition to Ind AS as at April 1, 2016 amounting to INR 37.50 Lakhs with a corresponding debit to financial guarantee assets recorded under Other Assets. These financial guarantee assets have been amortised as expenses in the Statement of Profit and Loss over the period of the guarantee and the unamortised portion as at March 31, 2023 is INR Nil.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate information

V-Link Automotive Services Private Limited ('the Company') is registered as a private limited company domiciled in India having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai Mumbai 400018, India and corporate office at Arena Space,10&11 Floor, Plot No. 20, Jogeshwari Vikhroli Link Road, Near Majas Bus Depot, Jogeshwari (E), Mumbai – 400060. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of owning, operating and maintaining vehicle fleet for transportation of passengers in form of taxis, providing taxi aggregator services and to acquire and operate similar existing businesses.

These financial statements were authorized for issue in accordance with a Board resolution of April 25, 2022.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

Incomes is recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognized.

<u>**Income from services:**</u>

i. Revenue from taxi aggregator services, convenience fees, airport charges, services

Revenue from taxi aggregator services is recognised net of the share of revenue paid to drivers, as and when the services are rendered as per the terms of the contract. Taxi aggregator services involve the Company providing a platform to facilitate booking of taxi services by passengers with third party independent taxi service providers. Convenience fees are charged to customer for facilitating booking of taxi services through the Company. Convenience fees are recognised as revenue at completion of trip. Airport charges are recovered from customers towards the airport charges incurred at airports as per the contractual terms. Airport charges are recognised as revenue at completion of trip.

ii. Revenue from B2B customer

Revenue from B2B customer represents revenue earned from letting cars on hire to customers for specific period of time (generally short periods of time ranging from a few hours to a day). Revenue is measured as per the contractual terms and is recognized on completion of each trip.

iii. Advertisement revenue

Revenue from advertisement contracts are recognised pro-rata over the period of contract as and when services are rendered. Revenue is measured as per the contractual terms

The Company generally does not offer a credit period in respect of its billing to drivers. In respect of corporate customers, the Company credit period offered generally ranged from 30 days to 90 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.5 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.5.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.6 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Equipment individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Equipment individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 - 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2A.7 Intangible assets

2A.7.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2A.8 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.9 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.10 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.11 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.12.1 <u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.12.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2A.12.2 <u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2A.12.3 <u>Financial assets at Fair value through Profit and Loss</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.12.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.12.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.12.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.13 Financial liabilities & Equity instruments

2A.13.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2A.13.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.13.3 <u>Compound financial instruments</u>

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.13.4 <u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.14 Segment reporting

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

2A.15 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2A.16 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss / reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2A.17 Exceptional item

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

i. **Contracts with Driver - Whether the arrangement with drivers contains a lease:**

Significant judgement is required to apply lease accounting rules under Appendix C of Ind AS 17 - Determining whether an arrangement contains a lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant terms and conditions of the arrangements to conclude whether the arrangements meet the criteria under Appendix C.

ii. **Useful lives of intangibles and property, plant and equipment:**

As described in note 2A.6 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

iii. **Fair Value of financial assets and liabilities and investments**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. **Estimated Lead Time for determining completion of performance obligation**

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. **Trade Receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

vi. **Revenue from Contracts with Customers**

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

2C. Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

i) Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii) Ind AS 103 – Business Combinations

iii) Ind AS 107 – Financial Instruments Disclosures

iv) Ind AS 109 – Financial Instruments

v) Ind AS 115 – Revenue from Contracts with Customers

vi) Ind AS 1 – Presentation of Financial Statements

vii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

viii) Ind AS 12 – Income Taxes

ix) Ind AS 34 - Interim Financial Reporting

The application of above amendments is not expected to have any significant impact on the company's financial statements.

Note 3: Other financial assets

(Currency in INR Lakhs)

(Measured at amortised cost)	**As at March 31, 2023**	As at March 31, 2022
Non Current		
Security Deposits - Unsecured, considered good	**0.10**	0.10
Term deposit with bank*	**1.00**	1.00
Interest accrued on bank fixed deposits	**0.07**	0.02
Total	**1.17**	1.12

* These balances are given as margin money against the bank guarantees issued by the banks to Transport authorities for issuance of licenses in Bangalore city. The remaining maturity is more than 12 months from the Balance Sheet date.

Note 4: Non current tax assets

	As at March 31, 2023	As at March 31, 2022
Advance income-tax	**0.62**	0.71
Total	**0.62**	0.71

Note 5: Other non-current assets

	As at March 31, 2023	As at March 31, 2022
Non current		
Balance with statutory and government authorities		
Unsecured, considered good	**110.65**	111.45
Total Non Current	**110.65**	111.45

Note 6: Trade Receivables

(Measured at amortised cost)	**As at March 31, 2023**	As at March 31, 2022
Secured, considered good	**35.01**	34.06
Unsecured, considered good *(Refer note 21)*	**14.67**	17.78
Unsecured, considered credit impaired	**59.72**	63.36
Less: Impairment allowance for doubtful trade receivables	**(59.72)**	(63.36)
Total	**49.68**	51.84

Trade receivables from drivers are due immediately. The Company also holds security deposit from a number of the drivers as collateral. Trade receivables from corporate customers are generally on credit terms of 30 to 60 days.

Refer Note 19 for information about credit risk. Refer note 21 for details of trade receivables from related parties.

**Refer Note 23.1 for Trade Receivables ageing as per Schedule-III*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Note 7: Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with bank in current accounts	**8.00**	7.49
Total	**8.00**	7.49

Note 8: Loans

(Measured at amortised cost)	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Loans to related parties:		
Inter-corporate deposit to fellow subsidiary *	**2,963.91**	2,969.50
Current Total	**2,963.91**	2,969.50

* Loan (Intercorporate deposit) to fellow subsidiary is interest free and repayable on demand.

Refer Note 19 for information about Financial instruments.

Note 9: Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised shares:		
100,000 equity shares of Rs.10 each (March 31, 2022 : 100,000)	**10.00**	10.00
Issued, subscribed and fully paid-up shares:		
13,294 equity shares of Rs. 10 each fully paid up (March 31, 2022 : 13,294)	**1.33**	**1.33**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year		
No. of shares	**13,294**	13,294
Amount	**1.33**	1.33
Issued during the year for cash consideration		
No. of shares	**–**	–
Amount	**–**	–
Outstanding at the end of the year		
No. of shares	**13,294**	13,294
Amount	**1.33**	1.33

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2023 (March 31, 2022: Nil). No dividend has been proposed for the year ended March 31, 2023.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2023	As at March 31, 2022
MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited) (MTSPL), the Holding and Promotor Company (including nominees)		
No of shares	**–**	13,294
Amount	**–**	1.33
Percentage of holding	**–**	100%
% Change during the year	**-100%**	–
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No of shares	**13,294**	**–**
Amount	**1.33**	**–**
Percentage of holding	**100%**	**–**
% Change during the year	**100%**	–

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2023	As at March 31, 2022
MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited) (MTSPL), the Holding and Promotor Company (including nominees)		
No of shares	–	13,294
Percentage of holding	–	100%
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No of shares	**13,294**	**–**
Percentage of holding	**100%**	**–**

Note 10: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	**16,286.96**	16,286.96
Retained Earning	**(13,410.07)**	(13,409.67)
Capital Reserve	**37.49**	**37.49**
Total Other Equity	**2,914.38**	2,914.78

1 Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**16,286.96**	16,286.96
Closing balance	**16,286.96**	16,286.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

2 Retained Earning

Opening balance	**(13,409.67)**	(13,429.25)
Less: Loss for the year	**(0.40)**	19.58
Other comprehensive income, net of tax	**–**	–
Closing balance	**(13,410.07)**	(13,409.67)

3 Capital Reserve

Opening balance	**37.49**	37.49
Closing balance	**37.49**	37.49

Note 11: Trade Payables

	As at March 31, 2023	As at March 31, 2022
Trade Payables		
a) total outstanding dues to small and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small and micro enterprises	**20.39**	11.52
Total	**20.39**	11.52

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the Act”) are given below:

* Refer Note- 23.2 for Trade Payables Ageing as per Schedule-III.

Particulars	**As at March 31, 2023**	As at March 31, 2022
a. Principal and interest amount remaining unpaid	**–**	–
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed day	**–**	–
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under Micro, small and medium enterprises act, 2006	**–**	–
d. Interest accrued and remaining unpaid	**–**	–
e. Interest remaining due and payable even in the suceeding years, until such datev when the interest dues as above are actually paid to the small enterprises	**–**	–

Note 12: Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Deposits from Subscriber & Customer	**93.66**	97.52
Total	**93.66**	97.52

Subscriber deposit are repayable on demand

(Refer note 19 (A) for details)

Note 13: Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Advances from drivers and customers	**104.26**	116.83
Statutory dues	**0.00**	0.12
Total	**104.26**	116.95

Note 14: Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operation:		
Revenue from taxi aggregator services	**0.83**	2.19
Revenue from car rentals	**28.07**	12.53
	28.90	14.72
Other operating revenue		
Advertisement revenue	**1.28**	45.31
Convenience fee	**0.01**	0.02
Airport charges	**0.27**	0.63
	1.56	45.96
Total	**30.46**	60.68

Note 15: Other income

	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest Income		
Financial assets carried at amortised cost	**0.05**	**0.28**
Other asset	**0.09**	**1.25**
b) Miscellaneous Income		
Provision / Liabilities no longer required written back	**–**	**10.59**
Other miscellaneous income	**0.17**	–
Total	**0.31**	12.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Note 16: Fleet operating expenditure

	Year ended March 31, 2023	Year ended March 31, 2022
Service provider service charges and incentives	**25.56**	11.92
Total	**25.56**	11.92

Note 17: Operating and other administrative expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Infrastructure Support Services Expenses	**3.22**	29.67
Legal and professional fees	**1.15**	0.78
Bad debts written off	**3.64**	3.37
Impairment allowance doubtful trade receivables	**(3.49)**	–
Auditor's remuneration (refer note below)	**0.50**	0.50
Communication expenses	**0.05**	0.64
Rate and Taxes	**0.03**	8.60
Provision for doubtful debts and advances	**–**	(3.61)
Miscellaneous expenses	**0.51**	1.34
Total	**5.61**	41.29

Auditor's Remuneration (including GST)

Statutory audit fees	**0.50**	0.50
	0.50	0.50

Note 18: Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on delayed payment of statutory dues	**–**	0.01
Total	**–**	0.01

Note 19: Financial Instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net off any impairment provisions) of financial instruments

Particulars		Carrying value	
	Notes	March 31, 2023	March 31, 2022
Financial assets carried at amortized cost			
Security Deposits	5	**0.10**	0.10
Loans to related parties - Inter-corporate deposit	4	**2,963.91**	2,969.50
Trade receivables	6	**49.68**	51.84
Term deposit with bank	5	**1.00**	1.00
Cash and cash equivalents	9	**8.00**	7.49
Accrued Interest	5	**0.07**	0.02
Total		**3,022.76**	3,029.95
Financial liabilities carried at amortized cost			
Other financial liabilities	13	**93.66**	97.52
Trade payables	12	**20.39**	11.51
Total		**114.05**	109.03

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, trade payables, security deposits and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has given interest free inter corporate deposits to fellow subsidiaries. Further The Company does not have any exposure to interest rate risks since there is no borrowings and investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), liquid mutual fund units, inter corporate deposits, cash deposits and other financial instruments.

Trade receivables

The Company's Management divides its customers primarily into following two categories for purposes of monitoring credit risk:

Trade receivables from Subscribers

Trade receivables from subscriber credit risk is managed in accordance with the company established policy, procedures and controls relating to driver credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. The Company recognises impairment of trade receivable from drivers based on outstanding receivable net of corresponding deposit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

	March 31, 2023	March 31, 2022
Gross trade receivables from subscribers	**94.73**	97.42
Less: Impairment allowance for doubtful trade receivables	**(59.72)**	(63.36)
Net trade receivables from subscribers	**35.01**	34.06
Security deposits received from above subscribers held as at the respective reporting dates	**35.01**	34.06

Trade receivables from other customers

Credit risk relating to other customers is managed in accordance with the Company's established policy, procedures and controls relating to corporate customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from other customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

	March 31, 2023	March 31, 2022
Gross Trade receivables from other customers	**14.67**	17.78
Less: Impairment allowance for doubtful trade receivables	**–**	**–**
Net Trade receivables from other customers	**14.67**	17.78

	March 31, 2023	March 31, 2022
Ageing of gross trade receivables relating to other customers:		
Within 6 months	**14.67**	17.78
More than 6 months	**–**	–
	14.67	17.78

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**March 31, 2023**	March 31, 2022
Opening balance	**63.36**	66.97
Add: Impairment allowance provision for the year	**–**	–
Less: Impairment allowance provision reversed	**(3.64)**	(3.61)
Closing balance	**59.72**	63.36

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behaviour.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations including deposits received from drivers.

The table below summarises the maturity profile of the company financial liabilities based on contractual undiscounted payments.

		Undiscounted amount				
Year ended - March 31, 2023	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Deposits from Subscriber	**93.66**	**93.66**	**–**	**–**	**–**	**93.66**
Trade Payables	**20.39**	**20.39**	**–**	**–**	**–**	**20.39**
	114.05	**114.05**	**–**	**–**	**–**	**115.05**

		Undiscounted amount				
Year ended - March 31, 2022	Carrying Value	Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Deposits from Subscriber	97.52	97.52	–	–	–	97.52
Trade Payables	11.51	11.51	–	–	–	11.51
	110.04	110.04	–	–	–	110.04

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may issue new shares. The company manages its capital, considering the net debt position and rolling

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

cash flows as at each period end and identify need for additional funding from the shareholders to meet the outstanding commitments and future cash flow requirements to meet the future business plans. The company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (Including intercorporate deposits), excluding discontinued operations.

Particulars	**March 31, 2023**	March 31, 2022
Borrowings	**–**	–
Less: Cash and Cash Equivalent (Including intercorporate deposits)	**2,972.91**	2,977.99
Net Debt/(Surplus funds)	**(2,972.91)**	(2,977.99)

Note 20: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	**–**	–
Adjustments in respect of current income tax of previous year	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	**–**
Income tax expense reported in the statement of profit or loss	**–**	**–**

	March 31, 2023	March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	**–**	**–**
Income tax expense charged to OCI	**–**	**–**

Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for the year ended

	March 31, 2023	March 31, 2022
Accounting profit/(loss) before income tax	**(0.40)**	**19.58**
At India's statutory income tax rate of 26% (March 31, 2022: 26%)	**(0.10)**	**5.09**
Effect of set off of carried forward tax losses for which no deferred tax asset was recognised previously	**0.10**	**(5.09)**
At the effective income tax rate for the Company	**–**	**–**
Income tax expense reported in the statement of profit and loss	**–**	**–**

Deferred tax working for the year ended:

	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
	–	–
Tax effect of items constituting deferred tax assets		
Provisions (Doubtful debts/Impairment/ Advances)	**15.53**	16.47
Carry forward Tax Loss		
Short-term capital loss	**–**	70.68
Unabsorbed depreciation	**13.32**	10.33
Unabsorbed business losses	**0.31**	2,687.87
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**4.92**	7.05
	34.08	2,792.40
Net deferred tax assets/(liabilities)	**34.08**	2,792.40
Net deferred tax assets/(liabilities) recognised	**–**	–

	Statement of Profit and Loss	
	March 31, 2023	March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Provisions (Doubtful debts/Impairment/Advances)	**(0.95)**	(0.94)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**–**	–
Carry forward Tax Loss		
Short-term capital loss	**–**	–
Unabsorbed depreciation	**3.00**	(0.39)
Unabsorbed business losses	**(2,687.56)**	(132.20)
Difference in WDV of Fixed assets	**(2.13)**	(3.06)
Deferred tax (income)/expense	**(2,687.64)**	(136.59)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Company has following carried forward tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	March 31, 2023	March 31, 2022
Losses that expire - Carry forward short-term capital losses	**–**	271.84
Losses that expire - Carry forward business losses*	**1.21**	10,337.98
Losses that never expire - Unabsorbed depreciation	**51.24**	39.71

**These carry forward losse would expire in financial year 2032-2033*

The Company has a net deferred tax asset position as at March 31, 2023 and March 31, 2022. However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets considering there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/ unabsorbed depreciation may be offset.

Note 21: Related party transactions

Names of related parties and related party relationship:

Related parties (‘RP’) where control exists

Ultimate holding Company	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (up to May 12, 2022)
	Mahindra Logistics Limited ('MLL') (w.e.f May 13, 2022)

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	V-Link Fleet Solutions Private Limited ('VFSPL')
	MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)

Details of transactions during the year with related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Services rendered (includes unbilled):				
MLL Mobility Private Limited	**–**	–	**27.34**	12.53
Services received (includes accrual):				
MLL Mobility Private Limited	**–**	–	**3.22**	29.67
Loans (Intercorporate deposits) given:				
MLL Mobility Private Limited	**–**	–	**5.07**	136.08
Loans (Intercorporate deposits) repayment received :				
MLL Mobility Private Limited	**–**	–	**10.66**	104.21
Reimbursements made to parties				
Mahindra & Mahindra Ltd.	**0.33**	4.00	**–**	–

Details of Balances receivable from/payable to related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Balance receivable/(payable) as at year end:				
MLL Mobility Private Limited – ICD	**–**	–	**2,963.91**	2,969.50
MLL Mobility Private Limited			**(10.95)**	
Mahindra & Mahindra Ltd.	**–**	(4.32)	**–**	–

Note: Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Terms and conditions of transactions with related parties:

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The loans receivable and payable are all repayable on demand.

Note 22: Operating Segments Reporting

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. “People transportation”.

iii) The Chief Operating Decision Maker (“CODM”) monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.”

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Note 23.1: Trade Receivable Ageing

(A) Trade Receivables Aging as on Mar 31, 2023

Particulars	Not Due	Outstanding for following period from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	**–**	**0.13**	**15.17**	**0.09**	**0.77**	**33.52**	**49.68**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**0.01**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**1.09**	**0.12**	**1.85**	**1.18**	**55.49**	**59.74**
(iv) Disputed Trade Receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**0.01**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**0.01**
(vi) Disputed Trade Receivables — credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**0.01**
Total	**–**	**1.21**	**15.28**	**1.94**	**1.94**	**89.01**	**109.48**
(B) Unbilled Trade Receivables							**–**

(A) Trade Receivables Aging as on Mar 31, 2022

Particulars	Not Due	Outstanding for following period from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	–	17.98	–	–	–	33.86	51.84
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	0.01	0.00	8.16	4.03	51.15	63.36
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	**–**	**17.99**	**0.00**	**8.16**	**4.03**	**85.01**	**115.20**
(B) Unbilled Trade Receivables							**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Note 23.2: Trade Payable Ageing

Trade Payable Aging as on Mar 31, 2023

Outstanding for the following period from due date of payment

	Outstanding for the following period from due date of payment					
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	–	–	–	–	–	–
(ii) Others	–	20.39	–	–	–	20.39
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**–**	**20.39**	**–**	**–**	**–**	**20.39**

(B) Trade Payable Aging as on Mar 31, 2022

Outstanding for the following period from due date of payment

	Outstanding for the following period from due date of payment					
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME		–	–	–	–	–
(ii) Others	2.09	4.32	0.27	4.84	–	11.52
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**2.09**	**4.32**	**0.27**	**4.84**	**–**	**11.52**

Note 27.3: Financial ratios

Ratio	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Variance %**	**Reason for variance**
Current Ratio	13.84	13.40	3%	
Debt-Equity Ratio	n/a	n/a	n/a	
Debt Service Coverage Ratio	n/a	n/a	n/a	
Return on Equity Ratio	(0.00)	0.01	-102%	Changes as there is loss in current year
Trade Receivables turnover ratio	0.60	1.31	-54%	Change is due to decrease in revenue in current year
Trade payables turnover ratio	1.95	3.40	-43%	
Net capital turnover ratio	0.01	0.02	-50%	
Net profit ratio	(0.01)	0.32	-104%	
Return on Capital employed	(0.00)	0.01	-102%	
Return on investment	n/a	n/a	n/a	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Currency in INR Lakhs)

Note 24: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
Profit attributable to equity holders	**(0.40)**	19.58
Number of Shares outstanding at the beginning of the year	**13,294**	13,294
Add: Shares issued during the year	**–**	–
Number of Shares outstanding at the end of the year	**13,294**	13,294
Weighted average number of Equity shares for basic and diluted EPS	**13,294**	**13,294**
Basic and diluted EPS	**(3.04)**	**147.28**

Note 25: Based on the contracts with taxi operators under the taxi aggregator services, the Company's revenue is determined as a share of the total passenger revenue of INR 4.68 Lakhs (March 31, 2022 INR 10.07 Lakhs) generated by these taxi operators.

Note 26: IND AS 115 'Revenue from Contracts with Customers'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss

Revenue from operations

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
Revenue from operation	**30.46**	60.68
	30.46	**60.68**

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
People Transportation	**30.46**	60.68
	30.46	**60.68**

iii) Revenue based on product and services

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
Asia		
India	**30.46**	60.68
	30.46	**60.68**

Note 27: During the current year, erstwhile holding Company i.e. MESPL, has transferred its entire shareholding into the Company and its fellow subsidiaries i.e. MMPL and VFSPL, to MLL and the shares of MESPL were transferred by utlimate holding Company i.e. M&M to MLL. Pursuant to this restructuring, the Company has become fully 100% subsidiary of MLL and fellow subsidiary of MESPL.

Note 28: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 29: Information with the regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Company for the year ended March 31, 2023.

Note 30: The figures for the previous period/year have been regrouped/ rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

INDEPENDENT AUDITORS' REPORT

To the members of

V-Link Freight Services Private Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **V-Link Freight Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Total Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Boards Report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS Financial Statements.

   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) the Company does not have any pending litigations which would impact its financial position.

      (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(i) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No: 040852
UDIN: 23040852BGUQZR8369

Place : Mumbai
Date : April 18, 2023

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the Company has no Property, Plant and Equipment hence reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has no intangible assets and hence reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

(B) According to the information and explanations given to us, the Company has no Property, Plant and Equipment hence reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

(C) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the Company has not revalued any of its Right of Use assets during the year.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

III. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Cess Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

XIV. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has four Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 11.78 lacs in the current financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZR8369

Place : Mumbai
Date : 18th April, 2023

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **V-Link Freight Services Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZR8369

Place : Mumbai
Date : 18th April, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in lakhs

Particulars				Note No.	As at 31st March, 2023
	ASSETS				
I	**NON-CURRENT ASSETS**				
	(a)	Right of Use Assets		4	**61.09**
	(b)	Income Tax Assets (Net)		5	**0.99**
	TOTAL NON-CURRENT ASSETS				**62.08**
II	**CURRENT ASSETS**				
	(a)	Financial assets			
		(i)	Trade receivables		**–**
		(ii)	Cash and cash equivalents	6	**79.90**
		(iii)	Other Financial Asset	7	**0.20**
	(b)	Other current assets		8	**3.91**
	TOTAL CURRENT ASSETS				**84.01**
	Total Assets				**146.09**
	EQUITY AND LIABILITIES				
	EQUITY				
	(a)	Equity share capital		9	**100.00**
	(b)	Other equity		10	**(13.90)**
	Total Equity				**86.10**
	LIABILITIES				
I	**NON-CURRENT LIABILITIES**				
	(a)	Financial liabilities			
		(i)	Lease Liability	11	**37.84**
	TOTAL NON-CURRENT LIABILITIES				**37.84**
II	**CURRENT LIABILITIES**				
	(a)	Financial liabilities			
		(i)	Lease Liability	11	**19.60**
		(ii)	Trade Payables	12	
			Due to Micro and Small Enterprises		**–**
			Other then Micro and Small Entreprises		**2.00**
	(b)	Other Current Liabilities		13	**0.55**
	TOTAL CURRENT LIABILITIES				**22.15**
	TOTAL				**146.09**

The accompanying notes 1 to 26 are an integral part of the financial statements.

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 18th April 2023

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 18th April 2023

Naveen Raju
Director
DIN: 07653394
Place : Mumbai
Date : 18th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in lakhs

	Particulars	Note No.	As at 31st March, 2023
I	Revenue from operations	14	**49.46**
II	Other Income		**–**
III	**Total Revenue (I + II)**		**49.46**
IV	**EXPENSES**		
	(a) Freight & other related expense	15	**48.53**
	(b) Employee benefit expense		**–**
	(c) Finance costs	16	**0.34**
	(d) Depreciation and amortization expense	17	**1.78**
	(e) Other expenses	18	**12.71**
	Total Expenses (IV)		**63.36**
V	**Profit/(loss) before tax (III-IV)**		**(13.90)**
VI	**Tax Expense**		
	(1) Current tax		**–**
	(2) Deferred tax		**–**
	Total tax expense		**–**
VII	**Profit/(loss) after tax (V-VI)**		**(13.90)**
VIII	**Other Comprehensive Income**		
	(i) Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit liabilities / (asset)		**–**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**
	Total Other Comprehensive Income /(Loss)		**–**
IX	**Total Comprehensive Income for the period (VII+VIII)**		**(13.90)**
X	**Earnings per equity share**		
	(1) Basic	19	**(1.39)**
	(2) Diluted	19	**(1.39)**
	(3) No. of Shares		**1,000,000**

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 18th April 2023

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 18th April 2023

Naveen Raju
Director
DIN: 07653394
Place : Mumbai
Date : 18th April 2023

STATEMENT OF CASH FLOWS AS ON 31ST MARCH 2023

Rs. in lakhs

	Particulars	As at March 31, 2023
A.	**Cash flows from operating activities**	
	Profit before tax for the year	**(13.90)**
	Adjustments for:	
	Depreciation and amortization of non-current assets	**1.78**
	Finance Charges	**0.34**
	Total	**(11.78)**
	Movements in working capital:	
	(Increase)/decrease in trade and other receivables	**–**
	(Increase)/decrease in other assets	**(3.91)**
	Decrease in trade and other payables	**2.34**
	Cash generated from operations	**(13.35)**
	Income taxes paid	**(0.99)**
	Net cash generated by operating activities	**(14.34)**
B.	**Cash flows from investing activities**	
	Payment to acquire property, plant and equipment & other intangible assets including CWIP	**–**
	Loss/(Gain) on disposal of property, plant and equipment	**–**
	Net cash (used in)/generated by investing activities	**–**
C.	**Cash flows from financing activities**	
	Issue of Equity Share Capital	**100.00**
	Rent Paid as per IND AS 116	**(5.76)**
	Interest paid	**–**
	Net cash used in financing activities	**94.24**
	Net increase in cash and cash equivalents	**79.90**
	Cash and cash equivalents at the beginning of the year	**–**
	Cash and cash equivalents at the end of the year	**79.90**

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7.

2 Figures in bracket indicates cash out flow.

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 18th April 2023

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 18th April 2023

Naveen Raju
Director
DIN: 07653394
Place : Mumbai
Date : 18th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(a) Equity Share Capital

Rs. in lakhs

Particulars	**Number of Shares**	**Equity share capital**
As at 1st April, 2022	–	–
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the year	1,000,000	100
As at 31st March, 2023	1,000,000	100

(b) Other Equity

Particulars	**Reserves & Surplus**			**Total**
	Securities Premium	**Equity-settled employee benefits reserve**	**Retained earnings**	
Balance as at 1st April, 2022	–	–	–	–
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive income for the year				
- Profit for the year	–	–	(13.90)	(13.90)
- Other Comprehensive Income transferred to retained earnings	–	–	–	–
Balance as at 31st March, 2023	**–**	**–**	**(13.90)**	**(13.90)**

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 18th April 2023

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 18th April 2023

Naveen Raju
Director
DIN: 07653394
Place : Mumbai
Date : 18th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. Corporate information

V-Link Freight Services Pvt Ltd is a private limited company incorporated on 9th September, 2022 under the Companies Act, 2013. The address of its registered office is disclosed in the introduction to the Annual Report. The Company's main activities are freight forwarding including transportation of goods via sea & air.

The financial statements for the year ended 31st March, 2023 are approved for issue in accordance with a resolution of the directors on 18th April, 2023.

2. Significant accounting policies

2.1. Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition

2.4.1 Rendering of services

Incomes from freight forwarding services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend and interest income

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.6. Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan :

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.11. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.12. Intangible assets

2.12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12.2. Useful lives of intangible assets

The expenditure incurred is amortized over ten financial years equally commencing from the year in which the expenditure is incurred.

2.13. Impairment of tangible and intangible assets

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.14. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.15. Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

2.16. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.16.4

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.16.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.17. Financial liabilities and equity instruments

2.17.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.3. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.18. Segment Accounting:

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.19. Earnings per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(ii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iii) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(iv) Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(v) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b). Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

i Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii Ind AS 102 – Share-based Payment

iii Ind AS 103 – Business Combinations

iv Ind AS 107 – Financial Instruments Disclosures

v Ind AS 109 – Financial Instruments

vi Ind AS 115 – Revenue from Contracts with Customers

vii Ind AS 1 – Presentation of Financial Statements

viii Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ix Ind AS 12 – Income Taxes

x Ind AS 34 - Interim Financial Reporting

The application of above amendments are not expected to have any significant impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 4 - Property, Plant and Equipment
For the year ended 31st March, 2023

Rs. in lakhs

Description of Assets	Right of Use Assets	Total
A. Gross Carrying Amount		
Balance as at 1st April, 2022	–	–
a) Additions	62.87	62.87
b) Less: Disposals/Adjustments	–	–
Balance as at 31st March, 2023	62.87	62.87
B. Accumulated depreciation and impairment		
Balance as at 1st April, 2022	–	–
a) Depreciation/amortisation expense for the year	(1.78)	(1.78)
b) Less: Disposals/Adjustments	–	–
Balance as at 31st March, 2023	(1.78)	(1.78)
C. Net carrying amount as at 31st March, 2023 (A-B)	61.09	61.09

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as on **31st March 2023 Rs. Nil.**

Note No. 5 - Income Tax Assets(Net)

Rs. in lakhs

Particulars	As at 31st March, 2023
Advance Income Tax/TDS Receivable (Net off Provision for Tax)	0.99
Total	0.99

Note No. 6 - Cash and Cash Equivalents

Rs. in lakhs

Particulars	As at 31st March, 2023
Cash and cash equivalents	
a) Balances with banks	79.90
Total	79.90

Note No. 7 - Other Financial Assets

Rs. in lakhs

Particulars	As at 31st March, 2023 Current
A. Security Deposits	
a) Unsecured, considered good	0.20
Less: Allowance for Credit Losses	–
Total	0.20

Note No. 8- Other Current Assets

Rs. in lakhs

Particulars	As at 31st March, 2023 Current
A. Capital advances	
a) For Capital work in progress	–
b) For intangible asset under development	–
Total (A)	–
B. Advances other than capital advances	
a) Balances with government authorities (Other than income taxes)	3.91
Total (B)	3.91
TOTAL (A+B)	3.91
Less: Allowances for Credit Losses	–
Total (C)	–
TOTAL (A+B+C)	3.91

Note No. 9 - Equity Share Capital

Rs. in lakhs

Particulars	As at 31st March, 2023 No. of shares	Amount
I Authorised:		
Equity shares of Rs.10 each with voting rights	5,000,000	500.00
Total	5,000,000	500.00
II Issued, Subscribed and Fully Paid:		
Equity shares of Rs.10 each with voting rights	1,000,000	100.00
Total	1,000,000	100.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in lakhs

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
A. Equity Shares with Voting rights				
b) Year Ended 31st March 2023				
No. of Shares	–	1,000,000	–	1,000,000
Amount	–	100.00	–	100.00

Notes:

(i) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding company:

Rs. in lakhs

Particulars	As at 31st March, 2023
Mahindra Logistics Limited	999,994

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(iii) Details of shares held by each shareholder holding more than 5% shares:

Rs. in lakhs

Class of shares / Name of shareholder	As at 31st March, 2023 Number of shares held	As at 31st March, 2023 % holding in that class of shares
Mahindra Logistics Limited	999,994	**100**

(iv) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2023 Rs. in lakhs

Promoter name	No. of Shares	% of total shares	% change during the year
Mahindra Logistics Limited	999,994	100%	100%

Note No. 10 - Other Equity

Rs. in lakhs

Particulars	As at 31st March, 2023
Securities Premium reserve	–
Equity-settled employee benefits reserve	–
General Reserve	–
Retained earnings	(13.90)
Total	**(13.90)**

Movement in Reserves

Rs. in lakhs

Particulars	As at 31st March, 2023
(A) Securities Premium reserve	
Balance as at the beginning of the year	–
Add: Additions during the year	–
Less: Deletion during the year	–
Balance as at the end of the year	–
(B) Equity-settled employee benefits reserve	
Balance as at the beginning of the year	–
Add: Additions during the year	–
Less: Deletion during the year	–
Balance as at the end of the year	–
(C) General Reserve	
Balance as at the beginning of the year	–
Add: Additions during the year	–
Less: Deletion during the year	–
Balance as at the end of the year	–
(D) Retained Earnings	
Balance as at the beginning of the year	–
Add: Profit/(Loss) for the year	(13.90)
Less: Actuarial gain/(loss) for the year	–
Less: Dividend paid on Equity Shares (including tax thereon)	–
Less: Payment to shareholders of Lords for additional acquisition	–
Less: Impact on transition to IND AS 116	–
Balance as at the end of the year	**(13.90)**

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the company in accordance with the Companies Act, 2013.

Note No. 11 - Lease Liabilities

Rs. in lakhs

Particulars	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current
Lease Liabilities	19.60	37.84
Total	**19.60**	**37.84**

Note No. 12 - Trade Payables

Rs. in lakhs

Particulars	As at 31st March, 2023
Trade Payables	
a) Total outstanding dues of micro enterprises and small enterprises	–
b) Total outstanding dues other than micro enterprises and small enterprises:	
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	2.00
Total	**2.00**

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below

Trade Payables ageing as at 31st March, 2023

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment #				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	2.00	–	–	–	2.00
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below

Rs. in lakhs

Particulars	As at 31st March, 2023
Dues remaining unpaid	
— Principal	–
Interest on the above	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–
Principal paid beyond the appointed date	–
Interest paid in terms of Section 16 of the MSMED Act	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–
Amount of interest accrued and remaining unpaid	–

Note No. 13 - Other Liabilities

Rs. in lakhs

Particulars	As at 31st March, 2023 Current
Statutory dues	
a) Taxes payable	0.55
Total	0.55

Note No. 14 - Revenue from Operations

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Revenue from rendering of services	49.46
Total	49.46

A. Continent-wise break up of Revenue

Rs. in lakhs

	Year ended 31st March, 2023	
Continent	Revenue from contracts with customers (IndAS 115)	Total Revenue from Operations
Asia	22.39	22.39
Africa	27.07	27.07
Total	49.46	49.46

B. Reconciliation of revenue from contract with customer

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Revenue from contract with customer as per the	49.46
Adjustments made to contract price on account	
a) Discounts / Rebates / Incentives	–
b) Sales Returns / Reversals	–
c) Deferrment of revenue	–
d) Changes in estimates of variable consideration	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	–
f) Any other adjustments	–
Revenue from contract with customer as per the statement of Profit and Loss	49.46

C. Break-up of Provision for Expected Credit Losses recognized in P&L

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Expected Credit loss recognized during the year on trade receivables	–
Expected Credit loss recognized during the year on contract assets	–
Expected Credit loss recognized during the year on others	–
Expected Credit loss recognized during the year on loan related assets	–
Total	–

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Opening Balance	–
Additions during the year	49.46
Reclassification Adjustments:	
- Reclass of opening balances of contract assets to trade receivables	–
- Reclass of contract assets (out of additions during the year) to trade receivables	49.46
Cumulative catch up adjustment recognized during the year	–
Adjustments due to contract modification	–
Impairment of contract asset	–
Addition on account of merger / acquisition of subsidiary	–
Deletion on account of demerger / sale of subsidiary	
Closing Balance	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 15 - Freight & Other related Expenses

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Freight & Other related Expenses	48.53
Total	**48.53**

Note No. 16 - Finance Cost

Rs. in lakhs

Particulars	Year ended 31st March, 2023
a) Interest expense on lease liability	0.34
Total	**0.34**

Note No. 17 - Depreciation and amortization expense

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Amortisation on Right of use asset	1.78
Total	**1.78**

Note No. 18 - Other Expenses

Rs. in lakhs

Particulars	Year ended 31st March, 2023
a) Travelling and Conveyance Expenses	0.02
b) Legal & Professional charges	0.35
c) Rates and Taxes	10.25
d) Other expenses	2.09
Total	**12.71**

Note No. 19 - Earnings per Share

Rs. in lakhs

Particulars	Year ended 31st March, 2023
A. Basic Earnings per share (in Rs) (face value Rs. 10/- per share)	(1.39)
B. Diluted Earnings per share (in Rs) (face value Rs. 10/- per share)	(1.39)

Notes:

i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in lakhs

Particulars	Year ended 31st March, 2023
a) Profit / (loss) for the year attributable to owners of the Company	(13.90)
b) Less: Preference dividend and tax thereon	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**(13.90)**
Total number of equity shares	1,000,000
Earnings per share from continuing operations - Basic	(1.39)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Rs. in lakhs

Particulars	Year ended 31st March, 2023
a) Profit / (loss) for the year used in the calculation of basic earnings per share	(13.90)
b) Add: Dilutive Impact	
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(13.90)**

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Rs. in lakhs

Particulars	Year ended 31st March, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**1,000,000**
Add: Dilutive Impact	
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,000,000**
Earnings per share from continuing operations - Diluted (in Rs.)	**(1.39)**

Note 20: Financial instruments

I. Capital management Policy

a) The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

Particulars	Year ended 31st March, 2023
Equity	86.10
Total	**86.10**

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

II. Categories of financial assets and financial liabilities

Particulars	As at 31st March 2023 Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	–	–	–	–
Total	–	–	–	–
B. Current Assets				–
a) Trade Receivables	–	–	–	–
b) Cash and Bank Balances	79.90	–	–	79.90
c) Other Financial Assets	0.20	–	–	0.20
Total	80.10	–	–	80.10
C. Non-current Liabilities				
a) Lease Liabilities	37.84	–	–	37.84
Total	37.84	–	–	37.84
D. Current Liabilities				
a) Lease Liabilities	19.60	–	–	19.60
b) Borrowings	–	–	–	–
c) Trade Payables	2.00	–	–	2.00
d) Other Financial Liabilities	–	–	–	–
Total	21.60	–	–	21.60

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customer of the company, the company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single company did not exceed 10 % of gross monetary assets at any time during the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

Particulars	As at 31st March 2023 Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount				–
b) Loss allowance provision				–

(vii) Reconciliation of loss allowance provision for Trade Receivables

Particulars	Rs. **in lakhs** 31st March, 2023
a) Balance as at beginning of the year	–
b) Impairment losses recognised in the year based on lifetime expected credit losses	–
– On receivables originated in the year	–
– Other receivables	–
c) Impairment losses reversed / written back	–
d) Balance at end of the year	–

(viii) During the period, the company has made write off of Rs. lacs of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2023 the company held cash and cash equivalents of Rs. 79.90 Lacs. The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilities:

Rs. **in lacs**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
As at 31st March 2023				
a) Lease Liabilities	19.60	37.84	–	–
b) Borrowings	–	–	–	–
c) Trade Payables	2.00	–	–	–
d) Other Financial Liabilities	–	–	–	–
Total	21.60	37.84	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	Rs. in lakhs 31st March, 2023
a) Secured Cash credit facility	–
– Expiring within one year	–
– Expiring beyond one year	–

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Rs. in lacs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial assets				
As at 31st March 2023				
a) Trade Receivables	–	–	–	–
b) Cash and Bank Balances	79.90	–	–	–
c) Other Financial Assets	0.20	–	–	–
Total	80.10	–	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Note 21: Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

Particulars	31st March, 2023 Carrying amount	Fair value
A) Financial assets		
a) Financial assets carried at amortized Cost		
i) Trade and other receivables	–	–
ii) Deposits given	0.20	0.20
iii) Cash and cash equivalents	79.90	79.90
Total	80.10	80.10
B) Financial liabilities		
b) Financial liabilities held at amortized cost		
i) Lease Liabilities	57.44	57.44
ii) Borrowings	–	–
iii) Trade and other payables	2.00	2.00
Total	59.44	59.44

Note 22: Segment information

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "Freight Forwarding".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

The Segmental Disclosures are as follows :-

(v) Geographic information

Particulars	Year ended 31st March, 2023
Revenue from external customers	
India	
Outside India	49.46
Total Revenue as per statement of Profit or Loss	49.46

vi) Non- current operating assets

Particulars	As at 31st March, 2023
India	–
Outside India	–
Total	–

Non-current assets for this purpose consist of property, plant and equipment, and intangible assets.

Note 23: Leases

Following are the changes in the carrying value of right of use assets

Particulars	As at 31st March, 2023
Balance at 1st April	–
Addition	62.87
Deletion	–
Amortisation expense for the year	(1.78)
Balance at 31st March	61.09

The aggregate Amortisation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities.

Particulars	As at 31st March, 2023
Balance at 1st April	–
Additions	62.87
Finance cost accrued during the period	0.34
Deletions	
Payment of lease liabilities	(5.77)
Balance at 31st March	57.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	As at 31st March, 2023
Current lease liabilities	**19.60**
Non-current lease liabilities	**37.84**
Total	**57.44**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2023
Less than one year	**23.06**
One to five years	**40.35**
More than five years	**–**
Total	**63.41**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was Nil for the year ended March 31, 2023

Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2023
Interest on lease liabilities	**0.34**
Expense relating to short term leases	**–**
Amortisation expense of right of use asset	**1.78**
Total Expenses	**2.12**

Amounts recognised in Statement of cash flows

Particulars	Year ended 31st March, 2023
Total cash outflows for leases	**5.76**

Note No. 24 - Related Party Transactions

i) List of Related Parties:

a) Holding Company:

1 **Mahindra Logistics Limited**

b) Fellow Subsidiaries:

1 **Lords Freight (India) Private Limited**

c) Key management Personnel:

	Name of KMP	Designation
1	Rampraveen Swaminathan	Non-Executive Director
2	Naveen Raju Kollaickal	Non-Executive Director
3	Yogesh Patel (Upto 01st March, 2023)	Non-Executive Director
4	Edwin Lobo	Non-Executive Director

ii) Details of transaction between the Company and its related parties are disclosed below:

Rs. in lakhs

Particulars	Holding Company	Fellow Subsidiaries	KMP
Nature of transactions with Related Parties			
a) Rendering of services		49.46	
b) Reimbursements made to parties	6.08	2.00	
Nature of Balances with Related Parties			
a) Trade payables		2.00	

iii) All the outstanding balances, whether receivables or payables are unsecured.

iv) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

v) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

vi) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

vii) Material related party transactions are as under:

Rs. in lakhs

Particulars	Holding Company	Fellow Subsidiaries
a) Rendering of Services		
Lords Freight (India) Private Limited		49.46
b) Reimbursements made to parties		
Mahindra Logistics Limited	6.08	
Lords Freight (India) Private Limited		2.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 25 - Ratio

S.No.	Ratio	Numerator	Denominator	31st March 2023
1	Current Ratio	Current Assets	Current Liabilities	**3.79**
2	Debt-equity Ratio	Borrowing	Networth	**NA**
3	Debt service coverage Ratio	Net Profit + Interest	Borrowing	**NA**
4	Return on equity Ratio	PAT-Pref Dividend	Shareholder's Equity	**(0.16)**
5	Inventory Turnover Ratio	NA*	NA*	**NA**
6	Trade receivables turnover ratio	Net Credit Sales	Avg.Accounts Receivables + Avg. Accrued Receivables	**–**
7	Trade payables turnover ratio	Net Purchases of Freight Services	Avg.Accounts Payable	**24.27**
8	Net capital turnover ratio	Revenue from Operations	Working Capital	**0.80**
9	Net profit ratio	Net Profit	Revenue from Operations	**(0.28)**
10	Return on capital employed	EBIT***	Capital Employed****	**(0.16)**
11	Return on investment	NA*	NA*	**NA**

NA* ratios are not applicable

EBIT***= Earnings before Interest and tax

Capital Employed**** = Sharedholde's fund + Borrowings

Note No. 26 - Additional Information

(i) The Company do not have any transactions with companies struck off.

(ii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(iii) The Company do not have Fair valuation of PPE/Intangible Assets/Investment property as the company does not own any such asset on the Balance Sheet date.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 18th April 2023

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 18th April 2023

Naveen Raju
Director
DIN: 07653394
Place : Mumbai
Date : 18th April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

V-LINK FLEET SOLUTIONS PRIVATE LIMITED

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **V-Link Fleet Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Total Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Boards Report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) the Company does not have any pending litigations which would impact its financial position.
      (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and
      (v) The Company has not declared /paid/declared and paid any dividend during the year.
      (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 23040852BGUQZS2441

Place: Mumbai
Date: April 19, 2023

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and investment properties

(b) According to the information and explanations given to us, the Company has no intangible assets and hence reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

(B) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(C) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

III. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services tax, and other material statutory dues.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, and other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax	Interest on Reverse Charge Liability on unregistered suppliers	13,31,589	July 1, 2017 to October 12, 2017	Directorate General of GST Intelligence
Income Tax Act, 1961	Tax deducted at source	1,09,810	Various Years	Traces

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

XIV. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has not incurred any cash loss in current financial year & losses of Rs.4.83 lacs were incurred in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 23040852BGUQZS2441

Place: Mumbai
Date: April 19, 2023

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **V-Link Automotive Services Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGUQZS2441

Place: Mumbai
Date: April 19, 2023

BALANCE SHEET AS AT 31 MARCH, 2023

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
(I) Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	–	0.04
(b) Financial assets			
i) Other financial assets	5	0.10	–
(c) Non-current tax assets	6	1.36	0.84
(d) Other non-current assets	7	118.29	117.16
Total non-current assets		119.75	118.04
(2) Current assets			
(a) Financial Assets			
i) Trade receivables	8	22.73	15.06
ii) Cash and cash equivalents	9	13.49	3.01
(b) Other current assets	10	0.53	5.73
Total current assets		36.75	23.80
Total Assets		156.50	141.84
(II) EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	1.21	1.21
(b) Other equity	12	(1,346.44)	(1,351.69)
Total Equity		(1,345.23)	(1,350.48)
2) Liability			
Non-current liabilities:			
(a) Provisions	13	46.05	47.29
Total Non-Current Liabilities		46.05	47.29
Current liabilities			
(a) Financial liabilities			
i) Short term borrowings	14	1,422.48	1,422.48
ii) Trade payables			
a) total outstanding dues to small enterprises and micro enterprises	15	–	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises	15	33.12	18.66
iii) Other financial liabilities	16	–	1.90
(b) Provisions	13	–	1.71
(c) Other current liabilities	17	0.08	0.28
Total Current Liabilities		1,455.68	1,445.03
Total Liabilities		1,501.73	1,492.32
Total Equity and Liabilities		156.50	141.84
Significant accounting policies	2 & 3		
Notes to the financial statements	4 to 34		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue			
Revenue from operations	18	**85.29**	79.50
Other income	19	**8.78**	22.26
Total Income (I)		**94.07**	101.76
Expenses			
Fleet operating expenses		**69.61**	64.76
Employee benefits expense	20	**1.28**	16.09
Other expenses	21	**17.89**	26.88
Total Expenses [II]		**88.78**	107.73
Earnings before interest, tax, depreciation and amortization and impairment (EBITDA) [(I) – (II)]		**5.29**	(5.97)
Depreciation and amortization expense	22	**0.04**	7.49
Profit / (Loss) before tax		**5.25**	(13.46)
Tax expense		**–**	–
Profit / (Loss) for the year		**5.25**	(13.46)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plan			(0.73)
Income tax related Items that will not be reclassified to statement of profit and loss		**–**	–
Total Other comprehensive (loss) for the year		**–**	(0.73)
Total comprehensive loss for the year, net of tax		**5.25**	(12.73)
Earnings per Equity share			
Basic and Diluted	29	**43.53**	(111.73)
[Nominal value per share INR 10]			
Significant accounting policies	2 & 3		
Notes to the financial statements	4 to 34		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Particulars		Year ended 31 March, 2023	Year ended 31 March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before tax		**5.25**	(12.73)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation expense		**0.04**	7.49
Sundry balance written back		**–**	(19.70)
Provision for debts, advances and deposits		**–**	(297.35)
Operating (loss) before working capital changes		**5.29**	(322.29)
Movement in working capital			
Changes in trade payables, other payables and other liabilities		**9.27**	(33.22)
Change in trade receivables		**(7.67)**	332.46
Changes in loans, Other financial assets, other assets		**4.06**	12.56
Cash from/(used in) operations		**10.95**	(10.49)
Direct taxes paid (net of refunds)		**(0.48)**	24.19
Net cash flow from/(used in) operating activities	**(A)**	**10.48**	13.70
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flow generated from investing activities	**(B)**	**–**	–

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD...)

(Currency in INR Lakhs)

Particulars		Year ended 31 March, 2023	Year ended 31 March, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of short term borrowings from fellow subsidiaries		**11.13**	96.60
Repayment of short term borrowings from fellow subsidiaries		**(11.13)**	(119.17)
Net cash flow generated from/(used in) financing activities	**(C)**	**–**	(22.57)
Net Increase/(Decrease) in cash and cash equivalents	**(A + B + C)**	**10.48**	(8.87)
Cash and cash equivalents at the beginning of the year		**3.01**	11.88
Cash and cash equivalents at the end of the year (refer note 9)		**13.49**	3.01
Significant accounting policies	**2 & 3**		
Notes to the financial statements	**4 to 34**		

The Cash Flow Statement should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

Note: The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

STATEMENT OF CHANGES IN EQUITY

(Currency in INR Lakhs)

For the year ended March 31, 2023

Particulars	Equity Share capital	Other Equity: Securities premium	Other Equity: Retained earnings	Other Equity: Total Other Equity	Total
As at April 1, 2022 (I)	**1.21**	**410.67**	**(1,762.36)**	**(1,351.69)**	**(1,350.48)**
Net loss for the year **(II)**	–	–	5.25	5.25	**5.25**
Other comprehensive income for the year **(III)**	–	–	–	–	**–**
Total comprehensive income IV=(II)+(III)	**–**	**–**	**5.25**	**5.25**	**5.25**
Received on shares issued during the year	**–**	**–**	**–**	**–**	**–**
As at March, 2023 (I+IV)	**1.21**	**410.67**	**(1,757.12)**	**(1,346.44)**	**(1,345.24)**

For the year ended March 31, 2022

Particulars	Equity Share capital	Other Equity: Securities premium	Other Equity: Retained earnings	Other Equity: Total Other Equity	Total
As at April 1, 2021 (I)	1.21	410.67	(1,749.63)	(1,338.96)	(1,337.75)
Net loss for the year **(II)**	–	–	(13.46)	(13.46)	(13.46)
Other comprehensive income for the year **(III)**	–	–	0.73	0.73	0.73
Total comprehensive income IV= (II)+(III)	–	–	(12.73)	(12.73)	(12.73)
Received on shares issued during the year	**–**	**–**	**–**	**–**	**–**
As at March 31, 2022 (I+IV)	1.21	410.67	(1,762.36)	(1,351.69)	(1,350.48)

Note:

a. Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

b. Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 19, 2023

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date: April 19, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

1. Company information

V-Link Fleet Solutions Private Limited ('the Company') is registered as a private limited company domiciled in India having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai Mumbai 400018, India and corporate office at Arena Space,10&11 Floor, Plot No. 20, Jogeshwari Vikhroli Link Road, Near Majas Bus Depot, Jogeshwari (E), Mumbai – 400060. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of employee transportation and operates a fleet of vehicles which are aggregated from third parties.

These financial statements were authorized for issue in accordance with a Board resolution of April 19, 2023.

2. Significant accounting policies

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification..

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

Incomes is recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

Revenue from B2B customer

Revenue from B2B customer represents revenue earned from letting cars on hire to customers for specific period of time (generally short periods of time ranging from a few hours to a day). Revenue is measured as per the contractual terms and is recognized on completion of each trip.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leasing

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

predetermined, the Company has the right to direct the use of the asset if either:

a) the Company as a lessee has the right to operate the asset; or

b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 01, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

Transition

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 01, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under IAS 17. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

As a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2.6 Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost in a foreign currency are are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.7 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

2.8 Employee benefits

2A.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2A.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable

profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.10 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Equipment individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Equipment individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 to 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2.11. Intangible assets

2A.11.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.17.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.15.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.16 Financial liabilities & Equity instruments

2.16.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.16.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17 Segment reporting

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

2.18 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

2.19 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss / reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.20 Exceptional item

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

3(a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of intangibles and property, plant and equipment:

As described in note 2A.10 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

ii. Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vi. Trade Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

vii. Revenue from Contracts with Customers

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

3(b). Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii Ind AS 102 – Share-based Payment
- iii Ind AS 103 – Business Combinations
- iv Ind AS 107 – Financial Instruments Disclosures
- v Ind AS 109 – Financial Instruments
- vi Ind AS 115 – Revenue from Contracts with Customers
- vii Ind AS 1 – Presentation of Financial Statements
- viii Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix Ind AS 12 – Income Taxes
- x Ind AS 34 - Interim Financial Reporting

The application of above amendments is not expected to have any significant impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Note 4 : Property, plant and equipment

	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Leasehold Improvements	Total
Gross Block						
Balance at March 31, 2021	10.88	27.69	30.48	1.54	12.80	83.39
Additions	–	0.32	8.36	–	–	8.68
Disposals	–	–	(1.25)	(0.32)	–	(1.57)
Balance at March 31, 2022	10.88	28.01	37.59	1.22	12.80	90.50
Additions	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Balance at March 31, 2023	**10.88**	**28.01**	**37.59**	**1.22**	**12.80**	**90.50**
Accumulated depreciation						
Balance at March 31, 2021	10.87	27.60	30.48	1.22	12.80	82.97
Depreciation charge for the year	0.01	0.37	7.11	–	–	7.49
Disposals	–	–	–	–	–	–
Balance at March 31, 2022	10.88	27.97	37.59	1.22	12.80	90.46
Depreciation charge for the year	–	0.04	–	–	–	0.04
Disposals	–	–	–	–	–	–
Balance at March 31, 2023	**10.88**	**28.01**	**37.59**	**1.22**	**12.80**	**90.50**
Net Block						
Balance at March 31, 2021	0.01	0.09	–	0.32	–	0.42
Balance at March 31, 2022	**–**	**0.04**	**–**	**–**	**–**	**0.04**
Balance at March 31, 2023	**–**	**–**	**–**	**–**	**–**	**–**

Note 5: Other financial assets

Particulars	**As at March 31, 2023**	As at March 31, 2022
Non-current		
Security Deposits - Unsecured, considered good	**0.10**	–
Total Non current	**0.10**	–

Note 6: Non-current tax assets

Particulars	**As at March 31, 2023**	As at March 31, 2022
Advance income-tax	**1.36**	0.84
	1.36	0.84

Note 7 : Other non-current assets

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance with government and statutory authorities		
Unsecured, considered good	**118.29**	117.16
	118.29	117.16

Note 8 : Trade receivables

Particulars	**As at March 31, 2023**	As at March 31, 2022
Unsecured, considered good	**22.73**	15.06
	22.73	15.06

***Refer Note-28.1 for Trade Receivables as per Schedule-III*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Note 9: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks on current accounts	**13.49**	3.01
	13.49	3.01

Note 10: Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to vendors		
Unsecured, considered good	**0.40**	4.28
Unsecured, considered credit impaired	**0.17**	0.17
Less: Impairment allowance for doubtful advances	**(0.17)**	(0.17)
	0.40	4.28
(Unsecured, considered good)		
Assets Held for Sale	**–**	1.25
Prepaid expense	**–**	0.07
Other recoverable	**0.13**	0.13
	0.53	5.73

Note 11: Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised shares capital		
100,000 equity shares of INR. 10 each (March 31, 2022 : 100,000)	**10.00**	10.00
Issued, subscribed and fully paid-up shares		
12,050 equity shares of INR. 10 each fully paid up (March 31, 2022: 12,050)	**1.21**	1.21
	1.21	1.21

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	**Rs.**	**No.**	**Rs.**
At the beginning of the year	**12,050**	**1.21**	**12,050**	1.21
Issued during the year	**–**	**–**	**–**	–
Outstanding at the end of the year	**12,050**	**1.21**	**12,050**	1.21

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2023 (March 31, 2022: Nil). No dividend has been proposed for the year ended March 31, 2023.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

Particulars	As at March 31, 2023	As at March 31, 2022
MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited) (MTSPL), the Holding and Promotor Company (including nominees)		
No of shares	**–**	12,050
Amount	**–**	1.21
Percentage of holding	***–***	*100%*
% Change during the year	***-100%***	*–*
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No of shares	**12,050**	–
Amount	**1.21**	–
Percentage of holding	***100%***	*–*
% Change during the year	***100%***	*–*

d) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	**% holding**	No.	% holding
Equity shares of Rs. 10 each fully paid				
MLL Express Services Private Limited (MESPL)	**–**	**–**	12,050	100%
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)	**12,050**	**100%**	–	–

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership of shares.

Note 12: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	**410.67**	410.67
Retained Earning	**(1,757.12)**	(1,762.36)
Total Other Equity	**(1,346.44)**	(1,351.69)

1 Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**410.67**	410.67
Closing balance	**410.67**	410.67

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

2 Retained Earning

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**(1,762.36)**	(1,749.63)
Less: Loss for the year	**5.25**	(13.46)
Other comprehensive income, net of tax	**–**	0.73
Closing balance	**(1,757.12)**	(1,762.36)

Note 13: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current portion		
Provision for gratuity (*Refer note 24*)	**–**	1.24
Other provisions		
Provision for contingencies *	**46.05**	46.05
	46.05	47.29
Current portion		
Provision for compensated absences	**–**	1.04
Provision for gratuity (Refer note 24)	**–**	0.67
	–	1.71

* The Company has created provision towards disputed legal matter pertaining to Goods and Service tax that has arisen in the ordinary course of business on a best estimate basis. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash out flows, if any, pending resolution. Movement of provisions is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	**46.05**	46.05
Created during the year	**–**	–
Reversed during the year	**–**	–
At the end of the year	**46.05**	46.05
Current portion	**–**	–
Non-current portion	***46.05***	*46.05*

Note : 14 Short term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
From Fellow Subsidiary		
MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)	**1,422.48**	1,422.48
	1,422.48	1,422.48

* The Company has taken interest free short term loan from fellow subsidiary company and is repayable on demand (refer note 26)

Note 15: Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
a) total outstanding dues to small enterprises and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises	**33.12**	18.66
	33.12	18.66

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below:

**Refer Note- 28.2 for Trade Payables Ageing as per Schedule-III

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
a. Principal and interest amount remaining unpaid	**–**	–
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed day	**–**	–
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under Micro, small and medium enterprises act, 2006	**–**	–
d. Interest accrued and remaining unpaid	**–**	–
e. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–

Note 16: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	**–**	1.90
	–	1.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Note 17: Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	**0.08**	0.28
	0.08	0.28

Note 18: Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sales of services		
Revenue from transportation services	**85.29**	79.50
	85.29	79.50

Note 19: Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest Income		
Income tax refund	**0.04**	2.54
b) Miscellaneous Income		
Miscellaneous income	**8.74**	19.72
	8.78	22.26

Note 20: Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	**1.69**	15.99
Contributions to provident fund	**0.11**	1.05
Compensated absences	**(0.40)**	(1.40)
Gratuity expense (Refer note 24)	**(0.12)**	0.45
	1.28	16.09

Note : 21 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal and professional fees	**6.85**	4.49
Rent, rates and taxes	**1.24**	10.64
Bank charges	**0.03**	0.88
Conveyance, travelling and accommodation	**0.16**	0.34
Audit fees (Refer details below)	**0.59**	0.59
Repairs and maintenance (others)	**0.27**	0.16
Bad Debts	**8.34**	150.33
Advances written off	**–**	153.13
Provision for debts, advances and deposits	**–**	(297.35)
Communication costs	**0.01**	0.03
Miscellaneous expenses	**0.40**	3.64
Total of Other expenses	**17.89**	26.88

Auditor's remuneration (including GST)	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fees	**0.59**	0.59
Total	**0.59**	0.59

Note : 22 Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	**0.04**	7.49
Total	**0.04**	7.49

Note 23: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net off any provision for impairment) of financial

Particulars	Notes	Carrying value March 31, 2023	Carrying value March 31, 2022
Financial assets measured at amortized cost			
Security Deposits	5	**0.10**	–
Trade receivables	8	**22.73**	15.06
Cash and cash equivalents	9	**13.49**	3.01
Total Financial Asset measured at amortized cost		**36.32**	18.07
Financial liabilities measured at amortized cost			
Borrowings	14	**1,422.48**	1,422.48
Employee benefits payable	16	**–**	1.90
Trade payables	15	**33.12**	18.66
Total Financial liability measured at amortized cost		**1,455.60**	1,443.04

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Market risk - interest rate risk

– Credit risk

– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings are all in fixed rate instruments and there is no investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial instruments.

Trade receivables from customers

Credit risk relating to customers is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

	March 31, 2023	March 31, 2022
Gross Trade receivables from customers	**22.73**	15.06
Less: Provision for doubtful receivables	**–**	–
Net Trade receivables from customers	**22.73**	15.06
Ageing of gross trade receivables relating to customers:		
Within 6 months	**22.73**	15.06
More than 6 months	**–**	–
	22.73	15.06

Reconciliation of loss allowance provision for Trade Receivables

Particulars	March 31, 2023	March 31, 2022
Opening balance	**–**	150.33
Add: Impairment allowance provision for the year	**–**	–
Less: Impairment allowance provision reversed	**–**	(150.33)
Closing balance	**–**	–

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behavior and future expectations.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

		Undiscounted amount				
Year ended - March 31, 2023	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Borrowings						
Loan from fellow subsidiary	**1,422.48**	**1,422.48**	**–**	**–**	**–**	**1,422.48**
Trade payables	**33.12**	**33.12**	**–**	**–**	**–**	**33.12**
	1,455.60	**1,455.60**	**–**	–	–	**1,455.60**

		Undiscounted amount				
Year ended - March 31, 2022	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Borrowings						
Loan from fellow subsidiary	1,422.48	1,422.48	–	–	–	1,422.48
Employee benefits payable	1.90	1.90	–	–	–	1.90
Trade payables	18.66	18.66	–	–	–	18.66
	1,443.04	1,443.04	–	–	–	1,443.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flow forecasts as at each period end and identifies need for additional funding from the share holders to meet the outstanding commitments and future cash flow requirements to meet the future business plans. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, trade receivables and unbilled revenue.

Particulars	March 31, 2023	March 31, 2022
Borrowings	**1,422.48**	1,422.48
Less: Cash and Cash Equivalent (Including Trade receivables less Trade)	**3.09**	(0.60)
Net Debt	**1,419.39**	1,423.08

Note 24: Employee benefits

A. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 20 under the head "Contribution to provident fund". As at March, 31, 2023 there is no employee in the company. Hence the acturial valuation has not been done for the current year.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to employees provident fund	**0.01**	0.96
Contribution to ESI	**0.10**	0.10
Total	**0.11**	1.05

B. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

i) Liability recognised in the Balance Sheet in respect of Gratuity

	As at March 31, 2023	As at March 31, 2022
Present value of the defined benefit obligation at the end of the year	**–**	1.91
Total	**–**	1.91

ii) Changes in the present value of the defined benefit obligation are as follows :

	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation at beginning of the year	**1.91**	6.78
Current service cost	**(0.12)**	0.25
Interest cost	**–**	0.20
Sub-total included in statement of profit and loss	**(0.12)**	0.45
Remeasurement losses \ (gains) recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**–**	(0.03)
Experience adjustments	**–**	(0.70)
Sub-total included in OCI	**–**	(0.73)
Transfer out	**(1.01)**	(2.47)
Benefits paid	**(0.78)**	(2.12)
Defined benefit obligation at the end of the year	**–**	1.91

iii) Following table summarises the principal assumptions used for actuarial valuation of gratuity obligations for each reporting period:

Actuarial assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	**–**	5.25%
Future salary increases	**–**	8.00%
Attrition	**–**	35.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions :

Mortality in Service: Indian Assured Lives Mortality 2012-14 [March 31, 2022: Indian Assured Lives Mortality 2012-14]

Mortality in Retirement : 58 Years

A quantitative sensitivity analysis for significant assumption as at each reporting date is as shown below:

	Discount rate assumption	
Gratuity plan:	**Year ended March 31, 2023**	Year ended March 31, 2022
Impact of increase of 1% p.a. on defined benefit obligation	**–**	(0.04)
Impact of decrease of 1% p.a. on defined benefit obligation	**–**	0.07

	Future salary increase assumption	
Gratuity plan:	**Year ended March 31, 2023**	Year ended March 31, 2022
Impact of increase of 1% p.a. on defined benefit obligation	**–**	0.06
Impact of decrease of 1 % p.a. on defined benefit obligation	**–**	(0.04)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is not applicable. (March 31, 2022: 3 years).

The following are expected contributions over the future years (valued on undiscounted basis):

	Year ended March 31, 2023	Year ended March 31, 2022
Within the next 1 year (next annual reporting period)	–	0.67
Between 2 to 5 years	–	1.20
Between 6 to 10 years	–	0.31
Beyond 10 years	–	0.06
Total expected payments	–	2.25

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2023 INR NIL (March 31, 2022: INR 1.40 Lakhs). As at March 31, 2023 there is no employee in the company.

Note 25: Income Taxes

The major components of income tax expense for the years ended

	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax:		
Current income tax charge	–	–
Adjustments in respect of current income tax of previous year	–	–
Deferred tax:		
Relating to origination and reversal of temporary differences	–	–
Income tax expense reported in the statement of profit or loss	–	–

Consolidated statement of OCI

	Year ended March 31, 2023	Year ended March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	–	–
Income tax expense charged to OCI	–	–

Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for the year ended

	Year ended March 31, 2023	Year ended March 31, 2022
Accounting (loss) before income tax	5.25	(13.46)
At India's statutory income tax rate of 26% (March 31, 2022: 26%)	1.36	(3.50)
Effect of current year losses for which no deferred tax asset is recognised	(1.36)	3.50
At the effective income tax rate for the Company	–	–
Income tax expense reported in the statement of profit and loss	–	–

Movement of Deferred tax asset/ (liabilities)

	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	18.85	27.34
Provisions (Doubtful debts/Impairment/Advances)	0.04	0.04
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	–	0.77
Carryforward Tax Loss		
Unabsorbed depreciation	81.69	84.70
Unabsorbed business losses	–	374.85
	100.58	487.71
Net deferred tax assets	100.58	487.71
Net deferred tax assets/(liabilities) recognised	–	–

	Statement of Profit and Loss	
	Year ended March 31, 2023	Year ended March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	(8.49)	(6.66)
Provisions (Doubtful debts/Impairment/Advances)	0.00	8.41
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(0.77)	(1.14)
Carryforward Tax loss		
Unabsorbed depreciation	(3.01)	7.57
Unabsorbed business losses	(374.85)	64.51
Deferred tax expense	(387.13)	72.69

The Company has following tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Losses that expire - Carry forward business losses	**–**	1,441.75
Losses that never expire - Unabsorbed depreciation	**314.20**	325.78

The Company has a net deferred tax asset position as at March 31, 2023 and March 31, 2022. However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets considering there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/unabsorbed depreciation may be offset.

Note 26: Related party transactions

Names of related parties and related party relationship:

Related parties (‘RP’) where control exists

Ultimate holding Company	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (till May 11, 2022)
	Mahindra Logistics Limited ('MLL') (w.e.f May 12, 2022)

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited)
	Mahindra Integrated Business Solution Pvt. Ltd.
	V-Link Automotive Services Private Limited ('VASPL')

Transactions with related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Services received (includes accrual):				
Mahindra Integrated Business Solution Pvt. Ltd.	**–**	–	**0.01**	0.06
MLL Mobility Private Limited	**–**	–	**3.10**	5.29
Loans taken:				
MLL Mobility Private Limited	**–**	–	**11.13**	96.60
Loans repayment made:				
MLL Mobility Private Limited	**–**	–	**11.13**	119.17
Reimbursements made to parties				
Mahindra & Mahindra Limited	**0.33**	4.00	**–**	–

Details of Balance receivable/payable to related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Balance receivable/(payable) as at year end :				
MLL Mobility Private Limited - ICD	**–**	–	**(1,422.48)**	(1,422.48)
MLL Mobility Private Limited	**–**	–	**(13.84)**	–
Mahindra & Mahindra Limited	**–**	4.32	**–**	–
Mahindra Integrated Business Solution Pvt. Ltd.	**–**	–	**–**	(0.003)

Note: Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The outstanding loans payable are repayable on demand. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at each reporting period. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Note 27: Segment reporting

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

Note 28.1: Trade Receivable Ageing

Trade Receivables ageing as on 31st March 2023

(A) Trade Receivables- Billed and Outstanding

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	–	22.73	–	–	–	–	22.73
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	–	22.73	–	–	–	–	22.73
(B) Unbilled Trade Receivables							–

Trade Receivables ageing as on 31st March 2022

(A) Trade Receivables- Billed and Outstanding

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	–	8.40	3.17	–	–	–	11.57
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	–	8.40	3.17	–	–	–	11.57
(B) Unbilled Trade Receivables							3.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

Note 28.2: Trade Payable Ageing

(A) Trade Payable Aging as on March 31, 2023

		Outstanding for the following period from due date of payment				
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	–	–	–	–	–	–
(ii) Others	–	33.12	–	–	–	33.12
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**–**	**33.12**	**–**	**–**	**–**	**33.12**

(B) Trade Payable Aging as on March 31, 2022

		Outstanding for the following period from due date of payment				
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	–	–	–	–	–	–
(ii) Others	6.43	1.49	10.75	–	–	18.66
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**6.43**	**1.49**	**10.75**	**–**	**–**	**18.66**

Note 28.3: Financial ratios

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Variance %**	**Reason for variance**
Current Ratio	0.03	0.02	53%	Improvement in net current asset position
Debt-Equity Ratio	n/a	n/a	n/a	n/a
Debt Service Coverage Ratio	n/a	n/a	n/a	n/a
Return on Equity Ratio	n/a	n/a	n/a	As networth is negative.
Trade Receivables turnover ratio	4.51	4.05	11%	
Trade payables turnover ratio	3.43	3.51	-2%	
Net capital turnover ratio	n/a	n/a	n/a	As networth is negative.
Net profit ratio	0.06	(0.16)	-138%	As networth is negative.
Return on Capital employed	n/a	n/a	n/a	As networth is negative.
Return on investment	n/a	n/a	n/a	As there are no investments.

Note 29: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
Loss attributable to equity holders	**5.25**	(13.46)
Number of Shares outstanding at the beginning of the year	**12,050**	12,050
Add: Shares issued during the year	**–**	–
Number of Shares outstanding at the end of the year	**12,050**	12,050
Weighted average number of Equity shares for basic EPS	**12,050**	12,050
Basic and diluted EPS calculations	**43.53**	(111.73)

Note 30: During the current year, the erstwhile holding Company i.e. MESPL, has transferred its entire shareholding into the Company and its fellow subsidiaries i.e. MMPL and VASPL, to MLL and the shares of MESPL were transferred by utlimate holding Company i.e. M&M to MLL. Pursuant to this restructuring, the Company has become fully owned subsidiary of MLL and fellow subsidiary of MESPL.

Note 31: IND AS 115 'Revenue from Contracts with Customers'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss.

Revenue from operations

Revenue from contract with customers

Particulars	**March 31, 2023**	March 31, 2022
Revenue from operations	**85.29**	79.50
	85.29	79.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(Currency in INR Lakhs)

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

Revenue from contract with customers

Particulars	March 31, 2023	March 31, 2022
People Transportation	**85.29**	79.50
	85.29	79.50

iii) Revenue by geography

Revenue from contract with customers

Particulars	March 31, 2023	March 31, 2022
Asia		
India	**85.29**	79.50
	85.29	79.50

Note 32: As at March 31, 2023, the Company has accumulated losses of INR 1,757.12 Lakhs (March 31, 2022: INR 1,762.36 Lakhs) and a negative net worth of INR 1345.23 Lakhs (March 31, 2022 INR 1350.48 Lakhs). The holding Company MLL has committed to provide continuing financial and/or operational support to the Company for its continued operations for the foreseeable future.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 33: There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 34 The figures for the previous period/year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date : April 19, 2023

For and on behalf of the Board of Directors
of V-Link Fleet Solutions Private Limited
CIN:U63040MH2006PTC165955

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place: Mumbai
Date : April 19, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Aerospace Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerospace Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 22 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 34 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The Company has neither declared nor paid any dividend during the year.

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

   C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to any of its directors during the current year. The Ministry of corporate affairs has not prescribed other details under section 197(16) of The Act which are required to be commented by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration N0.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN: 23079893BGYQVT9822

Place: Bengaluru
Date: 26 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSPACE PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(A) of the Order is not applicable.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(b) of the Order is not applicable.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Right of Use assets during the year. Further, the Company did not have any Property, Plant and Equipment and intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company did not hold any physical inventories during the year. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried out by the company during the year. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax, or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employee State Insurance, Duty of Customs or Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax, or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the

Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 72.18 Lakhs in the current financial year and Rs 15.13 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN: 23079893BGYQVT9822

Place: Bengaluru
Date: 26 April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSPACE PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerospace Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN: 23079893BGYQVT9822

Place: Bengaluru
Date: 26 April 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	As at March 31, 2023	Rs in Lakhs As at March 31, 2022
Assets			
Non-current assets			
Right of use asset	3	**10.03**	3.16
Financial assets			
Investments	4	**37,200.00**	19,514.00
Income tax assets (net)	6	**1.17**	4.12
Other non-current assets	7	**–**	0.87
Total non-current assets		**37,211.20**	19,522.15
Current assets			
Financial assets			
Cash and cash equivalents	8	**9.98**	11.29
Bank balances other than cash and cash equivalents	8A	**218.00**	285.00
Others financial assets	5	**2.30**	3.60
Other current assets	9	**8.70**	8.75
Total current assets		**238.98**	308.64
Total assets		**37,450.18**	19,830.79
Equity and liabilities			
Equity			
Equity share capital	10	**91,238.96**	91,238.96
Other equity	11	**(53,808.45)**	(71,415.46)
Total equity		**37,430.51**	19,823.50
Non-current liabilities			
Financial liabilities			
Lease liabilities		**8.59**	–
Total non-current liabilities		**8.59**	–
Current liabilities:			
Financial liabilities			
Lease liabilities		**1.50**	3.85
Trade payable	12	**7.46**	3.00
Other current liabilities	13	**2.12**	0.44
Total current liabilities		**11.08**	7.29
Total equity and liabilities		**37,450.18**	19,830.79
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs in Lakhs

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Other income	14	**17,697.50**	11.47
Total income		**17,697.50**	11.47
Expenses			
Employee benefits expense	15	**–**	–
Finance costs	16	**0.24**	0.50
Depreciation	17	**3.33**	3.44
Other expenses	18	**86.92**	21.34
Total expenses		**90.49**	25.28
Profit/(Loss) before tax		**17,607.01**	(13.81)
Tax expense:			
Current tax		**–**	–
Tax charge/(credit) of earlier years		**–**	2.86
Deferred tax		**–**	–
Income tax expense		**–**	2.86
Profit/(Loss) for the year		**17,607.01**	(16.67)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans		**–**	–
Income tax effect		**–**	–
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive income for the year		**17,607.01**	(16.67)
Earnings per equity share: (Nominal value of Rs. 10 per share)	23		
Basic		**1.93**	(0.00)
Diluted		**1.93**	(0.00)
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2023

Rs in Lakhs

Particulars		**For the year ended March 31, 2023**		For the year ended March 31, 2022
A. Cash flow from operating activities:				
Profit/(Loss) before tax		**17,607.01**		(13.81)
Adjustments for:				
Depreciation	**3.33**		3.44	
Finance costs	**0.24**		0.50	
Reversal of Provision for diminution of long term Investments	**(17,686.00)**		–	
Provision for doubtful Goods service tax credit receivable	**3.48**		–	
Interest income	**(11.46)**		(9.46)	
Provision no longer required	**–**		(1.90)	
		(17,690.41)		(7.42)
Operating gain/(loss) before working capital changes		**(83.40)**		(21.23)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Current financial and other current assets	**(2.13)**		1.88	
Non-current financial and other non-current assets	**0.87**		4.26	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	**4.46**		(0.92)	
Other current liabilities	**1.68**		0.01	
		4.88		5.23
Cash generated from/(used in) operations		**(78.52)**		(16.00)
Net income tax Refund/(paid)		**2.95**		(9.23)
Net Cash generated from/(used in) operating activities (A)		**(75.57)**		(25.23)
B. Cash flow from investing activities:				
Bank deposits (net)	**67.00**		8.00	
Interest income received	**11.46**		18.44	
Net cash generated from/(used in) investing activities (B)		**78.46**		26.44
C. Cash flow from financing activities				
Repayment of lease liabilities	**(3.96)**		(3.69)	
Finance costs	**(0.24)**		(0.50)	
Net cash generated from/(used in) financing activities (C)		**(4.20)**		(4.19)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(1.31)**		(2.98)

STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2023 (CONTINUED)

Rs in Lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Cash and cash equivalents at the beginning of the year	**11.29**	14.27
Cash and cash equivalents at the end of the year	**9.98**	11.29
Components of cash and cash equivalents (Refer note 8)		
Balance with banks		
– On Current Accounts	**9.98**	11.29
Cash on Hand	**–**	–

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a. Equity share capital:

	Rs in Lakhs
At April 1, 2021	**91,238.96**
Add: Issued during the year	–
At March 31, 2022	**91,238.96**
Add: Issued during the year	–
At March 31, 2023	**91,238.96**

b. Other equity Rs in Lakhs

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2021	153.47	31,243.98	(102,796.83)	0.59	(71,398.79)
Loss for the period	–	–	(16.67)	–	(16.67)
Re-measurement (loss)/gain on defined benefit plans	–	–	–	–	–
Total comprehensive income	**–**	**–**	**(16.67)**	**–**	**(16.67)**
At March 31, 2022	**153.47**	**31,243.98**	**(102,813.50)**	**0.59**	**(71,415.46)**

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2022	153.47	31,243.98	(102,813.50)	0.59	(71,415.46)
Profit /(Loss) for the period	–	–	17,607.01	–	17,607.01
Re-measurement (loss)/gain on defined benefit plans	–	–	–	–	–
Total comprehensive income	**–**	**–**	**17,607.01**	**–**	**17,607.01**
At March 31, 2023	**153.47**	**31,243.98**	**(85,206.49)**	**0.59**	**(53,808.45)**

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598
Place: Mumbai
Date: April 26, 2023

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2023

1. Corporate Information

Mahindra Aerospace Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai - 400018. The Company was incorporated on February 28, 2008, under the provisions of the Indian Companies Act, 1956. Presently the Company is holding investments in subsidiaries engaged in the business of manufacturing aircrafts and Aerostructures and design and development of 5 seat aircraft.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 26 Apr 2023.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Notes 4 and 5 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

– Note 21 - financial instruments.

2.2 Significant accounting policies

a) Impairment of assets

i. Financial Assets

The company accounts for its investment in subsidiaries at cost less accumulated impairment, if any. Investment in subsidiaries is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

b) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

c) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

d) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. .

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

e) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

– temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

f) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

g) Business combination

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

h) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

(iii) Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

i) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/ expenses/assets/liabilities".

j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/(loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

l) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

m) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Note 3: Right of use assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**3.16**	6.60
Leasehold improvements - Additions during year ended	**10.20**	–
Depreciation on right-of-use asset	**3.33**	3.44
Net carrying amount	**10.03**	3.16

Interest on lease liabilities is Rs. 0.24 lakhs (2022: Rs.0.50 lakhs)

Note 4: Investments

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
At cost less provision for other than temporary impairment		
Unquoted equity shares		
Investment in wholly owned subsidiaries		
Mahindra Aerospace Australia PTY Ltd	**71,924.28**	71,924.28
[102,238,500 (2022: 102,238,500) Equity Shares of AU $ 1 each, 18,100,000 (2022: 18,100,000) Equity Shares of AU $ 0.58 each & 15,116,000 (2022: 15,116,000) Equity Shares of AU $ 0.43 each & 15,266,000,000 (2022: 15,266,000,000) Equity Shares of AU $ 0.0015 each]		
Less: Provision for diminution in value of investment	**(71,924.28)**	(71,924.28)
	–	–
Mahindra Aerostructures Pvt Ltd	**46,450.00**	46,450.00
[464,500,000 (2022: 464,500,000) Equity Shares of Rs. 10 each]		
Less: Provision for diminution in value of investment	**(9,250.00)**	(26,936.00)
	37,200.00	19,514.00
	37,200.00	19,514.00
Total unquoted non-current investments	**118,374.28**	118,374.28
Aggregate provision for impairment in value of investments	**(81,174.28)**	(98,860.28)

Note 5: Other financial assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Current		
Security deposits to related party (Refer note 20)	**2.30**	3.60
	2.30	3.60

Note 6: Income tax assets (net)

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
TDS receivable	**1.17**	4.12
	1.17	4.12

Note 7: Other non-current assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST Credit Receivable	**156.55**	141.82
Less: Provision	**(156.55)**	(141.82)
	–	–
Other deposits	**–**	0.87
	–	0.87
	–	0.87

Note 8: Cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In current accounts	**9.98**	11.29
Cash on hand	**–**	–
	9.98	11.29

Note 8A: Bank balance other than cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits	**218.00**	285.00
	218.00	285.00

Note 9: Other current assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities:		
GST credit receivable	**–**	25.16
Less: Provision	**–**	(25.16)
	–	–
Others	**8.70**	8.75
	8.70	8.75
	8.70	8.75

Note 10 - Share Capital

Rs in Lakhs

	Particulars	As at March 31, 2023 No of shares	As at March 31, 2023 Amount	As at March 31, 2022 No of shares	As at March 31, 2022 Amount
1	Authorised:				
	Equity shares of Rs. 10 each	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
	5% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each	**15,000,000**	**1,500.00**	15,000,000	1,500.00
	0.10% Cumulative Compulsorily Convertible Preference shares of Rs.10 each	**190,000,000**	**19,000.00**	190,000,000	19,000.00
	Total	**1,205,000,000**	**120,500.00**	1,205,000,000	120,500.00
2	Issued:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
	Add: Issued during the year	**–**	**–**	–	–
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
3	Subscribed and fully paid up:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	751,129,607	75,112.96
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96

Notes:

1) Out of the total equity shares, 91,23,89,607 (2022: 83,56,30,306) equity shares are held by Mahindra & Mahindra Limited, the holding company, Including shares held jointly with nominees.

2) Details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No of shares	**%**	**No of shares**	**%**
Mahindra and Mahindra Limited and its nominees*	**912,389,607**	**100.00%**	835,630,306	91.59%
Kotak Mahindra Trustee Limited (Trustee of Kotak India Growth Fund II)	**–**	**–**	55,478,722	6.08%

* Includes 8 shares (2022: 8 shares) held by nominees jointly with Mahindra & Mahindra Limited

3) Shareholding of Promoters

As at 31 March 2023

Promoter Name	No of shares at the beginning of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra & Mahindra Limited and its nominees*	835,630,306	76,759,301	912,389,607	100.00%	8.41%

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

As at 31 March 2022

Promoter Name	No of shares at the beginning of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra & Mahindra Limited and its nominees*	835,630,306	NIL	835,630,306	91.59%	NIL

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

4) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

5) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 11: Other equity

A) Securities premium

Particulars	**Rs in Lakhs** Amount
At April 1, 2021	**31,243.98**
Additions during the year	**–**
At March 31, 2022	**31,243.98**
Additions during the year	–
At March 31, 2023	**31,243.98**

B) Retained earnings

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2021	**(102,796.83)**
Additions during the year	(16.67)
At March 31, 2022	**(102,813.50)**
Additions during the year	17,607.01
At March 31, 2023	**(85,206.49)**

C) Other comprehensive income

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2021	**0.59**
Additions during the year	–
At March 31, 2022	**0.59**
Additions during the year	–
At March 31, 2023	**0.59**

D) Equity components of 5% Non-Cumulative Compulsorily Convertible Preference shares

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2021	**153.47**
Additions during the year	**–**
At March 31, 2022	**153.47**
Additions during the year	**–**
At March 31, 2023	**153.47**

Total other equity

At March 31, 2022	(71,415.46)
At March 31, 2023	**(53,808.45)**

Securities premium reserve :

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Retailed earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income:

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Equity component of 5% Non-Cumulative Compulsorily Convertible Preference shares:

This represents fair valuation of equity portion of the NCCCPS which is routed through other comprehensive income.

Note 12: Trade payable

Particulars	**As at March 31, 2023**	**Rs in Lakhs** As at March 31, 2022
Current, undisputed		
Dues to micro and small enterprises (Refer note 24)	**–**	–
Due to others	**7.46**	3.00
	7.46	3.00

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

	As at March 31, 2023	**Rs in Lakhs** As at March 31, 2022
Due to micro and small enterprises		
Less than 1 year (including not due)	**–**	–
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	–	–
Due to others		
Less than 1 year (including not due)	**7.46**	3.00
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	7.46	3.00

Note 13: Other current liabilities

Particulars	**As at March 31, 2023**	**Rs in Lakhs** As at March 31, 2022
Statutory dues	**1.91**	0.23
Others	**0.21**	0.21
	2.12	0.44

Note 14: Other income

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	**11.46**	9.46
Income tax refund	**0.04**	0.11
Provision no longer required written back	**–**	1.90
Reversal of Provision for diminution of Investments (Refer note 26)	**17,686.00**	**–**
	17,697.50	11.47

Note 15: Employee benefits expense

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus*	**–**	–
Contribution to provident and other funds	**–**	–
	–	–

* Net of reimbursement received from subsidiary company amounting to Rs. NIL (2022: Rs. 31.62 Lakhs).

Note 16: Finance costs

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	**0.24**	0.50
	0.24	0.50

Note 17: Depreciation

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on right-of-use asset (Refer note 3)	**3.33**	3.44
	3.44	3.44

Note 18: Other expenses

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes	**1.00**	1.91
Insurance	**0.12**	0.12
Legal and other professional charges**	**73.24**	13.73
Auditors' remuneration (refer note below)	**5.52**	4.79
Provision for doubtful Goods service tax credit receivable	**3.48**	–
Bank charges	**0.06**	0.20
Other miscellaneous expenses	**3.50**	0.59
	86.92	21.34

** Includes transactions with Related parties Rs. 60.37 Lakhs (2022 : Rs. 5.78 Lakhs)

Note:

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**3.60**	3.00
Other services and certifications	**1.50**	1.50
Reimbursement of expenses	**0.42**	0.29
	5.52	4.79

Note 19: Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and others aggregating Rs. NIL (2022: Rs. NIL) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:
Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 . The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. However, during the year, the company did not had any eligible employees to whom the gratuity was payable and accordingly, no actuarial valuation was carried out. The receivable from the Gratuity trust of the Company has been recognised in these financial statements under Note 9, as the Company has right to recover the surplus available in the trust.

Rs in Lakhs

Particulars	Funded Plan	
	Gratuity	
	31–Mar–23	31–Mar–22
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**–**	–
Net Interest cost	**–**	–
	–	–
II. Recognised in comprehensive income for the year		
Return on plan assets	**–**	–
Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions	**–**	–
– Financial Assumptions	**–**	–
– Experience Adjustments	**–**	–
	–	–
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**–**	–
2. Acquisitions/Divestures/Transfer (transfer of employees to MASPL)	**–**	–
3. Current Service Cost	**–**	–
4. Interest cost	**–**	–
5. Recognised in Other Comprehensive Income		
– Actuarial Gain (Loss)	**–**	–
6. Benefit paid	**–**	–
Present value of defined benefit obligation at the end of the year	**–**	–

Particulars	Funded Plan Gratuity 31–Mar–23	Rs in Lakhs 31–Mar–22
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**7.13**	7.13
2. Interest income	**–**	–
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**–**	–
4. Contributions by employer	**–**	–
5. Benefit paid	**–**	–
Fair value of plan assets at the end of the year	**7.13**	**7.13**
V. Net (Asset)/Liability recognised in the Balance Sheet		
– Present value of defined benefit obligation	**–**	–
– Fair value of plan assets	**7.13**	7.13
Net (Asset)/liability	**(7.13)**	(7.13)
Current portion of the above	**(7.13)**	(7.13)
Non current portion of the above	**–**	–

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Acturial Assumptions:

Since the company has NIL employees on rolls (2022: NIL) sensitivity analysis and other related disclosures are not provided.

Note 20: Related Party Information

i) Related parties where control exists along with nature of relationship

Name of the party	**Nature of Relationship**
Mahindra & Mahindra Limited	Holding Company
Mahindra Aerostructures Private Limited	Subsidiary
Mahindra Aerospace Australia Pty Ltd	Subsidiary
Mahindra Aerospace Private Limited Employees Group Gratuity Assurance Scheme	Employee Gratuity Trust

Other parties with whom transaction have taken place during the year: NIL

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Executive Director & CEO
Ms. Seema Bangia	Director
Mr. S Durgashankar	Director (w.e.f January 25, 2022)
Ms. Abanti Sankaranarayanan	Director (w.e.f July 14,2022)
Mr. Nikhil Sohoni	Director (until June 20, 2022)
Mr. K. V. Ramakrishna	Director (until January 18, 2022)
Mr. Dhiraj Rajendran	Director (until March 29,2023)
Mr. T. Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties

Rs in Lakhs

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
I. Transactions with Group entities		
Services received (included under legal and other professional charges in note 18)		
Mahindra & Mahindra Limited	**60.37**	5.78
	60.37	5.78
Rent expenses		
Mahindra Aerostructures Private Limited	**4.20**	4.18
	4.20	4.18
Reimbursement of expenses received		
Mahindra Aerostructures Private Limited (Refer note 15)	**–**	31.62
	–	31.62
II. Transactions with key managerial personnel		
Salary and perquisites		
Mr. S P Shukla	**–**	31.62
Mr. Arvind Kumar Mehra	**–**	–
Mr. T. Subrahmanya Sarma	**–**	–

(iv) Details of balances receivable from and payable to related parties are as follows:

Rs in Lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
Security deposits (Asset)		
Mahindra Aerostructures Private Limited	**2.30**	3.60
	2.30	3.60

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end, if any, are unsecured and interest free and settlement occurs in cash.

Note 21: Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	Carrying amount FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	4			37,200.00		37,200.00				
Cash and cash equivalents	8	–	–	9.98	–	9.98	–	–	–	–
Security deposits	5	–	–	2.30	–	2.30	–	–	–	–
Fixed Deposits	8A			218.00		218.00				
		–	–	37,430.28	–	37,430.28	–	–	–	–
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	7.46	7.46	–	–	–	–
		–	–	–	7.46	7.46	–	–	–	–

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	Carrying amount FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	4			19,514.00		19,514.00				
Cash and cash equivalents	8	–	–	11.29	–	11.29	–	–	–	–
Security deposits	5	–	–	3.60	–	3.60	–	–	–	–
Fixed Deposits	8A			285.00		285.00				
		–	–	19,813.89	–	19,813.89	–	–	–	–
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	3.00	3.00	–	–	–	–
		–	–	–	3.00	3.00	–	–	–	–

The fair value of cash and cash equivalents, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

Investment in equity shares of subsidiaries are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other receivables, deposits and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

– Market risk

– Credit risk

– Liquidity risk

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

a. Interest rate risk

The company doesn't have borrowings. Hence interest rate risk is not applicable.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's does not have any exposure to the risk of changes in foreign exchange rates as there are no operations being carried out (revenue or expense is denominated in a foreign currency) by the company.

c. Foreign currency sensitivity

The company doesn't have any foreign currency exposure outstanding as at balance sheet date. Hence foreign currency sensitivity risk is not applicable.

(ii) Credit risk

Company does not have any operations and hence credit risk is not applicable.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's operation department in accordance with the Company's policy. Investments of surplus funds are made only with approved Banks within the limits assigned. These limits are reviewed by the Company's Board of Directors as and when required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss and potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2023 and 2022 is the carrying amounts.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs in lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended March 31, 2023						
Trade payables	–	7.46	–	–	–	7.46
	–	**7.46**	**–**	**–**		**7.46**

Rs in lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended March 31, 2022						
Trade payables	–	3.00	–	–	–	3.00
	–	**3.00**	**–**	**–**	**–**	**3.00**

D Capital management:

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk

The Company monitors capital on the basis of the carrying amount of equity and profit and loss account as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally enforced capital regulation. The Company's capital requirements are substantially met through the issue of equity to the holding companies.

There is no change in the overall capital risk management strategy of the Company compared to last year.

22. Contingent liabilities:

(a) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 0.30 Lakhs has been considered by the Company as contingent liability.

(b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil (2022: Rs. Nil)

23. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Rs in Lakhs

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Earnings attributable to equity shareholders	**17,607.01**	(16.67)
(b)	Weighted average number of equity shares outstanding during the year	**912,389,607**	912,389,607
(c)	Basic Earnings per share (Rs.)	**1.93**	(0.00)
(d)	Diluted Earnings per share (Rs.)	**1.93**	(0.00)

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Opening Balance	**912,389,607**	912,389,607
(b)	Effect of fresh issue of shares	**–**	–
(c)	Weighted average no of shares	**912,389,607**	912,389,607

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**912,389,607**	912,389,607
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**912,389,607**	912,389,607

24. Dues to micro and small enterprises

There are no micro and small enterprises to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

25. NM5 Project

During November 2008, erstwhile M/S. Plexion Technologies India Pvt. Ltd., which was later on merged with Mahindra Engineering Services Limited (MESL), had entered into a Collaboration Agreement with Council of Scientific Industrial Research (CSIR), represented by National Aerospace Laboratories (NAL) for Joint Development, Commercial Production and Marketing of a 4-Seater Aircraft (NM 5 Project). By virtue of a Deed of Assignment dated 28th May, 2008, signed between MESL, the Company and Council of Scientific Industrial Research (CSIR), the rights, obligations and benefits of MESL under the said Collaboration Agreement was assigned to the Company by MESL and duly affirmed by CSIR. As per the Collaboration Agreement, the Company jointly owns the Intellectual Property Rights arising from joint development of the aircraft. Such Intellectual Property Rights arising from joint development of the aircraft will be a jointly held intangible asset. The Company has built a prototype of the aircraft which has carried out a successful test flight.

The Company had so far incurred an expenditure of Rs. 274.63 Lakhs (2022 : Rs. 274.63 Lakhs) on tools and jigs and Rs. 2,098.63 Lakhs (2022 : Rs. 2,098.63 Lakhs) towards the design & development and building one prototype aircraft and these were included under 'Capital work in progress' and 'Intangible assets under development' respectively.

The Management had evaluated the carrying value of above mentioned assets based on the projections of the project and recognized a cumulative impairment of Rs. 2,373.26 Lakhs (2022: Rs. 2,373.26 Lakhs)

26. The Company has long-term investments in subsidiaries which are measured at cost less impairment or at fair value through profit or loss. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment/ reversal impairment, in the carrying value of the investments.

In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available.

The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money.

The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

Accordingly, during the year ended March 31, 2023, the Company determined the recoverable amounts of the investment made in its subsidiary, M/s. Mahindra Aerostructures Private Limited and reversed impairment provision of Rs. 17,686 Lakhs (2022: Rs. NIL). The value-in-use calculation use growth rate of 14.3% (2022: 24%), discount rate of 18.9% (2022: 18%) and the terminal growth rates of 5% (2022: 5%)

During the previous year ended March 31, 2021, the Board of Directors of Company's subsidiary Mahindra Aerospace Pty Ltd approved appointment of Advisors for sale of entire 100% equity ownership and/or sale of all assets or business of/or shares of Mahindra Aerospace Australia Pty Ltd and its Subsidiaries namely - GippsAero Pty Ltd., Airvan10 Pty Ltd., GA8 Airvan Pty Ltd., GA200 Pty Ltd., Airvan Flight Services Pty Ltd and Nomad TC Pty Ltd

27. Segment Reporting:

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "design, development and manufacturing of aircrafts and Aerostructures" as the CODM reviews business performance at an overall Company level as one segment.

Note 28- Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	238.98	11.08	21.57	42.34	-49%	Reduction in current assets during the current year
Debt-Equity ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company does not have borrowings
Debt Service Coverage ratio						
Return on Equity ratio	17,607.01	28,627.01	61.5%	-0.1%	-73271%	Increased due to Reversal of Provision for diminution of Investments
Inventory Turnover ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company is an investment company and does not have operations
Trade Receivables Turnover ratio						
Trade Payables Turnover ratio						
Net capital turnover ratio						
Net profit ratio						
Return on capital employed	17,607.25	37,430.51	47.0%	-0.1%	-57768%	Increased due to Reversal of Provision for diminution of Investments
Return on investment	–	37,200.00	0%	0%	0%	

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/ interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales/Avg receivables
Trade Payables Turnover ratio	Net Credit purchases/Avg trade payables
Net capital turnover ratio	Net Sales/working capital
Net profit ratio	Net Profit/Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

Note 29 Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows: Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Related to depreciation of fixed assets	**–**	–
Total deferred tax liability (a)	**–**	–
Deferred tax assets		
Provision for diminution of Investments	**21,105.31**	25,703.67
Provision for GST credit	**40.70**	43.41
Carry forward losses	**5.97**	4.72
Others	**0.28**	0.23
Total deferred tax assets (b)	**21,152.26**	25,752.03
Net deferred tax assets/ (liabilities) (b-a)	**21,152.26**	25,752.03

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Amount reocognised in statement of profit and loss Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	**–**	–
Tax charge/ (credit) of earlier years	**–**	2.86
Deferred tax	**–**	–

(c) Reconciliation of effective tax rate Rs in Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
Profit/(loss) before tax		**17,607.01**		(13.81)
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**4,577.82**	26.00%	(3.59)
Tax effects of:				
Permanent difference	**(0.10%)**	**18.37**	1.59%	**0.22**
Timing differences	**26.12%**	**(4,598.54)**	(1.38%)	**(0.19)**
Deferred tax asset not recognised in statement of profit and loss	**(0.01%)**	**2.35**	25.78%	**3.56**
	26.00%	**(4,577.82)**	26.00%	3.59
Income tax expense		**–**		–
Tax charge/ (credit) of earlier years		**–**		2.86
Effective tax rate		**26.00%**		26.00%

(d) Tax losses

Particulars	As at March 31, 2023	Expiry date	As at March 31, 2022	Expiry date
Loss from business	**–**	**March 31, 2023**	4.47	March 31, 2023
	13.93	**March 31, 2030**	13.68	March 31, 2030
	9.03	**March 31, 2031**	–	
Total	**22.96**		18.15	
Potential tax benefit	**5.97**		4.72	

30. In view of pandemic relating to COVID-19, the company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables and other assets. The company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment, this situation does not materially impact the financial result as on March 31,2023. However, the actual impact of COVID-19 on the company's financial statements, in future may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

31. In the view of the losses for the three immediately preceding financial years, the Company is not required to spend any amount on CSR activities during the current financial year.

32. The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

33. During the year ended March 31, 2023, no material foreseeable loss (2022: Nil) was incurred for any long-term contract including derivative contracts.

34. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

35. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

37. The Company has not traded or invested in Crypto currency or virtual currency during the current year.

38. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Whole Time Director
DIN No. 01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

Mahindra Aerospace Pvt Ltd

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A - SUBSIDIARIES

Rs. in Lakhs

Name of the subsidiary	**Mahindra Aerostructures Pvt Ltd**	**Mahindra Aerospace Australia Pty Ltd**	**Gipps Aero Pty Ltd**	**Airvan Flight Services Pty Ltd**	**GA8 Airvan Pty Ltd**	**GA200 Pty Ltd**	**Nomad TC Pty Ltd**	**Airvan 10 Pty Ltd**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**	**31st Mar '23**
Reporting currency	Rupees	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1	AUD= Rs.55.225	AUD= Rs.55.225	AUD= Rs.55.225	AUD= Rs.55.225	AUD= Rs.55.225	AUD= Rs.55.225	AUD= Rs.55.225
Share capital	46,450.00	78,494.26	67,152.16	5.80	5.80	5.80	12.95	5.80
Reserves & Surplus	(29,726.38)	(75,313.81)	(67,133.25)	(5.67)	(5.65)	(5.65)	(12.83)	(5.67)
Total assets	24,415.08	3,193.36	934.93	0.13	0.15	0.15	0.12	0.13
Total Liabilities	7,691.46	12.91	916.02	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–
Turnover	15,824.89	22.03	771.23	–	–	–	–	–
Profit before taxation	(644.86)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Provision for taxation	–	–	–	–	–	–	–	–
Profit after taxation	(644.86)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Other comprehensive income	(15.41)	–	–	–	–	–	–	–
Total comprehensive income for the year	(660.27)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Proposed Dividend	–	–	–	–	–	–	–	–
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Additional Information:

1) Names of subsidiaries which which are yet to commence operations: Nil
2) Names of subsidiaries which have been liquidated or sold during the year: NIL

PART B - ASSOCIATES and JOINT VENTURES: **NONE**

1) Names of associates or joint ventures which are yet to commence operations: Nil
2) Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598
Place: Mumbai
Date: April 26, 2023

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Aerostructures Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerostructures Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to financial statments).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we

are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 30 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 42 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN:23079893BGYQVS6911
Place: Bengaluru
Date: 26 April 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Customs Act, 1962	Customs Act, 1962
Nature of the dues	Custom duty and penalty (excluding interest)	Custom duty (excluding interest)
Amount (Rs. in Lakhs)	2,598.85 (232.14)*	41.36 (45.33)*
Period to which the amount relates	FY 2014-15	FY 2014-15
Forum where dispute is pending	Custom, Excise and Service Tax Appellate Tribunal, Chennai	Joint Commissioner of Customs, Chennai
Remarks, if any	None	None

* figures in bracket represent amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Also refer clause (xiv) (b) below

(b) Based on the information and explanations provided to us, no internal audit was conducted for the period under audit and hence Internal Audit Report was not available for our consideration.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN:23079893BGYQVS6911

Place: Bengaluru
Date: 26 April 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerostructures Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN:23079893BGYQVS6911

Place: Bengaluru
Date: 26 April 2023

BALANCE SHEET AS AT MARCH 31, 2023

Rs. In lakhs

Particulars	**Note**	**As at March 31, 2023**	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	**11,504.11**	10,005.53
Capital work in progress	3	**11.06**	268.13
Intangible assets	3	**147.75**	139.07
Right of use assets	3A	**24.45**	29.04
Financial assets			
Other financial assets	10	**36.21**	36.21
Income tax assets (net)	4	**3.61**	23.06
Other non-current assets	5	**1,465.65**	1,479.28
Total non-current assets		**13,192.84**	11,980.32
Current assets			
Inventories	6	**4,911.73**	3,415.38
Financial assets			
Trade receivables	7	**4,790.62**	2,772.68
Cash and cash equivalents	8	**33.05**	186.39
Bank balance other than cash and cash equivalents	9	**–**	1,380.00
Other financial assets	10	**–**	15.95
Other current assets	11	**1,486.84**	1,490.00
Total current assets		**11,222.24**	9,260.40
Total assets		**24,415.08**	21,240.72
Equity and liabilities			
Equity			
Equity share capital	12	**46,450.00**	46,450.00
Other equity	13	**(29,726.38)**	(29,066.11)
Total equity		**16,723.62**	17,383.89
Non-current liabilities			
Financial liabilities			
Borrowings	14	**750.00**	–
Lease liabilities		**24.07**	28.48
Provisions	16	**88.76**	98.00
Other non-current liabilities	31(E)	**–**	12.09
Total non-current liabilities		**862.83**	138.57

BALANCE SHEET AS AT MARCH 31, 2023 (CONTINUED)

Rs. In lakhs

Particulars	**Note**	**As at March 31, 2023**	As at March 31, 2022
Current liabilities			
Financial liabilities			
Borrowings	14	**4,602.84**	1,672.31
Lease liabilities		**4.41**	4.05
Trade payable	17		
Total outstanding dues of Micro Enterprises and Small Enterprises		**238.14**	290.28
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**903.44**	1,168.50
Other financial liabilities	15	**428.96**	101.07
Other current liabilities	18	**573.74**	426.39
Provisions	16	**77.10**	55.66
Total current liabilities		**6,828.63**	3,718.26
Total equity and liabilities		**24,415.08**	21,240.72
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Rs. In lakhs

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	19	**15,598.99**	10,206.47
Other income	20	**225.90**	142.38
Total income		**15,824.89**	10,348.85
Expenses			
Cost of materials consumed	21	**6,432.39**	3,792.89
Purchase of stock-in-trade		**133.83**	232.96
Changes in inventories of finished goods and work-in-progress	22	**(368.71)**	(460.30)
Employee benefits expense	23	**4,205.48**	3,307.40
Finance costs	24	**299.60**	43.60
Depreciation and amortization expense	25	**1,643.66**	1,322.82
Other expenses	26	**4,123.50**	2,630.92
Total expenses		**16,469.75**	10,870.29
Loss from operations before tax		**(644.86)**	(521.44)
Tax expense:			
Current tax		**–**	–
Deferred tax		**–**	–
Loss for the year		**(644.86)**	(521.44)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans (net of tax)		**(15.41)**	(6.99)
Other comprehensive income for the year, net of tax		**(15.41)**	(6.99)
Total comprehensive loss for the year		**(660.27)**	(528.43)
Earnings per equity share:	32		
(Nominal value of Rs. 10 per share)			
Basic		**(0.14)**	(0.11)
Diluted		**(0.14)**	(0.11)
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Rs. In lakhs

	Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022
A.	**Cash flow from operating activities:**				
	Loss before tax		**(644.86)**		(521.44)
	Adjustments for:				
	Depreciation and amortisation expense	**1,643.66**		1,322.82	
	Exceptional items	**–**		–	
	Finance costs	**299.60**		43.60	
	Property plant and equipment written off	**6.54**		8.50	
	Loss on sale of property plant and equipment (net)	**–**		0.89	
	Interest income	**(1.86)**		(94.86)	
	Net unrealised exchange gain	**6.80**	**1,954.74**	(13.66)	1,267.29
	Operating gain/(loss) before working capital changes		**1,309.88**		745.85
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	**(1,496.35)**		(958.65)	
	Trade receivables	**(2,022.90)**		(936.32)	
	Current financial and other current assets	**3.16**		(229.41)	
	Non-current financial and other non-current assets	**(245.65)**		0.02	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	**(319.04)**		775.28	
	Current financial and other current liabilities	**146.05**		48.40	
	Other non-current liabilities	**(12.09)**		(0.95)	
	Provisions	**(3.21)**		32.01	
			(3,950.03)		(1,269.62)
	Cash generated from/(used in) operations		**(2,640.15)**		(523.77)
	Net income tax refunds/(paid)		**19.44**		(5.67)
	Net cash generated from/(used in) operating activities (A)		**(2,620.71)**		(529.44)
B.	**Cash flow from investing activities:**				
	Payment to acquire property, plant and equipment, including capital advances, for acquiring right-of-use assets	**(2,572.15)**		(1,037.58)	
	Proceeds from sale of property, plant and equipment	**–**		0.05	
	Bank deposits (addition)/matured (net)	**1,380.00**		1,161.96	
	Interest income received	**17.81**		109.92	
	Net cash generated from/(used in) investing activities (B)		**(1,174.34)**		234.35
C.	**Cash flow from financing activities:**				
	Proceeds from issue of equity shares	**–**		–	
	Proceeds from foreign currency loan	**–**		2,374.67	
	Repayment of foreign currency loan	**(605.76)**		(3,054.84)	
	Proceeds from short term loans from related parties	**2,000.00**		–	
	Repayment of short term loans from related parties	**(1,500.00)**		–	
	Working capital Borrowings (net)	**3,036.29**		1,064.85	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023 (CONTINUED)

Rs. In lakhs

Particulars		**For the year ended March 31, 2023**		For the year ended March 31, 2022
Long term borrowings	**1,000.00**			
Repayment of lease liabilities	**(6.66)**		(3.72)	
Finance costs	**(282.16)**		(43.98)	
Net cash generated from/(used in) financing activities (C)		**3,641.71**		336.98
Net increase in cash and cash equivalents (A+B+C)		**(153.34)**		41.89
Effect of exchange differences on restatement of foreign currency cash and cash equivalent		**–**		(0.97)
Cash and cash equivalents at the beginning of the year		**186.39**		145.47
Cash and cash equivalents at the end of the year		**33.05**		186.39
Components of Cash and cash equivalents (Refer note 8)				
Balance with banks				
– On current accounts		**–**		9.59
– On EEFC accounts		**33.05**		176.80
Cash on hand		**–**		–

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a. Equity share capital:

	Rs. In lakhs
As at April 1, 2021	**46,450.00**
Add: changes in equity shares	–
As at March 31, 2022	**46,450.00**
Add: changes in equity shares	–
As at March 31, 2023	**46,450.00**

b. Other equity

Rs. In lakhs

Particulars	Retained Earnings	Other comprehensive income	Total
As at April 1, 2021	**(28,550.94)**	**13.26**	**(28,537.68)**
Loss for the year	(521.44)	–	(521.44)
Re-measurement gain on defined benefit plans	–	(6.99)	(6.99)
Total comprehensive income	**(521.44)**	**(6.99)**	**(528.43)**
As at March 31, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
As at April 1, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
Loss for the year	(644.86)	–	(644.86)
Re-measurement gain/(loss) on defined benefit plans	–	(15.41)	(15.41)
Total comprehensive income	**(644.86)**	**(15.41)**	**(660.27)**
As at March 31, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate Information

Mahindra Aerostructures Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai – 400 018. The Company was incorporated on January 27, 2011 under the provisions of the Indian Companies Act, 1956. The Company is primarily involved in the business of manufacture and sale of aircraft components, assemblies and Aerostructures.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The Financial Statements were authorised for issue by the Company's Board of Directors on 26 April 2022.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3A - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

Note 27 – measurement of defined benefit obligations: key actuarial assumptions; key actuarial assumptions;

Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 36 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 3 - useful life of Property, Plant and Equipment

Notes 7 and 10 - impairment of Financial Assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both Financial and Non-Financial Assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

– Note 29 - financial instruments.

2.2 Significant accounting policies

a) Property Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Factory Buildings – Roads, Compound Wall*	5 years to 30 years
Plant and Machinery*	2 years, 3 years, 5 years, 10 years and 15 years
Electrical Installations	10 years
Office Equipment's	3 years, 5 years and 10 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	5 years

* The Company believes the useful lives as given above best represent the useful lives of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

b) Intangible Assets

Internally generated: Research and development

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others:

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight - line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Impairment of assets

i. Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

e) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Finished goods are valued at cost or net realisable value whichever is lower.

f) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

g) Revenue Recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Product development income is recognized once the first articles are approved by the customers or achievement of mile stones as per customer contract.

Job work Income: Revenue from the rendering of services is recognised upon the delivery of service to the customers. In contracts involving the rendering of services, revenue is recognised pro-rata over the period contract as and when services are rendered.

h) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss. Duty drawback and other incentives are recognized on accrual basis in the Statement of Profit and Loss.

i) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

j) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of profit or loss in the period in which they are incurred.

m) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

n) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Director - Operations.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

o) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, employee state insurance scheme, Pension Fund, etc., are considered as defined contribution plans and are recognised as expenses in the period in which the employee renders the related service.

The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

r) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

s) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Note 3: Property, plant and equipment

Rs. In lakhs

	Tangible assets								Intangible assets	
Particulars	**Factory Buildings**	**Plant & Machinery**	**Electrical Installations**	**Office Equipments**	**Computers**	**Furniture and Fixtures**	**Vehicles**	**Total**	**Computer software**	**Total**
Cost										
As at April 1, 2021	6,607.32	10,909.47	1,410.77	308.86	299.44	371.23	18.62	19,925.71	504.16	504.16
Additions	13.58	423.67	–	18.23	–	0.35	–	455.83	118.14	118.14
Disposals	–	45.18	3.57	9.13	38.23	19.12	18.62	133.85	22.05	22.05
As at March 31, 2022	**6,620.90**	**11,287.96**	**1,407.20**	**317.96**	**261.21**	**352.46**	**–**	**20,247.69**	**600.25**	**600.25**
Additions	87.56	2,725.02	61.93	76.37	46.34	70.01	–	3,067.23	85.64	85.64
Disposals	–	105.56	0.21	1.74	93.38	4.83	–	205.72	6.78	6.78
As at March 31, 2023	**6,708.46**	**13,907.42**	**1,468.92**	**392.59**	**214.17**	**417.64**	**–**	**23,109.20**	**679.11**	**679.11**
Accumulated Depreciation and Amortisation										
As at April 1, 2021	1,752.23	5,792.81	898.96	198.44	244.05	200.36	15.99	9,102.84	428.73	428.73
Charge for the year	239.56	801.72	135.66	32.27	17.16	36.46	1.69	1,264.52	53.71	53.71
Disposals	–	44.46	2.68	8.41	36.42	15.55	17.68	125.20	21.26	21.26
As at March 31, 2022	**1,991.79**	**6,550.07**	**1,031.94**	**222.30**	**224.79**	**221.27**	**–**	**10,242.16**	**461.18**	**461.18**
Charge for the year	244.75	1,085.61	136.32	36.57	21.89	36.97	–	1,562.11	76.96	76.96
Disposals		100.91	0.18	1.45	92.52	4.12		199.18	6.78	6.78
As at March 31, 2023	**2,236.54**	**7,534.77**	**1,168.08**	**257.42**	**154.16**	**254.12**	**–**	**11,605.09**	**531.36**	**531.36**
Net block	**4,471.92**	**6,372.65**	**300.84**	**135.17**	**60.01**	**163.52**		**11,504.11**	**147.75**	
As at March 31, 2022	4,629.11	4,737.89	375.26	95.66	36.42	131.19	–	10,005.53	139.07	139.07
As at March 31, 2023	**4,471.92**	**6,372.65**	**300.84**	**135.17**	**60.01**	**163.52**	**–**	**11,504.11**	**147.75**	**147.75**

Net block	**As at March 31, 2023**	As at March 31, 2022
Property, plant and equipment	**11,504.11**	10,005.53
Capital work in progress	**11.06**	268.13
Intangible assets	**147.75**	139.07

Note:

1. Plant and machinery includes certain equipment covered under a ‘technical seizure order’ issued by the Directorate of Revenue Intelligence (DRI). Gross block and net block value of these equipment as on March 31 2022 are Rs. 2,605.67 lakhs and Rs. 50.51 lakhs respectively (2022: 2,605.67 and 342.70 Gross block and net block respectively).
2. As at March 31, 2023, the Company had first pari-passu charge on all movable fixed assets (both present and future) in favour of Axis Bank Limited for the Credit facilities availed by the Company.

Capital work in progress

Particulars	**As at March 31, 2023**	As at March 31, 2022
Opening balance	**268.13**	63.97
Additions	**2,895.70**	778.13
Capitalised during the year	**(3,152.87)**	(573.97)
Closing balance	**11.06**	268.13

Ageing of Capital work in progress

Particulars	**As at March 31, 2023**	As at March 31, 2022
Less than 1 year	**11.06**	268.13
1-2 years	**–**	–
2-3 years	**–**	–
more than 3 years	**–**	–
	11.06	268.13

Capital work in progress does not contain any projects, which are temporarily suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

Note 3A: Right of use assets

Particulars	**As at March 31, 2023**	As at March 31, 2022
Opening balance	**29.04**	33.63
Leasehold improvements - Additions during year ended	**–**	–
Depreciation on right-of-use asset	**(4.59)**	(4.59)
Net carrying amount	**24.45**	29.04

Interest on lease liabilities for the year ended on March 31, 2023 is Rs. 2.61 Lakhs (2022: Rs.2.94 lakhs)

Note 4: Income tax assets (net)

Rs. In lakhs

Particulars	**As at March 31, 2023**	As at March 31, 2022
TDS receivable (net of provision for taxation Rs. NIL Lakhs (2022: Rs. NIL Lakhs))	**3.61**	23.06
	3.61	23.06

Note 5: Other non-current assets

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST credit receivable	**1,244.30**	1,244.30
Less: Provision	**(1,244.30)**	(1,244.30)
	–	–
Customs deposit	**277.47**	277.47
Capital advances	**59.56**	318.84
Consideration paid for lease land [Refer Note 30 (a)]	**1,116.16**	870.51
Other deposits	**12.46**	12.46
	1,465.65	1,479.28

Note 6: Inventories

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(at the lower of cost and net realisable value)		
Raw materials [Net of provision Rs. 108.83 Lakhs (2022: Rs. 104.05 Lakhs)]	**2,651.55**	1,489.59
Work in progress	**923.81**	557.52
Finished goods [Net of provision Rs.41.29 Lakhs (2022: Rs. 40.05 Lakhs)] [Includes in transit Rs. 20.93 lakhs; (2022: Rs. 48.83 lakhs)]	**963.78**	961.36
Stores and spares [Net of provision - Rs. 36.37 Lakhs (2022: Rs. Nil)]	**372.59**	406.91
	4,911.73	3,415.38

The movement in provision on inventory during the year is as under:

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	**144.10**	192.12
Provision during the year	**51.62**	24.73
Utilised during the year	**9.23**	72.75
Closing balance	**186.49**	144.10

Note 7: Trade receivables

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, undisputed trade receivables considered good	**4,790.62**	2,772.68
	4,790.62	2,772.68

Notes:

1. There are no disputed trade receivables
2. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29.

Undisputed trade receivables outstanding for the following periods from the due date of payment:

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Upto 6 months (including not due)	**4,790.30**	2,772.68
More than 6 months and less than 1 year	**0.32**	–
More than 1 year and less than 2 years	**–**	–
More than 2 years and less than 3 years	**–**	–
More than 3 years	**–**	–
	4,790.62	2,772.68

Note 8: Cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks		
On Current accounts	**–**	9.59
On EEFC accounts	**33.05**	176.80
Cash on hand	**–**	–
	33.05	186.39

Note 9: Bank balance other than cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits	**–**	1,380.00
	–	1,380.00

Note 10: Other financial assets

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless and otherwise stated		
Non - current		
Security deposits	**36.21**	36.21
	36.21	36.21
Current		
Interest accrued on deposit	**–**	15.95
	–	15.95

These financial assets are carried at amortised cost unless otherwise stated.

The Company's exposure to currency and liquidity risk are disclosed in note 29.

Note 11: Other current assets

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless and otherwise stated		
Balances with government authorities:		
GST credit receivable	**985.56**	807.66
Foreign VAT receivable	**36.16**	55.43
MEIS/RoDTEP benefit receivable	**45.51**	127.48
Duty drawback receivable	**7.07**	18.78
	1,074.30	1,009.35
GST Refund receivable	**73.91**	151.91
Advance to suppliers	**293.20**	283.22
Advances to employees	**14.23**	10.71
Prepaid expenses	**31.20**	34.81
	1,486.84	1,490.00

Note 12: Share capital

Rs. In lakhs

	Particulars	As at March 31, 2023 No of shares	As at March 31, 2023 Amount	As at March 31, 2022 No of shares	As at March 31, 2022 Amount
1	Authorised :	**47,00,00,000**	**47,000.00**	47,00,00,000	47,000.00
	(Equity shares of Rs 10 each)				
	Total	**47,00,00,000**	**47,000.00**	47,00,00,000	47,000.00
2	Issued, Subscribed and fully paid up:				
	Equity: (Equity shares of Rs. 10 each)				
	Opening balance	**46,45,00,000**	**46,450.00**	46,45,00,000	46,450.00
	Add: Issued during the year	**–**	**–**	–	–
	Closing balance	**46,45,00,000**	**46,450.00**	46,45,00,000	46,450.00
	Total	**46,45,00,000**	**46,450.00**	46,45,00,000	46,450.00

Notes:

1) The above 46,45,00,000 (2022: 46,45,00,000) shares are held by Mahindra Aerospace Private Limited, the holding company, Including shares held jointly with nominees.

2) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2023 No of shares	As at March 31, 2023 %	As at March 31, 2022 No of shares	As at March 31, 2022 %
Mahindra Aerospace Private Limited and its nominees*	**46,45,00,000**	**100.00%**	46,45,00,000	100.00%

* Includes 8 shares (2022: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

3) Shareholding of Promoters

As at 31 March 2023

Promoter Name	**No of shares at the begining of the year**	**Change during the year**	**No of Shares at the end of year**	**% of total shares**	**% of change during the year**
Mahindra Aerospace Private Limited and its nominees*	**464,500,000**	**–**	**464,500,000.00**	**100%**	**0%**

* Includes 8 shares (2022: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

As at 31 March 2022

Promoter Name	No of shares at the begining of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra Aerospace Private Limited and its nominees*	464,500,000	–	464,500,000.00	100%	0%

* Includes 8 shares (2022: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

3) Rights, preferences and restrictions attached to equity shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 13: Other equity

Rs. In lakhs

Particulars	Retained earnings	Other comprehensive income	Total
As at April 1, 2021	**(28,550.94)**	**13.26**	**(28,537.68)**
Re-measurement gain/(loss) on defined benefit plans	–	(6.99)	(6.99)
Loss for the year	(521.44)	–	(521.44)
As at March 31, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
Re-measurement gain/(loss) on defined benefit plans	–	(15.41)	(15.41)
Loss for the year	(644.86)	–	(644.86)
As at March 31, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**
Total other equity			
As at March 31, 2022	(29,072.38)	6.27	(29,066.11)
As at March 31, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**

Retained earnings :

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income :

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Note 14: Borrowings

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at Amortised Cost		
Non-current		
Secured term loan from banks (Refer note 1 below)	**750.00**	–
Carried at Amortised Cost		
Current (Refer note 1 below)]		
Secured working capital loan from banks	**4,102.84**	1,672.31
Unsecured loan from related party (Refer note 28)	**500.00**	–
	4,602.84	1,672.31

Note 1: Terms and repayment schedule

Terms and condition of outstanding borrowings are as follows

Rs. In lakhs

Name of Bank/Party	Nominal interest rate %	Year of maturity	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022
Axis Bank - Term loan*	1 year MCLR	FY 2026	**1,000.00**	–
Axis Bank - Working capital loan**	1M MCLR	On demand	**1,681.31**	–
HDFC Bank - Working capital loan**	6M MCLR	On demand	**1,421.53**	1,672.31
HDFC Bank - Working capital demand loan**	30 Day T Bill + 1.2%	On demand	**1,000.00**	–
Mahindra Defence System Limited	9.25%		**500.00**	–

* The term loan is secured by first pari-passu charge on all movable fixed assets (both present and future) and repayable in 12 quarterly installments commencing from May 2023.

** The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, which are secured by charge on all current assests (both present and future)

Note 2: Borrowings are used for the specific purpose for which it was taken. Monthly stock statements submitted to banks are in agreement with books of account.

Net debt reconciliation:

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	**33.05**	186.39
Fixed deposits	**–**	1,380.00
Current borrowings	**(4,602.84)**	(1,672.31)
Non-Current borrowings	**(750.00)**	–
Current maturities of long-term loans	**(250.00)**	–
Net Surplus/ (debt)	**(5,569.79)**	(105.92)

Note 15: Other financial liabilities

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Current maturities of long tem loans	**250.00**	–
Interest accrued but not due on borrowings	**15.54**	0.71
Security deposits - Dues to related parties (Refer note 28)	**2.30**	3.60
Capital creditors*	**161.12**	96.76
	428.96	101.07

* Includes Dues to micro and small enterprises Rs. 10.51 Lakhs (2022: Rs.92.62 Lakhs) (Refer Note No. 31)

Note 16: Provisions

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Non-current		
Gratuity (Refer note 27)	**0.06**	–
Compensated absences	**88.70**	98.00
	88.76	98.00
Current		
Gratuity (Refer note 27)	**50.74**	26.93
Compensated absences	**26.36**	28.73
	77.10	55.66

Note 17: Trade payables

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current, undisputed		
Dues to micro and small enterprises (Refer note 31)	**238.14**	290.28
Dues to related parties (Refer note 28)	**6.23**	39.60
Dues to others	**897.21**	1,128.90
	1,141.58	1,458.78

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Dues to micro and small enterprises		
Less than 1 year (including not due)	**238.14**	290.28
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	238.14	290.28
Dues to related parties and others		
Less than 1 year (including not due)	**903.44**	1,167.06
1-2 years	**–**	0.18
2-3 years	**–**	–
More than 3 years	**–**	1.26
	903.44	1,168.50

Note 18: Other current liabilities

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	**87.23**	49.61
Payables to employees	**450.24**	373.13
Interest Payable to Micro and Small enterprises (Refer Note 31 (E))	**32.59**	–
Others	**3.68**	3.65
	573.74	426.39

Note 19: Revenue from operations

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
– Manufactured products	**13,993.34**	9,114.87
– Traded goods	**169.60**	288.18
Sale of services		
– Job work income	**129.27**	179.18
Product development income	**790.31**	239.70
Other operating revenues		
Duty drawback and other export incentives	**358.40**	252.42
Scrap sales	**158.07**	132.12
	15,598.99	10,206.47

Note 20: Other income

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating lease rental income	**4.20**	4.18
Gain on foreign exchange translation, (net)	**204.98**	22.08
Interest income on		
Bank deposits	**1.21**	94.36
Income tax refund	**0.65**	0.50
Other miscellaneous income	**14.86**	21.26
	225.90	142.38

Note 21: Cost of materials consumed

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	**1,489.59**	1,066.33
Add: Purchases	**7,594.35**	4,216.15
Less: Inventory at the end of the year	**2,651.55**	1,489.59
	6,432.39	3,792.89

Note 22: Changes in Inventories of finished goods and work-in-progress

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year		
Work-in progress	**557.52**	361.99
Finished goods	**961.36**	696.59
	1,518.88	1,058.58
At the end of the year		
Work-in progress	**923.81**	557.52
Finished goods	**963.78**	961.36
	1,887.59	1,518.88
Net (increase)/decrease	**(368.71)**	(460.30)

Note 23: Employee benefits expense

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	**3,341.38**	2,666.99
Remuneration to Managing Director	**238.62**	195.37
Contribution to provident and other funds *	**161.34**	134.20
Staff welfare expenses	**464.14**	310.84
	4,205.48	3,307.40

* Includes Gratuity expense of Rs. 39.35 Lakhs (FY 2022 Rs. 31.19 Lakhs)

Note 24: Finance costs

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense at amortised costs		
on loans	**208.48**	26.52
on lease liabilities	**2.61**	2.94
on others	**88.51**	14.14
	299.60	43.60

Note 25: Depreciation and amortisation expense

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of tangible assets (Refer note 3)	**1,562.11**	1,264.52
Amortisation of intangible assets (Refer note 3)	**76.96**	53.71
Depreciation on right-of-use asset (Refer note 3A)	**4.59**	4.59
	1,643.66	1,322.82

Note 26: Other expenses

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	**982.47**	422.29
Power and fuel	**470.88**	391.13
Repairs and maintenance:		
– Plant and equipment	**256.72**	242.67
– Buildings	**9.39**	21.09
– Others	**77.61**	73.61
Insurance	**148.24**	111.48
Rates and taxes	**24.05**	23.49
Auditors remuneration (refer note below)	**14.26**	12.15
Legal and other professional charges	**872.87**	615.04
Travelling and conveyance	**247.07**	49.09
Bank charges	**67.52**	43.92
Business promotion expenses	**20.84**	16.58
Freight outwards	**257.97**	189.10
Information technology expenses	**227.58**	146.66
Loss on sale of property, plant and equipment, (net)	**-**	0.89
Property, plant and equipment written off	**6.54**	8.50
Office and administrative expenses	**131.42**	104.10
Testing and calibration charges	**87.27**	69.48
Other miscellaneous expenses	**220.80**	89.65
	4,123.50	2,630.92

Note:

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**12.00**	9.00
Other services and certifications	**1.25**	2.75
Reimbursement of expenses	**1.01**	0.40
	14.26	12.15

Note 27: Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and others aggregating Rs.121.99 Lakhs (2022 : Rs. 103.01 Lakhs) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit is payable as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Rs. In lakhs

Particulars	Funded Plan Gratuity 31-Mar-23	31-Mar-22
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**38.53**	31.09
Net interest cost	**0.82**	0.10
	39.35	31.19
II. Recognised in other comprehensive income for the year		
Return on Plan Assets	**1.79**	2.76
Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	**–**	–

Rs. In lakhs

Particulars	Funded Plan Gratuity 31-Mar-23	31-Mar-22
– Financial Assumptions	**(7.02)**	0.99
– Experience Adjustments	**20.64**	3.24
	15.41	6.99
Total	**54.76**	38.18
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**202.11**	160.53
2. Acquisitions/Divestures/Transfer (transfer of employees from MAPL)	**–**	–
3. Current Service Cost	**38.53**	31.09
4. Interest Cost	**13.92**	11.36
5. Recognised in Other Comprehensive Income		
– Actuarial (Gain)/Loss	**13.62**	4.23
6. Benefit paid	**(14.23)**	(5.10)
Present value of defined benefit obligation at the end of the year	**253.95**	202.11
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**175.18**	146.50
2. Interest income	**13.10**	11.26
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**(1.79)**	(2.76)
4. Contributions by employer	**30.89**	25.28
5. Benefit paid	**(14.23)**	(5.10)
Fair value of plan assets at the end of the year	**203.15**	175.18
V. Net Liability/(Asset) recognised in the Balance Sheet		
– Present value of defined benefit obligation	**253.95**	202.11
– Fair value of plan assets	**(203.15)**	(175.18)
Net liability	**50.80**	26.93
Current portion of the above	**50.74**	26.93
Non current portion of the above	**0.06**	–

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Actuarial Assumptions:

The principal assumptions used in determining defined benefit obligations and fair value of asset for gratuity and leave encashment are:

Particulars	31-Mar-23	31-Mar-22
Discount rate	**7.49%**	7.14%
Future salary increases	**6.00%**	6.00%
Attrition rate	**11.12%**	11.12%
Estimated rate of return on plan assets	**7.14%**	7.19%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 are as below

Assumptions	Gratuity Discount Rate		Further Salary Increase		Attrition		Mortality
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(20.06)	23.50	23.02	(19.92)	1.29	(1.51)	0.03
Percentage change	(7.90%)	9.25%	9.06%	(7.84%)	0.51%	(0.60%)	0.01%

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 are as below

Assumptions	Gratuity Discount Rate		Further Salary Increase		Attrition		Mortality
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(16.66)	19.57	19.10	(16.49)	0.61	(0.74)	0.01
Percentage change	(8.24%)	9.68%	9.45%	(8.16%)	0.30%	(0.37%)	0.00%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions by the Company to the defined benefit plan in future years:

Rs. In lakhs

Particulars	Gratuity 31-Mar-23	31-Mar-22
Within the next 12 months	**42.42**	13.50
Between 2 and 5 years	**45.58**	55.47
Between 6 and 10 years	**62.11**	47.02

Note 28: Related Party transactions

i) Related parties where control exists along with nature of relationship

Name of Related Party Company	Nature of Relationship
Mahindra & Mahindra Limited	Ultimate holding company
Mahindra Aerospace Private Limited	Holding company

Other related parties with whom transaction have taken place during the year:

Name of Related Party	Nature of Relationship
GippsAero Pty Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Bristlecone India Limited	Fellow subsidiary
Mahindra Defence Systems Limited	Fellow subsidiary
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	Employees Gratuity Trust

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel (KMP)

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Managing Director & CEO
Dr. Karthik Krishnamurthy	Wholetime Director & Chief Operating Officer
Ms. Seema Bangia	Director
Mr. Mukul Verma	Director
Mr. Dhiraj Rajendran	Director (Until March 29, 2023)
Mr. T Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties during the year:

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Transactions with Group entities		
Services received (included under note 26 Other expense)		
Mahindra & Mahindra Limited	**492.43**	265.99
Mahindra Integrated Business Solutions Private Limited	**13.32**	56.86
Bristlecone India Limited	**4.66**	0.69
	510.41	323.54
Loan taken		
Mahindra Defence Systems Limited	**2,000.00**	–
	2,000.00	–
Loan repaid		
Mahindra Defence Systems Limited	**1,500.00**	–
	1,500.00	–
Interest on Loan paid		
Mahindra Defence Systems Limited	**30.59**	–
	30.59	–
Rent received		
Mahindra Aerospace Private Limited	**4.20**	4.18
	4.20	4.18
Reimbursement of expenses made to:		
Mahindra Aerospace Private Limited (included under Legal and other professional charge Refer note 26)	**–**	31.62
	–	31.62
II. Transactions with key managerial personnel		
Salary and perquisites*		
Mr. Arvind Kumar Mehra	**238.62**	195.37
Dr. Karthik Krishnamurthy	**82.50**	67.60
Mr. T. Subrahmanya Sarma	**63.73**	52.39
	384.85	**315.36**

* Compensation of key managerial personnel does not include post employment defined benefit plan and compensated absences as the same has been provided based on the actuarial valuation determined for the Company as a whole.

(iv) Details of balances receivable from and payable to related parties are:

Rs. In lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loan taken		
Mahindra Defence Systems Limited	**500.00**	–
	500.00	–
Trade payables		
Mahindra & Mahindra Limited	**5.87**	39.32
Mahindra Integrated Business Solutions Private Limited	**0.36**	0.28
	6.23	39.60
Security Deposit		
Mahindra Aerospace Private Limited	**2.30**	3.60
	2.30	3.60

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 29: Financial instruments - Fair values and risk management

A The carrying value and fair value of financial instruments by categories

Rs. In lakhs

	For the year ended March 31, 2023		For the year ended March 31, 2022		Fair value			
	Carrying Value	**Fair values**	Carrying Value	Fair values	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	**4,790.62**	**4,790.62**	2,772.68	2,772.68	–	–	–	–
Cash and cash equivalents and other bank balances	**33.05**	**33.05**	186.39	186.39	–	–	–	–
Bank balance other than cash and cash equivalents	**–**	**–**	1,380.00	1,380.00	–	–	–	–
Security deposits	**36.21**	**36.21**	36.21	36.21	–	–	–	–
Interest accrued on deposits	**–**	**–**	15.95	15.95	–	–	–	–

	As at March 31, 2023		As at March 31, 2022		Fair value			
	Carrying Value	**Fair values**	Carrying Value	Fair values	Level 1	Level 2	Level 3	Total
Financial liabilities								
Borrowings	**5,352.84**	**5,352.84**	1,672.31	1,672.31	–	–	–	–
Trade payables	**1,141.58**	**1,141.58**	1,458.78	1,458.78	–	–	–	–
Other financial liabilities	**428.96**	**428.96**	101.07	101.07	–	–	–	–

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, trade receivables, loans, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value. Based on this evaluation, the Company records allowance for estimated losses on these receivables. As of March 31, 2023 and March 31, 2022, the carrying value of such receivables, net of allowances approximates the fair value.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
– Market risk
– Credit risk
– Liquidity risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having variable rate loans and borrowings.

b. Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Average Interest Rate	Increase/ decrease in base points	Effect on profit before tax
March 31, 2023			
Interest rates increased by 50 bps	7.75%	+50	Increase in interest by Rs. 11.39 Lakhs
Interest rates reduced by 50 bps	7.75%	-50	Reduction in interest by Rs. 11.39 Lakhs
March 31, 2022			
Interest rates increased by 50 bps	2.36%	+50	Increase in interest by Rs. 5.63 Lakhs
Interest rates reduced by 50 bps	2.36%	-50	Reduction in interest by Rs. 5.63 Lakhs

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

d. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, AUD ,EUR and SGD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies are not material.

Rs. In lakhs

	31-Mar-23		31-Mar-22	
Particulars	**Increase / decrease in basis points**	**Effect on profit before tax**	Increase / decrease in basis points	Effect on profit before tax–
USD	**+50**	**24.76**	+50	10.41
EUR	**+50**	**(0.35)**	+50	(0.10)
CHF	**+50**	**(0.01)**	+50	–
CAD	**+50**	**0.02**	+50	–
SGD	**+50**	**–**	+50	(0.01)
USD	**-50**	**(24.76)**	-50	(10.41)
EUR	**-50**	**0.35**	-50	0.10
CHF	**-50**	**0.01**	-50	–
CAD	**-50**	**(0.02)**	-50	–
SGD	**-50**	**–**	-50	0.01

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a. Trade Receivable

Trade Receivables: The credit period on sales ranges between 30 to 120 days. No interest is charged on trade receivables. The company's customers are reputed Aerospace industry companies having good financial position and there is no past default experience of the counter parties. Trade receivables disclosed below includes the amounts that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts are still considered recoverable.

The Company has used practical expedient by computing expected credit loss allowance based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows

31 March 2023

Rs. In lakhs

Age of Receivables	**Expected Credit loss**	**Gross carrying amount**	**Loss Allowance**	**Credit Impaired**
Not Due	**0%**	**4,678.14**	**–**	**No**
< 90 Days	**0%**	**110.70**	**–**	**No**
90-180 days due	**0%**	**1.46**	**–**	**No**
180-270 days due	**0%**	**0.32**	**–**	**No**
270-360 days due	**0%**	**0.00**	**–**	**No**
> 360 days due	**0%**	**–**	**–**	**No**
Total		**4,790.62**	**–**	

31 March 2022

Rs. In lakhs

Age of Receivables	Expected Credit loss	Gross carrying amount	Loss Allowance	Credit Impaired
Not Due	0%	2,300.38	0.00	No
< 90 Days	0%	472.16	0.00	No
90-180 days due	0%	0.14	0.00	No
180-270 days due	0%	0.00	0.00	No
270-360 days due	0%	0.00	0.00	No
> 360 days due	0%	0.00	0.00	No
Total		2,772.68	0.00	

Information about major customers:

Customers contributing 10% or more of Company's revenue (Five customers amounting to Rs 12,563.26 Lakhs in 2022-23 and Five customers amounting to Rs 8,547.04 Lakhs in 2021-22) constitute 83% and 87% for the current year and previous year respectively. Receivables from these external customers is approximately Rs. 3822.09 Lakhs (2022: Rs. 8547.04 Lakhs) representing 80% (2022: 86%) of Company's total receivables as at March 31, 2023. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs. In lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended 31 March 2023						
Borrowings	**4,602.84**	**250.00**	**333.33**	**416.67**	**–**	**5,602.84**
Trade payables	**–**	**1,141.58**	**–**	**–**	**–**	**1,141.58**
Other financial liabilities	**–**	**178.96**	**–**	**–**	**–**	**178.96**
	4,602.84	**1,570.54**	**333.33**	**416.67**	**–**	**6,923.38**
Year ended 31 March 2022						
Borrowings	1,672.31	–	–	–	–	1,672.31
Trade payables	–	1,458.78	–	–	–	1,458.78
Other financial liabilities	–	101.07	–	–	–	101.07
	1,672.31	1,559.85	–	–	–	3,232.16

Financial assets carried at amortised cost as at March 31, 2023 is Rs. 4,859.87 Lakhs (2022: Rs. 4,391.23 Lakhs) carried at amortised cost is in the form of cash and cash equivalents, bank deposits, earmarked balances with banks, security deposits etc. where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 4,790.93 Lakhs as at March 31, 2023 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to Aerospace Sector. The Company closely monitors its customers who are being impacted.

Basis this assessment, the Management believes Company is not required to provide for doubtful trade receivables as at March 31, 2023.

D Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

Rs. In lakhs

	As at March 31, 2023	As at March 31, 2022	% change
Total equity (A)	**16,723.62**	17,383.89	(3.80)
Current loans and borrowings	**4,602.84**	1,672.31	
Non current loans and borrowings	**750.00**	–	
Current maturities of long-term loans	**250.00**	–	
Total loans and borrowings (B)	**5,602.84**	1,672.31	235.04
Total capital (loans and borrowings and equity) (C)	**22,326.46**	19,056.20	
As percentage of total capital (B/C)	**25.10**	8.78	
Total loans and borrowings as percentage of Total equity (B/A)	**33.50**	9.62	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Ultimate Holding/ Parent company will provide financial support in the future to enable them to settle their obligation as and when they fall due and operate as a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

30. Commitments and contingent liabilities

a) The Company entered into a lease-cum-sale agreement ('Agreement') for a period of 10 years with KIADB for 20 acres of land allotted in Narasapura Industrial area, Kolar District, Karnataka, for the setting up of aerospace component manufacturing facility. The title of the land will be transferred to the Company during the current lease term or at the end of 10 year or extended period, if any, after fulfilling all conditions stipulated in the said Agreement.

The Company had so far incurred an amount of Rs. 1,116.16 lakhs (2022: Rs. 870.51 Lakhs) towards allotment consideration and other related expenses in connection with the said lease-cum-sale agreement. The said amount is disclosed under non-current assets.

The Company initiated the process to get the land transferred in its name

b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.412.87 lakhs (2022: Rs. 1,047.85 lakhs)

c) Customs duty and penalty of Rs. 2,598.85 lakhs (2022: 2,598.85 lakhs) along with the applicable interest payable against the order issued by the Commissioner of Customs in the matter of import of certain pre-owned equipment. The Company has filed an appeal and the same is pending with the CESTAT.

d) Customs duty of Rs. 41.36 lakhs along with the applicable interest (2022: Rs. 41.36 lakhs) payable against the Demand Cum show cause notice issued by the Directorate of Revenue Intelligence in the matter of certain imports relating to installation of certain equipment, for which the company has submitted reply and the same is pending with Joint Commissioner of Customs.

e) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 83.75 Lakhs has been considered by the Company as contingent liability.

Note: The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of operations.

31. Dues to micro , small and medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the Auditors. The disclosures relating to Micro, Small and Medium Enterprises as at the year ends are as under: -

			Rs. in Lakhs
Sr. No.	**Particulars**	**As at March 31, 2023**	As at March 31, 2022
A	The principal amount remaining unpaid to supplier as at the end of the year	248.65	382.90
B	The interest due thereon remaining unpaid to supplier as at the end of the year	0.18	5.19
C	Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	2,411.79	1,260.95
	- Interest paid in terms of the Section 16 of the Act	6.55	7.29
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
E	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	32.59	12.09
F	The amount of interest accrued during the year and remaining unpaid at the end of the year	27.04	6.90

32. Earnings Per Share:

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

			Rs. in Lakhs
Sr. No.	**Particulars**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a)	Earnings attributable to equity shareholders	**(644.86)**	(521.44)
(b)	Weighted average number of equity shares outstanding during the year	**464,500,000**	464,500,000
(c)	Basic Earnings per share (Rs. In absolute)	**(0.14)**	(0.11)
(d)	Dilutive Earnings per share (Rs. In absolute)	**(0.14)**	(0.11)

Weighted average no of shares (basic & diluted)

			Rs. In lakhs
Sr. No.	**Particulars**	**For the year ended 31 March 2023**	For the year ended 31 March 2022
(a)	Opening Balance	**464,500,000**	464,500,000
(b)	Effect of fresh issue of shares	**–**	–
(c)	Weighted average no. of shares	**464,500,000**	464,500,000

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

		Rs. In lakhs
Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Weighted average number of equity shares used in the calculation of Basic EPS	**464,500,000**	464,500,000
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**464,500,000**	464,500,000

33. **Segment Reporting:**

The Company primarily operates in the aerospace segment. The Activities of the Company includes "Sale of aircraft components and sub assemblies".

The Managing Director & CEO of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely aerospace segment . Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from Operations

	Domestic	**Overseas**	**Total**
2022-23	**513.07**	**14,569.45**	**15,082.52**
2021-22	381.28	9,440.65	9,821.93

a) Domestic & Overseas segments include Component sales, job work services and product development income to customers located in India & Out side India

b) There are no assets located outside India.

c) Customers contributing 10% or more of Company's revenue (Five customers amounting to Rs 12,563.26 Lakhs in 2022-23 and Five customers amounting to Rs 8,547.04 Lakhs in 2021-22)

Note 34. Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of capabilities to partner with customers, the future revenue streams could come from increase in customer requirement arising from overall ramp-up of Aerospace sector

The Company has assessed that customers in Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of contracts and have noted that there is no significant impact of likely delays / increased cost in meetings its obligations as at March 31, 2023. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

35. The Company has incurred losses in current and earlier years. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. Based on approved business plans, undrawn borrowing facilities from the banks and cash flow projections, the manangement of the company believes that the use of going concern assumption is appropriate in the preparation of these financial statements of the company. The Company's current assets exceed its current liabilities as at March 31, 2023, in addition to generating cash profit during the year.

Note 36: Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows:

Rs. In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Related to depreciation of fixed assets	**642.52**	624.40
Total deferred tax liability (a)	**642.52**	624.40
Deferred tax assets		
Provision for gratuity	**13.21**	7.00
Provision for leave encashment	**29.92**	32.95
Provision for inventory	**48.49**	37.47
Provision for service tax credit	**323.52**	323.52
Unabsorbed Depreciation	**3,315.91**	3,205.37
Carry forward losses	**2,673.03**	3,742.92
Others	**9.23**	7.62
Total deferred tax assets (b)	**6,413.31**	7,356.85
Net deferred tax assets (b-a)	**5,770.79**	6,732.45

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Amount reocognised in statement of profit and loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	–	–
Deferred tax	–	–

(c) Reconciliation of effective tax rate:

Particulars	As at March 31, 2023		As at March 31, 2022	
Profit/(loss) before tax		**(644.86)**		(521.44)
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**(167.66)**	26.00%	(135.57)
Tax effects of:				
Permanent differences		**25.07**		5.32
Timing differences		**16.75**		13.97
Deferred tax asset not recognised in statement of profit and loss		**125.84**		116.28
Income tax expense		**–**		–
		167.66		135.57
Effective tax rate		**26.00%**		26.00%

(d) Tax losses

Particulars	As at March 31, 2023	Expiry date	As at March 31, 2022	Expiry date
Loss from business	**10,280.88**	March 31, 2024 to March 31, 2029	14,395.85	March 31, 2023 to March 31, 2029
Unabsorbed depreciation	**12,753.50**	Carried forward indefinitely	12,328.33	Carried forward indefinitely
Total	**23,034.38**		26,724.18	
Potential tax benefit	**5,988.94**		6,948.29	

37. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 39: Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	11,222.24	6,828.63	1.64	2.49	-34%	Increase in operations resulting in higher Inventory and receivables funded by working capital borrowings
Debt-Equity ratio	5,602.84	16,723.62	0.34	0.10	248%	Increase in working capital borrowings in line with increase in operations and Long term loan for capital expenditure
Debt Service Coverage ratio	1,943.26	299.60	6.49	31.56	-79%	Due to higher interest cost on account of increased borrowings
Return on Equity ratio	(644.86)	17,053.76	-3.8%	-3.1%	23%	Due to exceptional item of Rs. 161.84 lakhs
Inventory Turnover ratio	15,082.52	4,163.56	3.62	3.51	3%	
Trade Receivables Turnover ratio	15,082.52	3,781.65	3.99	4.18	-5%	
Trade Payables Turnover ratio	7,728.18	1,300.18	5.94	4.15	43%	Due to Increase in operations and higher turnover
Net capital turnover ratio	15,082.52	4,393.61	3.43	1.77	94%	Due to higher turnover in current year
Net profit ratio	(644.86)	15,082.52	-4%	-5%	-19%	Due to reduced losses on account of increase in turnover
Return on capital employed	(345.26)	22,326.46	-1.5%	-2.5%	-38%	
Return on investment	Not Applicable					

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory

Ratio	Formula
Trade Receivables Turnover ratio	Net Credit Sales / Avg receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales / working capital
Net profit ratio	Net Profit / Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

39. As the Company has losses in the earlier years provision of corporate social responsibility as per Companies Act, 2013 was not applicable.

40. The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

41. During the year ended March 31, 2023, no material foreseeable loss (2022: Nil) was incurred for any long-term contract including derivative contracts.

42. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

    a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

    b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

43. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

    a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

    b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

45. The Company has not traded or invested in Crypto currency or virtual currency during the current year.

46. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 26, 2023

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 26, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA AEROSPACE AUSTRALIA PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Mahindra Aerospace Australia Pty Ltd, "the Company", which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the shareholders and directors.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Non-Going Concern Basis for Preparation

We draw attention to Note 1(b) in the financial report which indicates that the financial report has been prepared on a non-going concern basis, given the company's intention to sell, dispose of, or transfer its equity ownership and/or dispose of all of its business and/or assets. Our opinion is not modified in respect to this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Mahindra Aerospace Australia Pty Ltd to meet the requirements of the shareholders and directors. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's director's report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N R BULL　　PITCHER PARTNERS

Partner　　Melbourne

Date 19 May 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue and other income			
Interest income		**39,898**	–
		39,898	–
Less: expenses			
Impairment loss		**(3,250)**	–
Professional fees		**(230,283)**	(7,908)
		(233,533)	(7,908)
Loss before income tax expense		**(193,635)**	(7,908)
Other comprehensive income for the year		**–**	–
Total comprehensive loss		**(193,635)**	(7,908)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	2	**5,763,810**	5,963,695
Receivables	3	**18,651**	–
Total current assets		**5,782,461**	5,963,695
Non-current assets			
Investments in subsidiaries	4	**–**	**–**
Total non-current assets		**–**	**–**
Total assets		**5,782,461**	5,963,695
Current liabilities			
Payables	5	**23,372**	10,971
Total current liabilities		**23,372**	10,971
Total liabilities		**23,372**	10,971
Net assets		**5,759,089**	5,952,724
Equity			
Share capital	6	**142,135,380**	142,135,380
Retained earnings	7	**(136,376,291)**	(136,182,656)
Total equity		**5,759,089**	5,952,724

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital $	Accumulated losses $	Total equity $
Balance as at 1 April 2021	142,135,380	(136,174,748)	5,960,632
Loss for the year	–	(7,908)	(7,908)
Total comprehensive loss for the year	–	(7,908)	(7,908)
Balance as at 31 March 2022	142,135,380	(136,182,656)	5,952,724
Balance as at 1 April 2022	142,135,380	(136,182,656)	5,952,724
Loss for the year	–	(193,635)	(193,635)
Total comprehensive loss for the year	–	(193,635)	(193,635)
Balance as at 31 March 2023	**142,135,380**	**(136,376,291)**	**5,759,089**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Cash flow from operating activities			
Payments to suppliers		**(217,882)**	(18,937)
Interest received		**21,247**	–
Net cash used in operating activities		**(196,635)**	(18,937)
Cash flow from investing activities			
Payment for investments		**(3,250)**	–
Net cash used in investing activities		**(3,250)**	–
Reconciliation of cash			
Cash at beginning of the financial period		**5,963,695**	5,982,632
Net decrease in cash held		**(199,885)**	(18,937)
Cash at end of financial period		**5,763,810**	5,963,695

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared for use by the directors and members of the company.

The financial report covers Mahindra Aerospace Australia Pty Ltd as an individual entity. Mahindra Aerospace Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Mahindra Aerospace Australia Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

This financial report is a special purpose financial report of the company. The financial report excludes the consolidation of controlled entities.

The financial report was approved by the directors at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-going concern

The company is seeking to sell, dispose of, or transfer 100% of the equity ownership in the company and/or its subsidiaries, and/or dispose of all assets. Accordingly, this financial report has been prepared on a non- going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interperetations are applied in the context of the Mahindra Aerospace Australia Pty Ltd ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and Interperetations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Other revenue and other income

Interest

Interest revenue is measured in accordance with the effective interest method. All revenue is measured net of the amount of goods and services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(e) Investments in subsidiaries

Non-current investments are recorded at cost. The carrying amount of the investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments.

(f) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(g) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

	2023 $	2022 $
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank	**5,763,810**	5,763,810
NOTE 3: RECEIVABLES		
CURRENT		
Withholding tax receivable	**18,651**	–
NOTE 4: INVESTMENT IN SUBSIDIARIES		
Investment in GippsAero Pty Ltd	**101,893,390**	101,893,390
Investment in GA8 Airvan Pty Ltd	**10,503**	9,853
Investment in GA200 Pty Ltd	**10,503**	9,853
Investment in Airvan 10 Pty Ltd	**10,510**	9,860
Investment in Airvan Flight Services Pty Ltd	**10,502**	9,852
Investment in Nomad TC Pty Ltd	**5,012,150**	5,011,500
Provision for impairment loss	**(106,947,558)**	(106,944,308)
Total financial assets at cost	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	2023 $	2022 $
NOTE 5: PAYABLES		
CURRENT		
Unsecured liabilities		
Accrued expenses	**23,372**	10,971

	2023 $	2022 $
NOTE 6: SHARE CAPITAL		
Issued and paid-up capital		
15,401,454,500 (2022: 15,401,454,500) ordinary shares	**142,135,380**	142,135,380

	2023 $	2022 $
NOTE 7: ACCUMULATED LOSSES		
Accumulated losses at beginning of year	**(136,182,656)**	(136,174,748)
Net loss for the year	**(193,635)**	(7,908)
	(136,376,291)	(136,182,656)

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2023, of the company.

NOTE 9: COMPANY DETAILS

The registered office of the entity is:

Mahindra Aerospace Australia Pty Ltd
Pitcher Partners
Level 13
664 Collins Street
DOCKLANDS VIC 3008

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages herein presents fairly the company's financial position as at 31 March 2023 and performance for the year ended on that date of the company in accordance with the accounting policies outlined in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Partha Mukherjee

Director: Ajay Mantry

Dated this 21st day of April, 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue			
Interest Income		**2**	–
		2	–
Expenses			
Professional fees		**(646)**	(423)
		(646)	(423)
Loss before income tax expense		**(644)**	(423)
Income tax expense		–	–
Loss for the year		**(644)**	(423)
Total comprehensive loss		**(644)**	(423)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	2	**266**	260
Total current assets		**266**	260
Total assets		**266**	260
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**266**	260
Equity			
Share capital	4	**10,503**	9,853
Accumulated losses	5	**(10,237)**	(9,593)
Total equity		**266**	260

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

Australian dollars	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2021	9,853	(9,170)	683
Loss for the year		(423)	(423)
Total comprehensive income for the period	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	9,853	(9,593)	260
Balance as at 1 April 2022	9,853	(9,593)	260
Loss for the year	–	(644)	(644)
Total comprehensive income for the year	–	(644)	(644)
Transactions with owners in their capacity as owners:			
Contributions	650	–	650
Balance as at 31 March 2023	10,503	(10,237)	266

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. GA8 Airvan Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements
AASB 112: Income Taxes
AASB 124: Related Party Disclosures
AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/disposal/transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank	**263**	257
Cash in hand	**3**	3
	266	260

NOTE 3: PAYABLES

	2023	2022
	$	$
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

Issued and paid up capital		
9853 (2022: 9853) Ordinary shares	**9,853**	9,853
Share Application Money	**650**	–
	10,503	9,853

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	**(9,593)**	(9,170)
Net Loss	**(644)**	(423)
Accumulated losses at end of period	**(10,237)**	(9,593)

NOTE 6: CONTINGENT LIABILITIES

In July 2022, a lawsuit was filed against the company alleging negligence causing an aircraft crash in Sweden in 2019. The board of directors and the company's legal representatives are of the opinion that the claim is unlikely to result in any damages payable by the company.

Due to the ongoing nature of the proceedings, further disclosure as required under the accounting standards has not been included due to the possibility that it could prejudice the position of the company in this dispute.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2023, of the company.

NOTE 8: COMPANY DETAILS

The registered office of the company is:

GA8 Airvan Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 21st day of April 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue			
Interest Income		**2**	–
		2	–
Expenses			
Professional fees		**(646)**	(423)
		(646)	(423)
Loss before income tax expense		**(644)**	(423)
Income tax expense		**–**	–
Loss for the year		**(644)**	(423)
Total comprehensive loss		**(644)**	(423)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	**2**	**266**	260
Total current assets		**266**	260
Total assets		**266**	260
Current liabilities			
Payables	**3**	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**266**	260
Equity			
Share capital	**4**	**10,503**	9,853
Accumulated losses	**5**	**(10,237)**	(9,593)
Total equity		**266**	260

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Contributed equity $	Accumulated losses $	Total equity $
Australian dollars			
Balance as at 1 April 2021	9,853	(9,170)	683
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	9,853	(9,593)	260
Balance as at 1 April 2022	9,853	(9,593)	260
Loss for the year	–	(644)	(644)
Total comprehensive income for the year	–	(644)	(644)
Transactions with owners in their capacity as owners:			
Contributions	650	–	650
Balance as at 31 March 2023	**10,503**	**(10,237)**	**266**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. GA200 Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements
AASB 112: Income Taxes
AASB 124: Related Party Disclosures
AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/disposal/transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank	**263**	257
Cash in hand	**3**	3
	266	260

NOTE 3: PAYABLES

CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

Issued and paid-up capital		
9853 (2022: 9853) Ordinary shares	**9,853**	9,853
Share Application Money	**650**	–
	10,503	9,853

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	**(9,593)**	(9,170)
Net Loss	**(644)**	(423)
Accumulated losses at end of period	**(10,237)**	(9,593)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2023, of the company, or
(b) the results of those operations, or
(c) the state of affairs, in financial year subsequent to 31 March 2023, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

GA 200 Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 21st day of April 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue			
Interest Income		**2**	–
		2	–
Expenses			
Professional fees		**(677)**	(423)
		(677)	(423)
Loss before income tax expense		**(675)**	(423)
Income tax expense		**–**	–
Loss for the year		**(675)**	(423)
Total comprehensive loss		**(675)**	(423)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	**2023** **$**	2022 $
Current assets			
Cash and cash equivalents	2	**232**	257
Total current assets		**232**	257
Total assets		**232**	257
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**232**	257
Equity			
Share capital	4	**23,458**	22,808
Accumulated losses	5	**(23,226)**	(22,551)
Total equity		**232**	257

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

Australian dollars	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2021	22,808	(22,128)	680
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	22,808	(22,551)	257
Balance as at 1 April 2022	22,808	(22,551)	257
Loss for the year	–	(675)	(675)
Total comprehensive income for the year	–	(675)	(675)
Transactions with owners in their capacity as owners:			
Contributions	650	–	650
Balance as at 31 March 2023	**23,458**	**(23,226)**	**232**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Nomad TC Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/disposal/transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank	**232**	257

NOTE 3: PAYABLES

	2023	2022
	$	$
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

	2023	2022
	$	$
Issued and paid up capital		
22808 (2022: 22808) Ordinary shares	**22,808**	22,808
Share Application Money	**650**	
	23,458	22,808

NOTE 5: ACCUMULATED LOSSES

	2023	2022
	$	$
Accumulated losses at beginning of Year	**(22,551)**	(22,128)
Net Loss	**(675)**	(423)
Accumulated losses at end of period	**(23,226)**	(22,551)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial year subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2023, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Nomad TC Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 21st day of April 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue			
Interest Income		**2**	–
		2	–
Expenses			
Professional fees		**(677)**	(423)
		(677)	(423)
Loss before income tax expense		**(675)**	(423)
Income tax expense		**–**	–
Loss for the year		**(675)**	(423)
Total comprehensive loss		**(675)**	(423)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	2	**242**	267
Total current assets		**242**	267
Total assets		**242**	267
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**242**	267
Equity			
Share capital	4	**10,510**	9,860
Accumulated losses	5	**(10,268)**	(9,593)
Total equity		**242**	267

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

Australian dollars	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2021	9,860	(9,170)	690
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	9,860	(9,593)	267
Balance as at 1 April 2022	9,860	(9,593)	267
Loss for the year	–	(675)	(675)
Total comprehensive income for the year	–	(675)	(675)
Transactions with owners in their capacity as owners:			
Contributions	650	–	650
Balance as at 31 March 2023	**10,510**	**(10,268)**	**242**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Airvan 10 Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	**232**	257
Cash in hand	**10**	10
	242	267

NOTE 3: PAYABLES

CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	–	–

NOTE 4: SHARE CAPITAL

Issued and paid-up capital		
9,860 (2022: 9,860) Ordinary shares	9,860	9,860
Share Application Money	650	–
	10,510	9,860

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	(9,593)	(9,170)
Net Loss	(675)	(423)
Accumulated losses at end of period	(10,268)	(9,593)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2023, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Airvan 10 Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 21st day of April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GIPPSAERO PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of GippsAero Pty Ltd, "the Company", which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the shareholders and directors.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Non-Going Concern Basis for Preparation

We draw attention to Note 1(b) in the financial report which indicates that the financial report has been prepared on a non-going concern basis, given the company's intention to sell, dispose of, or transfer its equity ownership and/or dispose of all of its business and/or assets. Our opinion is not modified in respect to this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist GippsAero Pty Ltd to meet the requirements of the shareholders and directors. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N R BULL
Partner

PITCHER PARTNERS
Melbourne

Date: 28th April, 2023

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages herein presents fairly the company's financial position as at 31 March 2023 and performance for the year ended on that date of the company in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Keith Douglas	**Ajay Mantry**
Director	Director

Date: 21st April, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue and other income			
Revenue from contracts with customers	2	**1,222,618**	1,199,530
Other revenue	3	**121,089**	73,283
Other income	3	**52,814**	28,605
		1,396,521	1,301,418
Less: expenses			
Materials and consumables used	4	**(673,417)**	(747,452)
Freight expense		**(111,405)**	(79,593)
Depreciation and amortisation expense	4	**(5,198)**	(28,018)
Employee benefits expense	4	**(2,040,756)**	(2,345,845)
Foreign exchange gain / (loss)		**32,482**	(15,596)
Impairment reversal	4	**1,265,333**	238,359
Insurance expense		**(378,755)**	(421,515)
Occupancy expense		**(216,136)**	(233,770)
Professional fees		**(115,520)**	(164,898)
Travel expense		**(96,135)**	(2,604)
Other expenses		**(223,345)**	(60,991)
		(2,562,852)	(3,861,923)
Loss before income tax expense		**(1,166,331)**	(2,560,505)
Other comprehensive loss for the year		**–**	–
Total comprehensive loss		**(1,166,331)**	(2,560,505)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	5	**1,278,800**	2,098,489
Receivables	6	**65,300**	10,805
Inventories	7	**161,684**	350,485
Other assets	8	**187,163**	241,651
Total current assets		**1,692,947**	2,701,430
Non-current assets			
Intangible assets	9	**–**	–
Property, plant and equipment	10	**–**	–
Total non-current assets		**–**	–
Total assets		**1,692,947**	2,701,430
Current liabilities			
Payables	11	**1,158,489**	916,944
Provisions	12	**465,004**	551,698
Other liabilities	13	**35,206**	32,209
Total current liabilities		**1,658,699**	1,500,851
Total non-current liabilities		**–**	–
Total liabilities		**1,658,699**	1,500,851
Net assets		**34,248**	1,200,579
Equity			
Share capital	14	**121,597,390**	121,597,390
Accumulated losses	15	**(121,563,142)**	(120,396,811)
Total equity		**34,248**	1,200,579

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital $	Accumulated losses $	Total equity $
Balance as at 1 April 2021	121,597,390	(117,836,306)	3,761,084
Loss for the year	–	(2,560,505)	(2,560,505)
Total comprehensive loss for the year	–	(2,560,505)	(2,560,505)
Balance as at 31 March 2022	121,597,390	(120,396,811)	1,200,579
Balance as at 1 April 2022	121,597,390	(120,396,811)	1,200,579
Loss for the year	–	(1,166,331)	(1,166,331)
Total comprehensive loss for the year	–	(1,166,331)	(1,166,331)
Balance as at 31 March 2023	**121,597,390**	**(121,563,142)**	**34,248**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	**2023**	2022
		$	$
Cash flow from operating activities			
Receipts from customers		**1,374,975**	1,350,893
Payments to suppliers and employees		**(3,800,685)**	(3,969,174)
Interest received		**10,808**	–
Net cash used in operating activities		**(2,414,902)**	(2,618,281)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**1,034**	1,839
Proceeds from sale of other non current assets		**1,617,400**	–
Payment for property, plant and equipment		**(23,221)**	(5,570)
Payment for capitalised project and development costs		**–**	(22,914)
Net cash provided by / (used in) investing activities		**1,595,213**	(26,645)
Reconciliation of cash			
Cash at beginning of the financial year		**2,098,489**	4,743,415
Net decrease in cash held		**(819,689)**	(2,644,926)
Cash at end of financial year		**1,278,800**	2,098,489

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared for use by the directors and members of the company.

The financial report covers GippsAero Pty Ltd as an individual entity. GippsAero Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. GippsAero Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-going concern

The company is seeking to sell, dispose of, or transfer 100% of the equity ownership in the company and/or dispose of all of its business and/or assets. Accordingly, this financial report has been prepared on a non- going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interperetations are applied in the context of GippsAero Pty Ltd ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the company's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

(d) Revenue from contracts with customers

Revenue from contracts with customers

The company derives revenue from the sale of spare parts. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Revenue from the sale of spare parts

Revenue from the sale of spare parts is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs when the beneficial ownership passes to the customer. Customers have no right to return purchased goods. Revenue is measured net of any discounts, rebates and other price concessions. Customers are required to pay for all goods purchased in line with the terms of contract of sale.

Interest

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity. Inventories include raw materials, work in progress and finished goods.

Raw materials are valued at a moving average cost price.

Work in progress ("WIP") is valued at cost, which includes both variable and fixed costs relating to specific items, and those costs that are attributable to the WIP activity in general that can be allocated on a reasonable basis.

(h) Financial instruments

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the company's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter- company balances and loans from or other amounts due to director-related entities. Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other receivables

Receivables from contracts with customers

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30-90 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the receivable. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the receivable.

(i) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Hangar at cost	5 - 20%	Straight line
Leasehold improvements at cost	9 - 11%	Straight line
Plant and equipment at cost	6 - 21%	Straight line
Aircrafts at cost	10%	Straight line
Motor vehicles at cost	5 - 13%	Straight line
Computer equipment at cost	22 - 100%	Straight line

(j) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses.

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Patents

Patents are recognised at cost and are not amortised, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less any accumulated impairment losses.

(k) Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the company can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development costs are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised development costs is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, capitalised development costs are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Other development expenditure is recognised as an expense when incurred.

Project expenses are capitalised as incurred once identified as relating to a project that will deliver future economic benefits that can be measured reliably.

(l) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Warranty obligations

The company provides warranty for all aircrafts, the warranty period covers earlier of two years or up 2,000 flight hours. Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The company updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

(n) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(o) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(p) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 $	2022 $
Revenue from contracts with customers		
Spare parts and maintenance	**1,222,618**	1,199,530

NOTE 3: OTHER REVENUE AND OTHER INCOME

	2023 $	2022 $
Interest income	**10,808**	–
Profit on sale of plant and equipment	**1,085**	1,373
Other revenue	**109,196**	71,910
	121,089	73,283
Other income	**52,814**	28,605
	173,903	101,888

NOTE 4: OPERATING LOSS

Losses before income tax has been determined after:

Expenses:		
Cost of sales	**673,417**	747,452
Depreciation	**5,198**	5,104
Amortisation of non-current assets		
- research and development	**–**	22,914
Impairment (reversal) / expense		
- Intangible assets	**(1,289,852)**	–
- Property, plant and equipment	**18,023**	–
- Inventory	**6,496**	(238,359)
	(1,265,333)	(238,359)
Foreign currency translation (gains) / losses	**(32,482)**	15,596
Employee benefits	**2,040,756**	2,345,845

NOTE 5: CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash on hand	**2,896**	962
Cash at bank	**1,275,904**	2,097,527
	1,278,800	2,098,489

NOTE 6: RECEIVABLES

CURRENT		
Receivables from contracts with customers	**66,603**	12,108
Allowance for credit losses	**(1,303)**	(1,303)
	65,300	10,805

NOTE 7: INVENTORIES

CURRENT		
At cost		
Raw materials and semi finished goods	**4,645,753**	4,935,340
Provision for impairment	**(4,484,069)**	(4,584,855)
	161,684	350,485

NOTE 8: OTHER ASSETS

CURRENT		
Prepayments	**167,177**	221,665
Deposits	**19,986**	19,986
	187,163	241,651

NOTE 9: INTANGIBLE ASSETS

	2023 $	2022 $
Goodwill at cost	**788,669**	788,669
Provision for impairment loss	**(788,669)**	(788,669)
	–	–
Patents at cost	**46,043**	46,043
Accumulated amortisation and impairment	**(46,043)**	(46,043)
	–	–
Capitalised costs	**5,855,237**	5,855,239
Accumulated amortisation and impairment	**(5,855,237)**	(5,855,239)
	–	–
Projects currently in development at cost	**34,281,100**	36,021,824
Provision for impairment loss	**(34,281,100)**	(36,021,824)
Total intangible assets	**–**	–

(a) Impairment loss

Impairment losses in relation to intangible assets have been recognised in impairment expenses within profit or loss.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Hangar at cost	**2,068**	2,068
Accumulated depreciation and impairment	**(2,068)**	(2,068)
	–	–
Leasehold improvements at cost	**136,560**	149,510
Accumulated depreciation and impairment	**(136,560)**	(149,510)
	–	–
Plant and equipment at cost	**1,709,938**	1,717,576
Accumulated depreciation and impairment	**(1,709,938)**	(1,717,576)
	–	–
Aircraft	**154,740**	154,740
Accumulated depreciation and impairment	**(154,740)**	(154,740)
	–	–
Motor vehicles at cost	**30,395**	42,395
Accumulated depreciation and impairment	**(30,395)**	(42,395)
	–	–
Computer equipment at cost	**1,007,459**	990,154
Accumulated depreciation and impairment	**(1,007,459)**	(990,154)
	–	–
Total property, plant and equipment	**–**	–

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2023 $	2022 $
Hangar		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Leasehold improvements		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Plant and equipment		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Aircraft		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Motor vehicles		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Computer equipment		
Opening carrying amount	**–**	–
Additions	**23,221**	5,570
Disposals	**–**	(466)
Depreciation expense	**(5,198)**	(5,104)
Impairment losses recognised	**(18,023)**	–
Closing carrying amount	**–**	–

(b) Impairment loss

Impairment losses in relation to property, plant and equipment have been recognised in impairment loss expense within profit or loss. The recoverable amount of these assets was determined by value in use.

NOTE 11: PAYABLES

	2023 $	2022 $
CURRENT		
Unsecured liabilities		
Trade creditors	**499,952**	212,320
Sundry creditors and accruals	**658,537**	704,624
	1,158,489	916,944

NOTE 12: PROVISIONS

	2023 $	2022 $
CURRENT		
Employee benefits	**465,004**	467,698
Warranties	**–**	84,000
	465,004	551,698

(a) Warranty provision

The company provides a warranty for all aircraft sales, the warranty period covers earlier of two years or 2,000 flight hours, whichever comes first.

Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The company updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

NOTE 13: OTHER LIABILITIES

	2023 $	2022 $
CURRENT		
Advances received from customers	**35,206**	32,209

NOTE 14: SHARE CAPITAL

	2023 $	2022 $
Issued and paid-up capital		
11,610,407,177 (2022: 11,610,407,177) Ordinary shares	**121,597,390**	121,597,390

Dividends

During the year ended 31 March 2023, management did not pay a dividend (2022: Nil).

NOTE 15: ACCUMULATED LOSSES

	2023 $	2022 $
Accumulated losses at beginning of year	**(120,396,811)**	(117,836,306)
Net loss	**(1,166,331)**	(2,560,505)
	(121,563,142)	(120,396,811)

NOTE 16: CONTINGENT LIABILITIES

In July 2022, a lawsuit was filed against the company alleging negligence causing an aircraft crash in Sweden in 2019. The board of directors and the company's legal representatives are of the opinion that the claim is unlikely to result in any damages payable by the company.

Due to the ongoing nature of the proceedings, further disclosure as required under the accounting standards has not been included due to the possibility that it could prejudice the position of the company in this dispute.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no other matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2023, of the company.

NOTE 18: COMPANY DETAILS

The registered office of the company is:

GippsAero Pty Ltd
Latrobe Valley Airfield Pty Ltd
75 Airfield Road
TRARALGON VIC 3844

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 $	2022 $
Revenue			
Interest Income		**2**	–
		2	–
Expenses			
Professional fees		**(677)**	(423)
		(677)	(423)
Loss before income tax expense		**(675)**	(423)
Income tax expense		–	–
Loss for the year		**(675)**	(423)
Total comprehensive loss		**(675)**	(423)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	2	**234**	259
Total current assets		**234**	259
Total assets		**234**	259
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**234**	259
Equity			
Share capital	4	**10,502**	9,852
Accumulated losses	5	**(10,268)**	(9,593)
Total equity		**234**	259

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Contributed equity $	Accumulated losses $	Total equity $
Australian dollars			
Balance as at 1 April 2021	9,852	(9,170)	682
Loss for the year		(423)	(423)
Total comprehensive income for the period	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	9,852	(9,593)	259
Balance as at 1 April 2022	9,852	(9,593)	259
Loss for the year	–	(675)	(675)
Total comprehensive income for the period	–	(675)	(675)
Transactions with owners in their capacity as owners:			
Contributions	650	–	650
Balance as at 31 March 2023	**10,502**	**(10,268)**	**234**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Airvan Flight Services Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its Air Operators Certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

	2023 $	2022 $
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank	**232**	257
Cash in hand	**2**	2
	234	259
NOTE 3: PAYABLES		
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–
NOTE 4: SHARE CAPITAL		
Issued and paid-up capital		
9852 (2022: 9852) Ordinary shares	**9,852**	9,852
Share Application Money	**650**	–
	10,502	9,852
NOTE 5: ACCUMULATED LOSSES		
Accumulated losses at beginning of Year	**(9,593)**	(9,170)
Net Loss	**(675)**	(423)
Accumulated losses at end of period	**(10,268)**	(9,593)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2023, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2023, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Airvan Flight Services Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

Ajay Mantry
Director

Dated this 21st day of April 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Waste to Energy Solutions Limited
Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Waste to Energy Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company did not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding

Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 28, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the Company does not hold any inventory at the end of the year. Accordingly, the reporting under Clause 3(ii) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

    (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

    (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

    (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1.81 crores in the current financial year and cash losses of Rs 0.91 crores in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 28, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements Mahindra Waste to Energy Solutions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 28, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. In Lakhs

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
A	**ASSETS**			
	Non-current assets			
	(a) Property, Plant and Equipment	3	**1,674.52**	1,829.45
	(b) Right to use land	4	**7.35**	7.83
	(c) Capital work in progress		**–**	
	(d) Other financial assets	5	**3.00**	–
	(e) Other assets	6	**1.29**	–
	Total non-current Assets		**1,686.16**	1,837.27
	Current assets			
	(a) Inventories		**–**	–
	(b) Financial assets			
	(i) Cash and cash equivalents	7	**7.98**	69.74
	(ii) Other bank balances	7	**155.00**	307.00
	(iii) Trade receivables	8	**69.67**	123.14
	(iv) Other financial assets	9	**2.09**	5.51
	(c) Other assets	10	**283.31**	273.48
	Total current assets		**518.04**	778.87
	Total assets		**2,204.21**	2,616.15
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	11	**3,000.00**	3,000.00
	(b) Other equity	12	**(1,409.48)**	(1,041.62)
	Equity attributable to owners of the company		**1,590.52**	1,958.38
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	**–**	275.00
	(ii) Lease Liability		**6.15**	6.86
	(b) Provisions	14	**26.79**	27.41
	(c) Other Liabilities		**–**	–
	Total non-current liabilities		**32.94**	309.26
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	**275.00**	–
	(ii) Trade payables	16		
	- dues of micro enterprises and small enterprises		**41.32**	66.38
	- dues of creditors other than micro enterprises and small enterprises		**211.95**	185.19
	(iii) Lease Liability		**1.97**	1.54
	(iv) Other financial liabilities	17	**31.42**	30.12
	(b) Other current liabilities	18	**5.27**	52.53
	(c) Provisions	19	**13.81**	12.74
	Total current liabilities		**580.74**	348.50
	Total equity and liabilities		**2,204.21**	2,616.15

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 28th April 2023

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	ACS No.: 20247

Place: Mumbai
Date: 28th April 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Rs. In Lakhs

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Continuining Operations			
Revenue from operations	20	**708.15**	733.89
Other income	21	**11.27**	28.79
Total income		**719.42**	762.68
EXPENSES			
(a) Cost of materials consumed	22	**178.02**	204.11
(b) Changes in stock of finished goods and work in progress	23	**–**	–
(c) Employee benefit expense	24	**174.83**	184.78
(d) Finance cost	25	**23.53**	22.08
(e) Depreciation & amortisation expense	3 & 4	**186.83**	183.47
(f) Other expenses	26	**524.25**	443.25
Total expenses		**1,087.46**	1,037.69
Profit/(loss) before tax		**(368.05)**	(275.02)
Tax Expense			
(1) Current tax		**–**	–
(2) Deferred tax		**–**	–
(3) Income tax adjustments for earlier years		**–**	–
Total tax expense		**–**	–
Profit/(loss) for the year		**(368.05)**	(275.02)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities/(asset)		**0.19**	(3.72)
Total comprehensive income for the year (VII + VIII)		**(367.86)**	(278.74)
Earnings per equity share (for continuing operations):			
(1) Basic & Diluted EPS (in Rs.)	27	**(1.23)**	(0.92)

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 28th April 2023

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	ACS No.: 20247

Place: Mumbai
Date: 28th April 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023
CASH FLOW STATEMENT - INDIRECT METHOD

Rs. In Lakhs

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**Cash flows from operating activities**			
	Loss before tax for the year		**(368.05)**	(275.02)
	Adjustments for:			
	Depreciation		**186.83**	183.47
	Interest on Fixed Deposits with Banks		**(11.27)**	(28.79)
			(192.49)	(120.33)
	Movements in working capital:			
	(Increase) in Inventories		**–**	–
	(Increase) in trade receivables		**53.47**	368.58
	(Increase) in other financial assets		**–**	35.35
	(Increase) in other assets		**(9.97)**	(40.75)
	Increase in trade and other payables		**1.70**	(89.80)
	Increase in provisions		**0.64**	14.14
	Increase in other financial liabilities		**2.46**	1.26
	Increase in other current liabilities		**(47.26)**	(59.81)
	Cash used from operations		**(191.45)**	108.64
	Income taxes paid		**(1.15)**	(0.88)
	Net cash (used)/generated by operating activities		**(192.61)**	107.75
B	**Cash flows from investing activities**			
	Payments to acquire capital assets		**(35.86)**	(54.13)
	Interest received		**14.70**	27.84
	Net cash (used)/generated by investing activities		**(21.16)**	(26.29)
C	**Cash flows from financing activities**			
	Proceeds from issue of equity instruments of the company		**–**	–
	Proceeds From Term Loan		**–**	–
	Share issue expenses		**–**	
	Net cash (used)/generated in financing activities		**–**	–
D	**Net increase in cash and cash equivalents**		**(213.76)**	81.46
	Cash and cash equivalents at the beginning of the year		**376.74**	295.28
	Cash and cash equivalents at the end of the year		**162.98**	376.74

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 28th April 2023

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	ACS No.: 20247

Place: Mumbai
Date: 28th April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A - Equity Share Capital

Rs. In Lakhs

Issued and subscribed:	As at 31st March, 2023	As at 31st March, 2022
Balance as at the beginning of the year	**3,000**	3,000
Add:		
Shares issued		–
Share Application	**–**	
Balance as at the end of the year	**3,000**	3,000

Notes:

Company has only one class of Equity Shares having par value of Rs. 10 each.

B - Other Equity

Rs. In Lakhs

Particulars	Retained Earnings	Other comprehensive income (Remeasurements of the defined benefit plans)	Total
Balance as at 31st March, 2021	(765.40)	2.52	(762.88)
Net (Loss) for the year	(275.02)	–	(275.02)
Share issue expenses	–	–	–
Other Comprehensive income/(Loss)	–	(3.72)	(3.72)
Balance as at 31st March, 2022	(1,040.42)	(1.20)	(1,041.62)
Net (Loss) for the year	(368.05)	–	(368.05)
Share issue expenses	–	–	–
Other Comprehensive Income/(Loss)	–	0.19	0.19
Balance as at 31st March, 2023	**(1,408.47)**	**(1.01)**	**(1,409.48)**

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 28th April 2023

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	ACS No.: 20247

Place: Mumbai
Date: 28th April 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1 Corporate information:

Mahindra Waste to Energy Solutions Limited is a public limited company incorporated in Mumbai, India under the Companies Act 2013. The company is a subsidiary of Mahindra & Mahindra Limited as on 31st March, 2022. The company is engaged, inter alia in the business of construction, operation and maintenance of the biogas plants and sale of biogas and manure generated from the biogas plants.

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Certain items of Plant and machinery individually costing more than Rs. 5,000 – over useful lives (2 years, 3 years, 5 years, 8 years, 10 years, 15 years, 20 years or 25 years as the case may be), Vehicles 5 years, Assets below Rs.5,000/- 1 year as determined by the company.

2.4 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished goods produced, manufactured components are carried at cost or net realizable value whichever is lower.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

2.5 Employee benefits:

(i) Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(ii) Defined Benefit Plan / Leave encashment:

The Company's liability towards gratuity and leave encashment is determined using the projected unit credit method which considers each period of service as giving rights to an additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Past services are recognised on straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of other comprehensive income as income or expense. Obligation is measured at the present value of estimated future cash flow using discounted rate i.e. determined by reference to the market yield at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Other Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

2.6 Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

2.7 Revenue Recognition:

In view of INDAS 115, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, companies apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

Carbon Credit:

During the year, the company had applied for Carbon Credits with Verra/ Verified Carbon Standard & had booked carbon credit revenue for the credits transferred as per the agreement. The revenue is booked at the agreed rate of transfer between both the parties on realisation basis.

2.8 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.9 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Measurement of fair values:

The company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.11 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

2.12 Cash and cash equivalents:

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

2.15 Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 3 - Tangible Assets

Rs. In Lakhs

Description of Assets	Buildings	Plant and Equipment	Plant & Equipment - Electrical Installations	Plant and Equipment - Computers	Furniture & Fixtures	Vehicles	Total
I. Gross Block							
Balance as at 31st March, 2021	92.26	2,019.18	20.42	5.78	1.03	6.80	2,145.47
Additions	15.04	16.10	–	–	–	–	31.14
Disposals	–	–	–	–	–	–	–
Balance as at 31st March, 2022	107.30	2,035.28	20.42	5.78	1.03	6.80	2,176.61
Additions	–	31.43	–	–	–	–	31.43
Disposals	–	–	–	–	–	–	–
Balance as at 31st March, 2023	**107.30**	**2,066.71**	**20.42**	**5.78**	**1.03**	**6.80**	**2,208.04**
II. Accumulated depreciation							
Balance as at 31st March, 2021	34.72	123.14	1.01	3.79	0.23	1.26	164.16
Depreciation for the year	31.96	146.57	1.29	1.69	0.20	1.29	183.01
Eliminated on disposal of assets	–	–		–	–	–	–
Balance as at 31st March, 2022	66.68	269.71	2.31	5.49	0.43	2.55	347.16
Depreciation for the year	28.47	155.10	1.29	–	0.20	1.29	186.35
Eliminated on disposal of assets	–	–		–	–	–	–
Balance as at 31st March, 2023	**95.15**	**424.81**	**3.60**	**5.49**	**0.62**	**3.84**	**533.52**
Net Block (I-II) as on 31st March, 2023	**12.15**	**1,641.90**	**16.82**	**0.29**	**0.41**	**2.95**	**1,674.52**
Net Block (I-II) as on 31st March, 2022	**40.62**	**1,765.57**	**18.12**	**0.29**	**0.61**	**4.24**	**1,829.45**

Note No. 4 - Right to use land

Rs. In Lakhs

Description of Assets	Land
I. Gross Block	
Balance as at 31st March, 2021	7.86
Additions	1.26
Disposals	–
Balance as at 31st March, 2022	9.11
Additions	–
Disposals	–
Balance as at 31st March, 2023	**9.11**
II. Accumulated Amortisation	
Balance as at 31st March, 2021	0.82
Amortisation for the year	0.46
Eliminated on disposal of assets	–
Balance as at 31st March, 2022	1.29
Amortisation for the year	0.48
Eliminated on disposal of assets	–
Balance as at 31st March, 2023	**1.76**
Net Block (I-II) as on 31st March, 2023	**7.35**
Net Block (I-II) as on 31st March, 2022	**7.83**

Note No. 5 - Non current other financial assets

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial Assets measured at amortised cost	**–**	–
Security Deposits		
Unsecured, considered good	**3.00**	–
Bank deposit (lien on fixed deposit for performance bank guarantee)	**–**	–
Total	**3.00**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 6 - Non current other assets

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Capital advances	**1.29**	–
Total	**1.29**	–

Note No. 7 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Cash and cash equivalents		
(i) Cash on hand	**–**	–
(ii) Balances with banks		
– In Current Account	**7.98**	69.74
– Fixed Deposits with original maturity less than 3 months	**–**	–
	7.98	69.74
(B) Other Bank Balances		
(i) Balances with banks		
– Fixed Deposits maturing within 12 months from the reporting date	**155.00**	307.00
	155.00	307.00
Total	**162.98**	376.74

Note No. 8 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables		
Unsecured, considered good more than 6 months	**3.94**	39.53
Unsecured, considered good	**65.74**	83.61
Unsecured, considered Doubtful	**–**	–
Total	**69.67**	123.14

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	65.74	–	3.94	–	–	69.67
(ii) Undisputed Trade Receivables — which have significant increase in credit risk						
(iii) Undisputed Trade Receivables — credit impaired						
(iii) Undisputed Trade Receivables — credit impaired						
(iv) Disputed Trade Receivables — considered good						
(v) Disputed Trade Receivables — which have significant increase in credit risk						
(v) Disputed Trade Receivables — which have significant increase in credit risk						
(vi) Disputed Trade Receivables — credit impaired						

Note No. 9 - Current other financial assets

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets measured at amortised cost		
a) Interest receivable		
Interest accrued on fixed deposits	**0.57**	4.00
b) Recoverable expenses	**0.32**	0.32
c) Security deposits	**1.20**	1.20
Total	**2.09**	5.51

Note No. 10 - Current other assets

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advances other than capital advances		
(i) Advance to Suppliers	**–**	1.33
(ii) Advances to employees	**0.02**	0.02
(b) Advance income tax (TDS receivable)	**4.54**	3.39
(c) TCS Paid	**–**	–
(d) GST credit receivable	**255.95**	239.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(e) Prepaid expenses	**22.79**	29.66
Total	**283.31**	273.48

Note No. 11 - Equity share capital

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised:		
3,00,00,000 (31st March, 2022 : 3,00,00,000) equity shares of Rs. 10 each with voting rights	**3,000.00**	3,000.00
Issued, Subscribed and Fully Paid:		
3,00,00,000 (31st March, 2022 : 3,00,00,000) Equity shares of Rs. 10 each with voting rights	**3,000.00**	3,000.00
Share Applucation	**–**	
Total	**3,000.00**	3,000.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Rs. In Lakhs

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity shares with voting rights as on 31st March, 2023			
No. of Shares	**3,00,00,000**		**3,00,00,000**
Amount	**3,000.00**	**–**	**3,000.00**
(b) Equity shares with voting rights as on 31st March, 2022			
No. of Shares	3,00,00,000	–	3,00,00,000
Amount	3,000.00	–	3,000.00

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Limited	**3,00,00,000**	**100.0%**	2,62,15,842	87.4%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Number of Shares As at 31st March, 2023	Number of Shares As at 31st March, 2022
Mahindra and Mahindra Limited , the holding company	**3,00,00,000**	2,62,15,842

(v) Shares held by promoter as on 31st March 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Mahindra and Mahindra Limited	**3,00,00,000.00**	**100.0%**	12.61%

(vi) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back :

The Company has neither allotted equity shares without receipt of cash or as bonus shares nor bought back any equity shares during the financial year.

Note No. 12 - Other equity

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Retained earnings</u>		
Balance at the beginning of the reporting year	**(1,040.42)**	(765.40)
Net (Loss) for the current year	**(368.05)**	(275.02)
Share issue expenses	**–**	
Balance at the end of the year (A)	**(1,408.47)**	(1,040.42)
<u>Other comprehensive income</u>		
Balance at the beginning of the reporting year	**(1.20)**	2.52
(Addition)/Deletion during the year	**0.19**	(3.72)
Balance at the end of the year (B)	**(1.01)**	(1.20)
Balance at the end of the year (A+B)	**(1,409.48)**	(1,041.62)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 13 - Borrowings (Non Current)

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term Loan		275.00
Total	**–**	275.00

Note No. 14 - Non current provisions

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	**26.79**	27.41
Total	**26.79**	27.41

Note No. 15 - Borrowings (Current)

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term Loan	**275.00**	–
Total	**275.00**	–

Note No. 16 - Trade payables

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables		
Due to micro and small enterprises	**41.32**	66.38
Other than micro and small enterprises	**211.95**	185.19
Total	**253.27**	251.57

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	39.27	0.55	1.50	–	41.32
(ii) Others	78.92	48.73	72.02	12.28	211.95
(iii) Disputed dues — MSME					
(iv) Disputed dues - Others					

Note No. 17 - Current other financial liabilities

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial liabilities measured at amortized cost		
Creditors for capital supplies / services		
Due to micro and small enterprises		
Other than micro and small enterprises	**–**	1.43
Interest Accrued on Term Loan	**1.99**	1.68
Others	**29.44**	27.01
Total	**31.42**	30.12

Note No. 18 - Other current liabilities

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Others		
a) Employee recoveries and employer contributions	**1.15**	1.25
b) Statutory dues (TDS payable)	**4.12**	3.36
c) Advance from customers	**–**	–
d) Deferred revenue	**–**	47.92
e) Statutory dues (GST payable)	**–**	–
Total	**5.27**	52.53

Note No. 19 - Current provisions

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	**13.81**	12.74
Total	**13.81**	12.74

Note No. 20 - Revenue from operations

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Revenue from sale of goods	**454.77**	336.16
(b) Revenue from sale of services	**92.54**	90.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(c) Other operating income	**160.84**	306.85
(d) Income From EPC Project	**–**	–
Total	**708.15**	733.89

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Sale of products comprises:		
Manufactured goods		
Sales of product - Biogas	**352.80**	225.67
Sales of product - Manure	**101.51**	110.49
Less: Commission on sales	**–**	–
Total	**454.32**	336.16
Traded goods		
Sales of equipments	**0.45**	
	454.77	336.16
(ii) Sale of Services	**92.54**	90.88
(iii) Other operating revenues comprise:		
Tipping fee	**105.81**	111.06
Carbon Credit Sale	**55.03**	195.78
(iv) Income From EPC Project	**–**	–
Total	**708.15**	733.89

Note No. 21 - Other income

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) **Interest Income**		
On bank deposits	**11.11**	13.97
On Income Tax	**0.14**	1.01
(ii) Subsidy from Department of Fertiliser	**–**	12.19
(iii) Other Income	**0.02**	1.61
Total	**11.27**	28.79

Note No. 22 - Cost of materials consumed

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock	**–**	–
Add: Purchases/Processing charges	**178.02**	204.11
	178.02	204.11
Less: Closing stock	**–**	–
Cost of materials consumed	**178.02**	204.11

Note No. 23 - Changes in inventories of finished goods

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the end of the year :		
Work in progress	**–**	–
Finished goods	**–**	–
Inventories at the beginning of the year :		
Work in progress	**–**	–
Finished goods	**–**	–
Net (increase) / decrease	**–**	–

Note No. 24 - Employee Benefits Expense

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Salaries and wages, including bonus	**167.59**	176.52
(b) Contribution to provident and other funds	**6.90**	6.78
(c) Staff welfare expenses	**0.35**	1.48
Total	**174.83**	184.78

Note No. 25 - Finance Cost

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest unwinding - Lease Liability	**0.60**	0.64
Interest on Term Loans	**21.53**	19.95
Interest-others	**1.40**	1.48
Total	**23.53**	22.08

Note No. 26 - Other expenses

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Stores consumed	**1.23**	18.38
(b) Power & Fuel	**171.10**	130.80
(c) Repairs and maintenance - Buildings	**–**	–
(d) Repairs and maintenance - Machinery	**–**	–
(e) Repairs and maintenance - Others	**118.59**	85.37
(f) Hire & service charges	**140.22**	120.71
(g) Travelling and Conveyance Expenses	**18.52**	12.17
(h) Filing fees	**–**	1.46
(i) Professional fees	**38.24**	33.83
(j) Rent including lease rentals	**1.96**	3.39
(k) Stamp Duty	**0.03**	–
(l) Rates and taxes	**12.97**	21.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(m)	Business Promotion	**0.52**	0.53
(n)	Royalty	**0.75**	1.00
(o)	Bank charges	**0.52**	0.63
(p)	Auditors remuneration and out-of-pocket expenses	**–**	–
	(i) As Auditors	**0.65**	0.60
	(ii) For Taxation matters	**–**	–
	(iii) For Other services	**0.05**	0.49
(q)	Insurance	**5.20**	6.13
(r)	Postage and telephone	**1.32**	1.28
(s)	Printing and stationery	**0.04**	0.14
(t)	Freight outward	**–**	–
(u)	Sales promotion	**–**	–
(v)	Registration Expense	**(0.72)**	1.76
(w)	Provision for Bad & Doubtful Debts	**13.03**	–
(x)	Miscellaneous Expenses	**0.04**	3.06
Total		**524.25**	443.25

Additional Information

During the year ended 31 March 2023, Mahindra & Mahindra Ltd (M&M) acquired the balance 12.61% stake in the Company held by the then existing & past employees of Mahindra Group thereby making the Company a wholly owned subsidiary of M&M. Further, in September 2022, M&M entered into a Share Purchase Agreement & Shareholder's Agreement with an Investor for transfer/sale of 80% stake held by M&M in the Company. The transfer is subject to completion of certain terms and conditions and has not been completed as at the date the financial statements have been approved for issue by the Board of Directors.

Note No. 27 - Disclosures under Ind AS 33

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Basic & Diluted Earnings per share - continuing operations	**(1.23)**	(0.92)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(Loss) for the period attributable to owners of the Company	**(36,804,742)**	(27,501,548)
Weighted average number of equity shares	**30,000,000**	30,000,000
Earnings per share from continuing operations - Basic & Diluted	**(1.23)**	(0.92)

Note No. 28 - Financial Instruments

28.1 Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31st March, 2023	31st March, 2022
Equity	**1,590.52**	1,958.38
	1,590.52	1,958.38

28.2 Categories of financial assets and financial liabilities

Rs. In Lakhs

As at 31st March, 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets				
– Non Derivative Financial Assets	3.00	–	–	3.00
Current Assets				
Cash and Cash Equivalents	7.98	–	–	7.98
Other Bank Balances	155.00	–	–	155.00
Trade Receivables	69.67	–	–	69.67
Other Financial Assets				–
– Non Derivative Financial Assets	2.09	–	–	2.09
Non-current Liability				
– Borrowings	–			–
– Lease Liability	6.15			6.15
Current Liabilities				
Borrowings	275.00			275.00
Trade Payables	253.27	–	–	253.27
Lease Liability	1.97			1.97
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	31.42	–	–	31.42

28.3 Categories of financial assets and financial liabilities

Rs. In Lakhs

As at 31st March, 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets				
– Non Derivative Financial Assets	–	–	–	–
Current Assets				
Cash and Cash Equivalents	69.74	–	–	69.74
Other Bank Balances	307.00	–	–	307.00
Trade Receivables	123.14	–		123.14
Other Financial Assets				–
– Non Derivative Financial Assets	5.51	–	–	5.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

As at 31st March, 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liability				
Borrowings	275.00			275.00
Lease Liability	6.86			6.86
Current Liabilities				
Borrowings	Nil			–
Trade Payables	251.57			251.57
Lease Liability	1.54			1.54
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	30.12	–	–	30.12

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a program that performs monitoring of and responding to risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. Financial instruments that are subject to credit risk, principally consists of trade receivables and investment in fixed deposits etc. The Company has adopted a policy of only dealing with creditworthy counterparties. Credit risk does not arise on investment in fixed deposits, as they are currently placed with corporate banks having high net worth and good credit ratings and hence management does not anticipate any credit risk.

LIQUIDITY RISK

(i) Liquidity risk management

The company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In Lakhs

Particulars	Less than 1 Year	1-3 Years	4 Years to 5 Years	5 Years and above
Non-derivative financial assets				
31st March, 2023				
Non-interest bearing	**82.17**	–	–	–
Variable interest rate instruments		–	–	–
Fixed interest rate instruments	**155.57**	–	–	–
Total	**237.74**	–	–	–
31st March, 2022				
Non-interest bearing	194.40	–	–	–
Variable interest rate instruments		–	–	–
Fixed interest rate instruments	311.00	–	–	–
Total	505.39	–	–	–

(iii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rs. In Lakhs

Particulars	Less than 1 Year	1 Year - 3 Years	4 Years to 5 Years	5 Years and above
Non-derivative financial Liabilities				
31st March, 2023				
Non-interest bearing	**282.71**		**–**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**278.95**	**1.27**	**1.10**	**3.78**
Total	**561.66**	**1.27**	**1.10**	**3.78**
31st March, 2022				
Non-interest bearing	280.01	–	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	3.22	276.37	1.19	4.31
Total	283.22	276.37	1.19	4.31

MARKET RISK

Market risk is the risk value that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk : currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to mange and control market risk exposure within acceptable parameters, while optimising the return. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Currency risk

The Company has not undertaken transactions denominated in foreign currencies; consequently, no exposures to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the year is Rs. Nil (31st March, 2022 : Rs. Nil)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to the risk of changes in market interest rates as the company does not have any long term debt obligations with floating interest rate.

(iii) Other price risk

The company is not exposed to equity price risks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 29 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. In Lakhs

Particulars	Level	As at 31st March, 2023 Carrying amount	As at 31st March, 2023 Fair value	As at 31st March, 2022 Carrying amount	As at 31st March, 2022 Fair value
Financial assets					
Financial assets carried at amortised cost					
– Non-current other financial assets	Level - 2	**3.00**	**3.00**	–	–
– Cash and Cash Equivalents	Level - 2	**7.98**	**7.98**	69.74	69.74
– Other Bank Balances	Level - 2	**155.00**	**155.00**	307.00	307.00
– Trade and other receivables	Level - 3	**69.67**	**69.67**	123.14	123.14
– Current other Financial Assets	Level - 3	**2.09**	**2.09**	5.51	5.51
Total		**237.74**	**237.74**	505.39	505.39
Financial liabilities					
Financial liabilities held at amortised cost					
– Term Loan	Level - 2	**275.00**	**275.00**	275.00	275.00
– Lease Liability	Level - 3	**8.12**	**8.12**	8.39	8.39
– Trade and other payables	Level - 3	**253.27**	**253.27**	251.57	251.57
– Current other financial liabilities	Level - 3	**31.42**	**31.42**	30.12	30.12
Total		**567.81**	**567.81**	565.08	565.08

Note No. 30 - Ratios

Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance	Reasons
Current Ratio	Current Assets	Current Liabilities	**0.89**	2.23	(60%)	Term Loan is due for repayment in current year. Also there is a significant decrease in Trade Receivables
Debt Equity Ratio	Total Liabilities	Shareholder's Equity	**0.39**	0.34	15%	–
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	**(0.57)**	(3.22)	(82%)	Entire Term Loan is due for repayment in current year.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	**(0.21)**	(0.13)	56%	Increase in Losses during the current year.
Inventory turnover ratio	Cost of goods sold	Average Inventory			0%	-
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	**7.35**	2.39	208%	Trade receivables for FY 2020-21 included receivables of Rs. 4.25Crs on account of EPC Project thereby increasing the average trade receivable for last year.
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	**2.56**	1.89	36%	Increase in Cost of Goods sold coupled with decrease in average trade payables. Average trade payables was higher in last year due to vendor payables on account of EPC project in FY 2020-21
Net capital turnover ratio	Sales	Working capital = Current assets - Current liabilities	**(11.29)**	1.71	(762%)	Decrease in revenue coupled with term loan repayable in current year.
Net profit ratio	Net Profit	Net sales	**(0.52)**	(0.38)	37%	Decrease in Revenue coupled with increase in Operating Expenses.
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	**(0.22)**	(0.12)	88%	Increase in Losses coupled with term loan repayable in current year.
Return on investment	–	–	**–**	–	0%	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 31 - Employee Benefits

(A) Defined Contribution Plan

Amount recognised as an expense in the Statement of Profit and Loss is Rs. 3,49,887 (31st March,2022 Rs. 2,97,917).

(B) Defined benefit plan:

The defined benefit plan comprise of gratuity

The company operates a gratuity plan covering qualifying employees . The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The current service cost and the net interest expense for the year are included in the employee benefits and expenses during the year provided is Rs. 3,49,887 (31st March,2022 Rs. 2,97,917).

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below :

Discount Rate Risk:

A decrease in government bond yields will increase plan liabilities.

Longevity Risk:

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of defined benefit plan liability is calculated by reference to the future salaries plan participants. As such, an increase in the salary of the plan participants will increase the plans's liability.

Rs. In Lakhs

(C) Particulars	Gratuity (Unfunded)	
Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
1. Present value of defined benefit obligation as on 1st April	**22.63**	15.93
2. Current service cost	**2.44**	2.27
3. Past service cost	**–**	–
4. Interest cost	**1.06**	0.71
5. Remeasurements (gains)/losses [Acturial (gains)/losses]	**–**	–
(i) Acturial (gains)/losses arising from changes in demographic assumption	**–**	–
(ii) Acturial (gains)/losses arising from changes in financial assumption	**(1.53)**	(0.64)
(iii) Acturial (gains)/losses arising from changes in experience adjustment	**1.34**	4.36
6. Benefits paid	**–**	–
7. Liabilities assumed / (settled)	**–**	–
8. Present value of defined benefit obligation as on balance sheet date	**25.95**	22.63

Rs. In Lakhs

(D) Analysis of defined benefit obligation:	**As at 31st March, 2023**	As at 31st March, 2022
1. Defined benefit obligation	**25.95**	22.63
2. Fair value of plan assets at the end of the year	**–**	–
3. **Net (asset)/liability recognised in the Balance Sheet**	**25.95**	22.63

Rs. In Lakhs

(E) Reconciliation of present value of defined benefit obligation and fair value of plan assets showing amount recognised in the balance sheet:	**As at 31st March, 2023**	As at 31st March, 2022
1. Present value of defined benefit obligation	**25.95**	22.63
2. Fair value of plan assets	**–**	–
3. Funded status [surplus/(deficit)]	**(25.95)**	(22.63)
4. **Net asset/(liability) recognised in balance sheet**	**(25.95)**	(22.63)
5. Current portion of the above	**(9.47)**	(7.89)
6. Non-current portion of the above	**(16.48)**	(14.75)

Rs. In Lakhs

(F) Components of employer expenses recognised in the statement of profit and loss for the year ended	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
1. Current service cost	**2.44**	2.27
2. Past service cost	**–**	–
3. Interest cost	**1.06**	0.71
4. **Total expenses recognised in the Statement of Profit and Loss**	**3.50**	2.98

Rs. In Lakhs

(G) Components of employer expenses recognised in the comprehensive income for the year ended	**For the year ended 31st March, 2023**	For the year ended 31st March, 2022
1. Actuarial Losses/(Gains)		
(i) arising from changes in demographic assumption	**–**	–
(ii) arising from changes in financial assumption	**(1.53)**	(0.64)
(iii) arising from changes in experience adjustment	**1.34**	4.36
2. Components of defined benefit costs recognised in other comprehensive income	**(0.19)**	3.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

	(H) Reconciliation of present value of defined benefit obligation and fair value of plan assets showing amount recognised in the balance sheet:	As at 31st March, 2023	As at 31st March, 2022
1.	Discount rate (%)	**7.30%**	5.65%
2.	Expected return on plan assets (%)	**NA**	NA
3.	Salary escalation (%)	**10%**	10%
4.	Withdrawal rate (%) (others)	**23%**	23%

a) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated terms of the obligations.

b) Salary escalation rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

Rs. In Lakhs

	(I) Experience adjustments	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1.	Defined benefit obligation at the end of the year	**25.95**	22.63
2.	Plan assets at the end of the year	–	–
3.	Surplus/(deficit)	**(25.95)**	(22.63)
4.	Experience adjustments on plan liabilities (gains)/losses	**1.34**	4.36
5.	Experience adjustments on plan assets	–	–

Rs. In Lakhs

	(J) Sensitivity of the defined benefit obligation to changes:		Changes in assumption	Impact on defined benefit obligation increase/(decrease)	
				Increase in assumption	Decrease in assumption
1.	Discount rate (%)	**2023**	**1%**	**(0.84)**	**0.90**
		2022	1%	(0.80)	0.87
2.	Salary escalation (%)	**2023**	**1%**	**0.87**	**(0.83)**
		2022	1%	0.82	(0.77)

Note:

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change.

Rs. In Lakhs

(K) Maturity profile of defined benefit obligation:	2023	2022
Within 1 year	**9.47**	7.89
2 - 5 years	**13.03**	10.54
6 - 9 years	**8.32**	7.02
10 years & above	**3.86**	3.28

(L) The weighted average duration of the defined benefit obligation as at 31st March, 2022 is 3.35 years (31st March, 2022 : 3.67 years)

Note No. 32 - Related Party Transactions

Party with whom transactions have taken place during the year

Relationship	Name of the Company
Parent company	Mahindra & Mahindra Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Limited
JV of Holding Company	Mahindra Summit Agriscience Limited
Key managerial personnel	P. Palaniappan - Chief Executive Officer
Independent Director	Smita Mankad
Independent Director	Rahul Asthana

Details of transaction between the Company and its related party is disclosed below:

Rs. In Lakhs

Particulars	For the period ended	Parent Company	Fellow Subsidiary	JV of Holding Company	Key managerial personnel	Independent Directors
Nature of transactions with Related Party						
Contribution of equity to the company	**March 31, 2023**	**–**	**–**	**–**	**–**	**–**
	March 31, 2022	–	–	–	–	–
Purchase of Goods	**March 31, 2023**	**18.00**	**–**	**–**	**–**	**–**
	March 31, 2022	–	–	–	–	–
Sale of Good/ Services rendered	**March 31, 2023**	**92.99**	–	**13.73**	**–**	**–**
	March 31, 2022	90.88	–	0.64	–	–
Professional Fees	**March 31, 2023**	**–**	**15.60**	**–**	**–**	**–**
	March 31, 2022	2.80	15.33	–	–	–
Royalty	**March 31, 2023**	**0.75**	**–**	**–**	**–**	**–**
	March 31, 2022	1.00	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	For the period ended	Parent Company	Fellow Subsidiary	JV of Holding Company	Key managerial personnel	Independent Directors
						Rs. In Lakhs
Advances received	**March 31, 2023**	**–**	**–**	**–**	**–**	**–**
	March 31, 2022	24.91	–	–	–	–
Reimbursement of expenses-paid	***March 31, 2023***	**11.71**	**–**	**–**	**1.24**	**–**
	March 31, 2022	9.65	–	–	1.45	–
Reimbursement of expenses-received	***March 31, 2023***	**–**	**–**	**–**	**–**	**–**
	March 31, 2022	–	–	–	–	–
Remuneration Paid	***March 31, 2023***	**–**	**–**	**–**	**53.90**	**8.40**
	March 31, 2022	–	–	–	55.00	4.70

	Balance as on	Parent Company	Fellow Subsidiary	JV of Holding Company	Key managerial personnel	Independent Directors
						Rs. In Lakhs
Nature of Balances with Related Parties						
Trade Payables	**March 31, 2023**	**111.29**	**4.57**	**–**	**–**	**1.44**
	March 31, 2022	78.93	4.67	–	–	–
Payable on Capital Expenditure	**March 31, 2023**	–	**–**	**–**	**–**	**–**
	March 31, 2022	–	–	–	–	–
Trade Receivables	**March 31, 2023**	**27.03**	**–**	**2.48**	**–**	**–**
	March 31, 2022	1.24	–	–	–	–

Note No. 33 - Disclosures under Ind AS 115

A Country-wise break up of Revenue

Rs. In Lakhs

Country	Revenue from contracts with customers (Ind AS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India - 31st March, 2023	**708.15**		**708.15**	**11.27**	**719.42**
India - 31st March, 2022	733.89		733.89	28.79	762.68

B Breakup of Revenue into contracts entered in previous year and in current year

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from PO/ contract / agreement entered into previous year	**198.35**	201.95
Revenue from New PO/ contract / agreement entered into current year	**509.80**	531.94
Total revenue recognised during the year	**708.15**	733.89

C Reconciliation of revenue from contract with customer

Rs. In Lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contract with customer as per the contract price	**708.15**	733.89
Adjustments made to contract price on account of :-	**–**	–
Commission on Sales	**–**	–
Total revenue recognised during the year	**708.15**	733.89

D Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place at the end of reporting year.

The company has entered into contract with customers, however the price is dependant on market conditions, no value is assigned

Note No. 34 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures required to be made as per the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Dues remaining unpaid		
Principal	**41.32**	66.38
Interest	**2.81**	1.41
(ii) Interest paid in terms of Section 16 of the Act	**–**	–
(iii) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**1.40**	1.06
(iv) Amount of interest accrued and remaining unpaid	**1.40**	1.06
(v) Amount of interest due and payable on previous year's outstanding amount	**1.41**	0.35

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note No. 35 - Contingent Liabilities & Commitments:

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Claims against the Company not acknowledged as debts		
Guarantees:		
Performance Bank Guarantee issued by the banks	**51.00**	51.00

Rs. In Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances already made) and not provided for is	**–**	–

Note No. 36 - Segment Reporting

The company business activity falls within a single business segment viz. sale of biogas and manure. All other activities of the company revolve around its main business . Hence, there are no separate reportable primary segments.

Note No. 37 - In the opinion of the Board, all of the assets other than fixed assets and non-current investments, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

Note No. 38 - Deferred Tax Asset/ Liabilities

The company is in the sixth year of operation , there is no certainty of future tax profits to absorb the deferred tax asset/liability , hence deferred tax asset/liability has not been recognized during the current year.

Note No. 39

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2023 as at the date of approval of these financial statements.

Note No. 40

Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 28th April 2023

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	ACS No.: 20247

Place: Mumbai
Date: 28th April 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Telecom Energy Management Services Private Limited

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

   We have audited the accompanying Ind AS financial statements of Mahindra Telecom Energy Management Services Private Limited ("the Company"). which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2023, its profit. total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

   We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing. as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Information other than the Ind AS financial statements and Auditor's report thereon**

   The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of our auditor's report.

   Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements**

   The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Ind AS financial statements. whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. In making risk assessments, we consider internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists. we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Ind AS financial statements. including the disclosures. and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

H) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

f) Reporting on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls is not applicable as per the notification No. G.S.R 583 (E) issued by Ministry of Corporate Affairs, Government of India, dated June 13, 2017.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us. the provisions of said section are not applicable to the Company for the year ended March 31, 2023;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would have an impact on its financial position.

ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief. no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"). with the understanding, whether recorded in writing or otherwise, that the Intermediary shall. whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above. contain any material misstatement.

v. No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

7. Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS Financial Statements on April 27, 2022. Our opinion is not modified in respect of this matter.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 23111383BGTVVGVV8701

Place: Mumbai
Date: May 2, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date on the Ind AS financial statements of Mahindra Telecom Energy Management Services Private Limited

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) (a) (A) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under this Clause is not applicable.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under this Clause is not applicable.

(b) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly reporting under this Clause is not applicable.

(c) According to information and explanations given to us, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under this Clause is not applicable.

(e) No any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(a) As per the information and explanations given to us, the company does not have any inventory during the year. Hence, reporting under this Clause is not applicable.

(b) Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under this Clause is not applicable.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies. firms. limited liability partnership or any other parties during the year. During the year Company provided guarantee to companies.

(A) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has provided loans to subsidiaries during the year.

Particulars	**Amount (in Thousand)**
Loan	
Aggregate amount during the year	4,10,000
Balance outstanding at the balance sheet	60,000

(B) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not Provided loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, investment made are not prejudicial to the company's interest.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has granted loans repayable on demand and without specifying any terms or period of repayment.

(d) Since the repayment schedule for loans granted is not stipulated, no loan is overdue.

(e) There are no loans or advance in the nature of loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the requirements under paragraph 3(iii)(e) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has granted loans without specifying any terms or period of repayment.

Particulars	**Amount (in Thousand)**
Aggregate amount of Advance	60,000
Repayable on Demand	60,000
Aggregate amounts of loans / Advances granted to Promoters	**NIL**
Aggregate amounts of loans / Advances granted to related parties	60,000

(iv) In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted and Investments made.

(v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

(vii) a) According to the information and explanations given to us, and on the basis of our verification of records of the Company. the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance. Income Tax. Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which were due for more than six months from the date they become payable as at the year end.

b) According to the records examined by us and as per the information and explanations given to us, there are no statutory dues outstanding as at March 31, 2023 which have not been deposited on account of disputes.

(viii) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not defaulted in repayment of dues of loans or other borrowings or in the payment of interest thereon to any lender

b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

d) According to the information and explanations given to us, and on the basis of our verification of records of the Company. the Company has not utilised funds raised on short term basis for long term purposes.

(e) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company. the company has made allotment of shares to the Parent company during the year. The relevant requirements of the Companies Act, 2013 have been complied with and the funds raised have been used for the purpose for which the funds were raised.

Nature of Securities	**Type of Issue**	**Amount involved**	**Nature of non-compliance**
Equity shares	Issuance of equity shares to Parent	Rs. 1338.52 Lakhs	NA

(a) Best upon the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

(xiv) According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable for the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India At, 1934. Accordingly, provisions of Clause 3 (xvi) (a) and (b) of the Order are not applicable to the Company.

b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.

c) In Our opinion and according to the information and explanation given to us. the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly. the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

d) According to the information and explanation given to us by the management, the Group has four CIC which are not required to be registered with the Reserve Bank of India

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not incurred cash losses during the financial year and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors of the company during the year. The outgoing auditors have not raised any issues, objection or concerns in their resignation letter.

(xix) According to the information and explanation given to us and on the basis of financial the ratios. aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Provision of Section 135 of the Companies Act. 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date.

For Mukund M. Chitale & Co
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 23111383BGTWGW8701

Place: Mumbai
Date: May 2. 2023

BALANCE SHEET AS AT MARCH 31, 2023

(In Rs. Thousand)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 NON–CURRENT ASSETS			
(a) Property, Plant and Equipment		**–**	–
(b) Capital Work-in-Progress		**–**	–
(c) Investment Property		**–**	–
(d) Goodwill		**–**	–
(e) Other Intangible Assent		**–**	–
(f) Intangible Assets Under Development		**–**	–
(g) Bilogical Assets other than bearer plants		**–**	–
(h) Financial Assets			
(i) Investments	3	**622,148.19**	280,000.00
(ii) Trade Receivables		**–**	–
(iii) Loans		**–**	–
(i) Deferred Tax Assets (Net)		**–**	–
(j) Other Non-current Assets	4	**10.00**	10.00
Sub-Total		**622,158.19**	280,010.00
2 CURRENT ASSETS			
(a) Inventories		**–**	–
(b) Financial Assets		**–**	–
(i) Investments	3	**–**	140,165.05
(ii) Trade Receivables	5	**9,353.18**	3,277.54
(iii) Cash and Cash Equivalents	6	**6,511.69**	154,681.26
(iv) Bank balance other than (iii) above		**–**	–
(v) Loans	7	**60,000.00**	–
(vi) Other Financial Assets		**–**	–
(c) Current Tax Assets (Net)		**–**	–
(d) Other Current Assets	8	**2,051.79**	–
SUB-TOTAL		**77,916.66**	298,123.85
TOTAL ASSETS		**700,074.84**	578,133.85
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	9	**694,352.00**	560,500.00
(b) Other Equity	10	**2,001.55**	1,797.73
SUB-TOTAL		**696,353.55**	562,297.73
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(ia) Lease Liabilities			
(ii) Trade Payables:		**–**	–
A. Total outstanding dues of micro enterprise and small enterprises		**–**	–
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**–**	–
(iii) Other Financial Liability		**–**	–
(b) Provisions		**–**	–
(c) Deferred Tax Liabilities (Net)		**–**	–
(d) Other Non-current Liabilities		**–**	–
SUB-TOTAL		**–**	–

(In Rs. Thousand)

Particulars	**Note No.**	**As at March 31, 2023**	**As at March 31, 2022**
3 **CURRENT LIABILITIES**			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(ia) Lease Liabilities			
(iii) Trade Payables:		**–**	–
(A) Total outstanding dues to Micro & small enterprises	11	**442.92**	–
(B) Total outstanding dues to creditors other than Micro & small enterprises	11	**562.11**	13,673.94
(iii) Other Financial Liability		**–**	–
(b) Other Current Liabilities	13	**1,905.68**	18.67
(c) Provisions	13	**90.00**	45.00
(d) Current Tax Liabilities (Net)	12	**720.59**	2,098.51
Sub-Total		**3,721.30**	15,836.12
Total Equity and Liabilites		**700,074.84**	578,133.85

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : May 02, 2023

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ms. Anjali Jain
Chief Financial Officer

Ms. Vidhi Salot (ACS 47123)
Company Secretary

Place : Mumbai
Date : May 02, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(In Rs. Thousand)

	Particulars	**Note No.**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
I	Revenue from operations	**14**	**18,449.58**	11,939.50
II	Other Income	**15**	**9,648.06**	11,737.21
III	**Total Income (I + II)**		**28,097.64**	23,676.70
IV	**EXPENSES**			
	(a) Cost of materials consumed	**16**	**18,440.00**	11,930.35
	(b) Purchase of stock in trade		**–**	–
	(c) Changes in inventories of finished goods		**–**	–
	(d) stock in trade and work in progress		**–**	–
	(e) Employee benefit expense		**–**	–
	(f) Finance costs		**–**	–
	(g) Depreciation and amortization expense		**–**	–
	(h) Other expenses	**17**	**7,884.12**	6,799.08
	Total Expenses		**26,324.11**	18,729.43
V	**Profit/(loss) before exceptional (III-IV)**		**1,773.53**	4,947.27
VI	**Exceptional Items**			
VII	**Profit/(loss) before tax (V-VI)**			
VIII	**Tax Expense**			
	(1) Current tax	**12.1**	**1,881.05**	2,833.73
	(2) Deferred tax			
	(3) Income Tax adjustment for earlier year		**(311.33)**	–
	Total tax expense		**1,569.72**	2,833.73
IX	**Profit/(loss) for the period of continuing operation (VII-VIII)**		**203.81**	2,113.53
X	**Profit/(loss) from discontinued operations**		**–**	**–**
XI	**Tax expense for discontinued operation**		**–**	**–**
XII	**Profit/(loss) from discontinued operations (after tax) (X-XI)**		**–**	**–**
XIII	**Profit/(loss) for the period (IX+XII)**		**203.81**	2,113.53
XIV	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**–**	**–**
	(ii) Income tax relating to items		**–**	**–**
	B (i) that will not be reclassified to profit or loss		**–**	**–**
	(ii) Items that will be reclassified to profit or loss income tax relating to items that will be reclassified to profit or loss		**–**	**–**

(In Rs. Thousand)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other comprehensive income for the period)		**203.81**	**2,113.53**
XVI Earnings per equity share (for continuing operation):			
(1) Basic		**0.00**	0.08
(2) Diluted		**0.00**	0.08
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		**–**	–
(2) Diluted		**–**	–
XVIII Earnings per equity share (for discontin-ued and continuing operations)			
(1) Basic		**0.00**	0.08
(2) Diluted		**0.00**	0.08

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : May 02, 2023

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ms. Anjali Jain
Chief Financial Officer

Ms. Vidhi Salot (ACS 47123)
Company Secretary

Place : Mumbai
Date : May 02, 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(In Rs. Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax for the year	**1,773.53**	4,947.27
Adjustments for:		
Investment income recognised in profit or loss	**(9,648.06)**	(11,737.21)
Movements in working capital:		
(Increase) in assets	**(8,127.43)**	(3,277.54)
Increase in other current liabilities	**(10,736.90)**	13,649.11
Cash generated from operations	**(26,738.86)**	3,581.63
Income taxes paid	**(2,947.63)**	(735.22)
Net cash generated by operating activities	**(29,686.49)**	**2,846.41**
Cash flows from investing activities		
Investment in Subsidiary	**(342,148.19)**	(280,000.00)
ICD given	**(60,000.00)**	
Investment in Mutual Fund	**–**	(140,165.05)
Sale of Mutual Fund	**140,165.05**	–
Income from Mutual Fund	**3,177.92**	4,384.99
Income from Interest on ICD	**6,470.14**	7,352.22
Net cash used in investing activities	**(252,335.08)**	(408,427.85)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the company	**133,852.00**	560,000.00
Net cash generated from financing activities	**133,852.00**	560,000.00
Net increase in cash and cash equivalents	**(148,169.57)**	154,418.56
Cash and cash equivalents at the beginning of the year	**154,681.26**	262.70
Cash and cash equivalents at the end of the year	**6,511.69**	154,681.26

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : May 02, 2023

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ms. Anjali Jain
Chief Financial Officer

Ms. Vidhi Salot (ACS 47123)
Company Secretary

Place : Mumbai
Date : May 02, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A - Equity Share Capital

A. Equity share capital **(In Rs. Thousand)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
560,500.00	–	560,500.00	133,852.00	694,352.00

B. Other Equity

(1) Current reporting year **(In Rs. Thousand)**

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	–	1,797.73	**1,797.73**
Profit for the year	–	203.81	**203.81**
Balance at the end of the current reporting period	–	2,001.55	2,001.55

(2) Previous Reporting year **(In Rs. Thousand)**

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the previous reporting period	–	(315.80)	**(315.80)**
Profit for the year	–	2,113.53	**2,113.53**
Balance at the end of the previous reporting period	–	1,797.73	1,797.73

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : May 02, 2023

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ms. Anjali Jain
Chief Financial Officer

Ms. Vidhi Salot (ACS 47123)
Company Secretary

Place : Mumbai
Date : May 02, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Company Overview and Significant Accounting Policies

1. Company Overview

Mahindra Telecom Energy Management Services Private Limited (Formerly known as 'Mahindra Telecom Energy Management Services Limited') (the 'company') is domiciled in India. The Company has been incorporated under the provisions of the Companies Act, 2013.

The name of the Company was changed from Mahindra Telecom Energy Management Services Limited to Mahindra Telecom Energy Management Services Private Limited with effect from 12.07.2021.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

2. Basis of Preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The financial statements of the Company for the year ended 31st March 2023 were approved for issue in accordance with the resolution of the Board of Directors on 2nd May 2023.

2.1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.2. Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.3. Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

Operating Cycle

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.5. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.6. Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is possible that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets.

Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

2.7. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method.

2.8. Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.9. Inventories

Construction material, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

2.10. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.12. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.14. Revenue recognition

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the company.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.15. Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.16. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period.

2.17. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18. Employee Benefits

Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

2.19. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.20. Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are measured at the lower of carrying amount at designation and fair value less costs to sell.

2.21. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Ind AS amendments which will be effective from 1st April 2023

On 31st March 2023, Ministry of Corporate Affairs notified amendments to certain Ind AS. These amendments will be effective from April 1,2023 and will not have material impact on Company's financial statements for the financial year 2022-23. The following is a summary of the amendments:

1. In Ind AS 101: - Relating to the exceptions to retrospective application of Ind AS on first time adoption.
2. In Ind As 102: - Relating to the fair value of the equity instruments not being possible to be estimated reliably.
3. In Ind AS 103: - Relating to the date on which the transferee obtains control of the transferor.
4. In Ind AS 107: - Relating to disclosure of material accounting policy information about the measurement basis (or bases) for financial instruments used in preparing the financial statements.
5. In Ind AS 109: - Relating to a combination of entities or businesses under common control as described in Appendix C.
6. In Ind AS 115: - Relating to certain corrections.
7. In Ind AS 1: - Relating to the following:
   - Reference to the definition of 'Accounting Policies' contained in Ind AS 8.
   - Requirement regarding disclosure of material accounting policy information instead of disclosures about significant accounting policies.
   - Clarification about when an accounting policy information would be regarded as material.
   - The judgements, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
8. In Ind AS 8: - Relating to change in the definition of accounting estimates and further clarifications relating to the same.
9. In Ind AS 12: - Relating to exception to the recognition of deferred tax liability/ asset arising from a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
10. In Ind AS 34: - Relating to disclosure of material accounting policy information in interim financial statements.

Note No. 3 - Investment

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current Investments:		
Investment in Equity Instruments (Unquoted):		
Long term investment in subsidiaries (value of amortized cost):		
Mahindra Solarize Private Limited	**353,852.00**	280,000.00
Mahindra Teqo Private Limited	**268,296.19**	–
Current Investments:	**622,148.19**	280,000.00
Mutual funds-Quoted:		
(Valued at fair value through profit and loss)		
ICICI Liquid Mutual Fund	**–**	70,027.09
SBI Liquid Mutual Fund	**–**	70,137.96
	–	140,165.05
Total	**622,148.19**	420,165.05
Other Disclosures:		
(i) Aggregate amount of quoted investments Market Value of quoted investments	**–**	140,165.05
(ii) Aggregate amount of unquoted investments	**–**	140,165.05
(ii) Aggregate amount of impairment in value of investments	**622,148.19**	–

Note No. 4 - Non Current Financial Asset

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets measured at amortised cost		
Security Deposits (Unsecured, considered good)	**10.00**	10.00
Total	**10.00**	10.00

Note No. 5 - Trade Receivables

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Trade receivables – Considered Good Secured	**–**	–
Trade receivables – Considered Good Unsecured	**9,353.18**	3,277.54
Trade receivables which have significant increase in credit risk	**–**	–
Trade Receivables – Credit impaired	**–**	–
Allowance for bad and doubtful debts	**–**	–
Total	**9,353.18**	3,277.54
Of the above, trade receivables from:		
– Related Party	**214.81**	–
– Others	**9,138.36**	3,277.54
Total	**9,353.18**	3,277.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Trade Receivables ageing schedule:

(In Rs. Thousand)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2023	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	**9,353.18**	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
Disputed Trade Receivables– considered good	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
Disputed Trade Receivables – credit impaired	**9,353.18**	–	–	–	–

Trade Receivables ageing schedule:

(In Rs. Thousand)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2022	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	3,277.54	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
Disputed Trade Receivables– considered good	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
Disputed Trade Receivables – credit impaired	**3,277.54**	–	–	–	–

Note No. 6 - Cash and cash equivalents

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with bank in Current accounts	6,511.69	154,681.26
Total	**6,511.69**	154,681.26

Note No. 7 - Loans

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Inter company deposit (ICD) to subsidiary company		
Loans receivables – Considered Good - Secured	**–**	–
Loans receivables – Considered Good - Unsecured	**60,000.00**	–
Loans receivables which have significant increase in credit risk	**–**	–
Loans receivables – Credit Impaired	**–**	–
Loss allowance.......................................	**–**	–
Total	**60,000.00**	–

Note No. 8 - Other current Assets

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
GST Receivable	**2,046.06**	–
Income Tax Receivable..........................	**5.73**	–
Total	**2,051.79**	–

Note No. 9 - Equity Share Capital

(In Rs. Thousand)

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**130,000,000**	**1,300,000.00**	6,500,000	650,000.00
13,00,00,000 equity shares of Rs. 10 each [65,00,000 equity shares of Rs. 10 each]				
Issued, subscribed and fully paid:				
Equity shares of Rs. 10 each with voting rights...................................	**69,435,200**	**694,352.00**	56,050,000	560,500.00
6,94,35,200 equity shares of Rs. 10 each [56,05,000 equity shares of Rs. 10 each]				
Total	**69,435,200**	**694,352.00**	**56,050,000**	**560,500.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(In Rs. Thousand)

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount
Authorised:				
At the beginning of the year	**56,050,000**	**560,500.00**	50,000	500.00
New shares issued during the year	**13,385,200**	**133,852.00**	56,000,000	560,000.00
At the end of year	**69,435,200**	**694,352.00**	**56,050,000**	**560,500.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2023 Number of shares held	% holding in that class of shares	As at March 31, 2022 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Limited	**69,435,200**	**100%**	56,050,000	100%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Number of Shares As at March 31, 2023	Number of Shares As at March 31, 2022
Mahindra and Mahindra Limited , the holding company	**69,435,200**	56,050,000

(v) Details of shares held by Promoters as under:

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra and Mahindra Limited	69,435,200	100.00%	24%

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra and Mahindra Limited	56,050,000	100.00%	112000%

(vi) Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back :

The Company has neither alloted equity shares without receipt of cash or as bonus shares nor bought back any equity shares during the current and previous financial year.

Note No. 10 - Other Equity

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	2,001.55	1,797.73
Other Comprehensive Income	–	–
Total	**2,001.55**	1,797.73

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Note No. 11 - Trade Payables

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables to MSME	442.92	–
Trade payables - Other than MSME*	562.11	13,673.94
Total Trade Payables	**1,005.02**	13,673.94

* includes payable to related party of Rs. 3,45,918/- (previous year Rs. 1,36,13,552)

As at March 31, 2023

(In Rs. Thousand)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - MSME	442.92	–	–	–	442.92
Trade payables- Others	562.11	–	–	–	562.11
Disputed dues – MSME	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–
Total	**1,005.02**	**–**	**–**	**–**	**1,005.02**

As at March 31, 2022

(In Rs. Thousand)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - MSME	–	–	–	–	–
Trade payables- Others	13,673.94	–	–	–	13,673.94
Disputed dues – MSME	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–
Total	**13,673.94**	**–**	**–**	**–**	**13,673.94**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 12 - Current Tax Liabilities

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax payable (Net of Advance Tax and TDS)	**720.59**	2,098.51
Total	**720.59**	2,098.51

(i) Income Tax recognised in profit or loss

(In Rs. Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax:		
In respect of current year	**1,881.05**	2,833.73
In respect of Previous year	**(311.33)**	–
Deferred Tax:		
In respect of current year	**–**	–
Total income tax expense	**1,569.72**	2,833.73

(ii) Income tax recognised in other Comprehensive income

(In Rs. Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax:		
Remeasurement of defined benefit obligations not reclassified to profit or loss	**–**	–
Total	**–**	–

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(In Rs. Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Profit before tax	**1,773.53**	4,947.27
ii) Corporate tax rate as per Income tax Act, 1961	**25.17%**	25.17%
iii) Tax on accounting profit (iii) = (i) X (ii)	**446.36**	1,245.13
Reduction in tax rate		
Effect of expenses that is non-deductible in determining taxable profit	**1,434.69**	1,588.60
Effect of income taxable at different rates	**–**	–
Unrecognised MAT Credit	**–**	–
iv) Total effect of Tax adjustment	**1,881.05**	2,833.73
v) Adjustments recognised in the current year in relation to the current tax of prior years	**(311.33)**	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**1,569.72**	2,833.73
vii) Effective tax rate during the year (vii)=(vi)/(i)	**88.51%**	57.28%

Note No. 13

(In Rs. Thousand)

Particulars	As at 31 March 2023	As at 31 March 2022
Other Current Liabilities	**1,905.68**	18.67
Provision	**90.00**	45.00
Total	**1,995.68**	63.67

Note No. 14 - Revenue from Operations

(In Rs. Thousand)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Income from sale of Solar Power Generating Systems	**18,449.58**	11,939.50
Total	**18,449.58**	11,939.50

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e. Sale of Solar Power Generating Systems

B. Reconciliation of revenue as per Ind AS 115:

(In Rs. Thousand)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Revenue as per contracted prices	**18,449.58**	11,939.50
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**18,449.58**	11,939.50

Note No. 15 - Other Income

(In Rs. Thousand)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Interest Income on Inter Corporate Deposit	**5,352.33**	7,352.22
Interest Income on Fixed Deposit	**1,117.81**	–
Profit on Mutual fund	**3,177.92**	4,384.99
Total	**9,648.06**	–

Note No. 16 - Cost of Materials

(In Rs. Thousand)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Opening stock	**–**	–
Add: Purchases	**18,440.00**	11,930.35
Less: Closing stock	–	–
Total	**18,440.00**	11,930.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 17 - Other Expenses

(In Rs. Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Filing Fees	**6.60**	12.60
Auditors remuneration		
(i) Audit Fees	**100.00**	50.00
(ii) For Taxation matters	**–**	–
(iii) For Other services	**–**	–
Professional charges	**822.22**	325.75
Bank Charges	**0.78**	0.76
Rates & Taxes	**13.00**	14.21
Software Expenses	**–**	76.32
Interest on Income Tax	**197.47**	–
Membership & Subscription Charges	**27.32**	–
Late Payment charges	**–**	0.30
Stamp Duty charges (for share capital)	**6,711.59**	6,312.00
Miscellaneous Expenses	**5.14**	7.14
Total	**7,884.12**	6,799.08

Note No. 18 - Disclosures under Ind AS 33

Amount in thousands (except per share data)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
For the purpose of calculation of basic and diluted earning per share the following amount are considered		
Profit attributable to equity share holder (Rs. in Thousand)	**203.81**	2,113.53
Total	**203.81**	2,113.53
a) Weighted average no of equity share outstanding during the year		
- For basic earning per share	**56,160,015**	27,973,014
- For diluted per share	**56,160,015**	27,973,014
b) Earning per share		
- Basic earning per share	**0.00**	0.08
- Diluted per share	**0.00**	0.08
- Face value per share (in Rs.)	**10.00**	10.00
c) Earning per share		
No of shares used for calculating basic earning per share	**56,160,015**	27,973,014
Add : Potential equity shares	**–**	–
No of shares used for calculating diluted earning per share	**56,160,015**	27,973,014

Note No. 19 - Fair Value Measurement

Fair Value of Financial assets and financial liabilities.

(In Rs. Thousand)

Particulars	March 31, 2023 Carrying amount	March 31, 2023 Fair value	March 31, 2022 Carrying amount	March 31, 2022 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Investments	**622,148.19**	**622,148.19**	280,000.00	280,000.00
Trade Receivables	**9,353.18**	**9,353.18**	3,277.54	3,277.54
Cash and cash equivalents	**6,511.69**	**6,511.69**	154,681.26	154,681.26
Lons	**60,000.00**	**60,000.00**	–	–
Other Financial Assets	**10.00**	**10.00**	10.00	10.00
Total	**698,023.05**	**698,023.05**	437,968.80	437,968.80
Financial liabilities				
Financial liabilities held at amortised cost				
Current				
– Trade and other payables	**1,005.02**	**1,005.02**	13,673.94	13,673.94
Total	**1,005.02**	**1,005.02**	13,673.94	13,673.94

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No. 19 - Related Party Transactions

Relationship:	**Name:**
Parent	Mahindra & Mahindra Limited
Subsidiary	Mahindra Solarize Private Limited
	Mahindra Teqo Private Limited

Details of transaction between the Company and its related parties are disclosed below:

(In Rs. Thousand)

Particulars	For the year/ period ended	Mahindra & Mahindra Limited	Mahindra Solarize Private Limited	Mahindra Teqo Private Limited	Total
Expenses					
Purchase of goods	31-Mar-23	–	18,440.00	–	18,440.00
	31-Mar-22	–	11,930.35	–	11,930.35
Reimbursement	31-Mar-23	491.97		–	491.97
	31-Mar-22	–		–	–
Income					
Interest income	31-Mar-23		5,352.33	–	5,352.33
	31-Mar-22		7,352.22	–	7,352.22
Assets				–	
Loan given	31-Mar-23	–	60,000.00	–	60,000.00
	31-Mar-22	–	–	–	–
Investment	31-Mar-23	–	353,852.00	268,296.19	622,148.19
	31-Mar-22	–	280,000.00	–	280,000.00
Liabilities					
Trade payables	31-Mar-23	562.11	345.92		908.02
	31-Mar-22	–	13,613.55		13,613.55
Nature of transactions with Related Parties					
Share Capital	31-Mar-23	133,852.00			133,852.00
	31-Mar-22	560,000.00			560,000.00
Investment made during the year	31-Mar-23	–	73,852.00	268,296.19	342,148.19
	31-Mar-22	–			
Inter Company Deposit Taken	31-Mar-23	–	350,000.00		350,000.00
	31-Mar-22	–	610,000.00		610,000.00
Inter Company Deposit Given	31-Mar-23		410,000.00		410,000.00
	31-Mar-22		610,000.00		610,000.00

Note 21 - Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following methods and assumptions were used to estimate the fair values :

I) Fair value of cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments

II) The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments.

III) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IV) Fair values of quoted financial instruments are derived from quoted market prices in active markets.

V) The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach

VI) The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2 : Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Level 3 : Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Long Term and Short Term Borrowings, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

(In Rs. Thousand)

March 31, 2023

Particulars	Level-1	Level-2	Level-3
Trade Receivables	**–**	**9,353.18**	**–**
Loans	**–**	**60,000.00**	**–**

There were no transfers between level 1 and level 2 during the year

(In Rs. Thousand)

March 31, 2022

Particulars	Level-1	Level-2	Level-3
Trade Receivables	–	3,277.54	–
Loans	–	–	–

There were no transfers between level 1 and level 2 during the year

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/ optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.]. The results of these activities ensure that risk management plan is effective in the long term.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2022 and March 31, 2021. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2023 and March 31, 2022.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants [where applicable] on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note No 22 - Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

(In Rs. Thousand)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	**–**	–
Cash and Cash Equivalent	**6,511.69**	154,681.26
Net Debt	**–**	–
Total Equity (Equity Share Capital plus Other Equity)	**696,353.55**	562,297.73
Total Capital (Total Equity plus net debt)	**696,353.55**	562,297.73
Gearing ratio	**–**	–

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. trading of solar power generating systems. Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

23. Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(In Rs. Thousand)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	**442.92**	–
ii) Interest on a) (i) above..........................	**–**	–
iii) Amount of Principal paid beyond the appointed Date	**–**	–
iv) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)...	**–**	–
Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act............................	**–**	–
Amount of Interest accrued and due	**–**	–
Amount of further interest remaining due and payable Even in succeeding years.....	**–**	–

Note No 24 - Additional Regulatory Information

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2023 and March 31, 2022. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period.

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2023 and March 31, 2022.

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2023 and March 31, 2022.

The Company does not have any transaction with struck off companies

The Company has not given any Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or

(b) without specifying any terms or period of repayment.

The Company has not reported any fraud during the year ended march 31 2023 and March 31, 2022.

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

The Provision of Section 135 of the Companies Act, 2013 are not applicable to the Company as on reporting date.

Note No 25 - Disclosure of Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance if grater than 25%
Current ratio	Total current assets	Total current liabilities	**0.76**	0.00	-16312%	During the year Loan is given to subsidiary and decrease in trade payables
Debt equity ratio.....................	Total Debts	Total Equity	**NA**	NA	NA	NA
Debt Service coverage ratio ..	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service= Interest + principal payments	**NA**	NA	NA	NA
Return on equity ratio	Profit for the year less preference dividend	Average total equity	**0.00**	0.01	96%	Issue of share capital during the year
Inventory turnover ratio..........	Cost of goods sold	Average value of inventory	**NA**	NA	NA	NA
Trade receivable turnover ratio	Revenue from operation	Average trade receivables	**2.92**	7.29	60%	Increase in revenue
Trade payable turnover ratio..	Total Net Purchases	Average trade payables	**2.51**	21.90	89%	Increase in Purchase
Net capital turnover ratio........	Revenue from operation	Average working capital (i.e. Total current assets less Total current liabilities)	**-28.19**	-0.05	-51326%	Increase in working capital and increase in revenue
Net profit ratio	Profit for the year	Revenue from operation	**0.01**	8.73	100%	Increase in operating expenses
Return on capital employed...	Profit before tax and finance cost	Capital Employed = Net worth	**0.00**	0.00	NA	NA
Return on investment............	Income generated from invested funds	Average invested funds in treasury investments	**NA**	0.01	NA	Sale of investments during the year

Note 26:

The figures for previous year have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of current year's figures.

Signature to Notes on Accounts
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No 106655W

S. M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date : May 02, 2023

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Mr. Avinash Bapat
Director
DIN: 09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ms. Anjali Jain
Chief Financial Officer

Ms. Vidhi Salot (ACS 47123)
Company Secretory

Place: Mumbai
Date : May 02, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF,

MAHINDRA CONSTRUCTION COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Materiality Uncertainty Related to Going Concern

We draw attention to Note 28 in the financial statements, as on 31st March 2023 date, the Company's current liabilities exceeded its total assets by Rs. 2,160.03 lakhs. As stated in Note 28, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The Company has not declared or paid any dividend during the year.

      vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYJ5201

Mumbai, April 19, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Construction Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYJ5201

Mumbai, April 19, 2023

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

i. a) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

c) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Income-tax, and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. As more fully explained in Note 28 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) (a) and (b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 23111212BGVIYJ5201

Mumbai, April 19, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Amount in Rs. Lakhs

	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Financials Assets	3	**1.05**	1.05
(b) Non current investment	4	**–**	–
(c) Other Non-current Tax Assets	5	**11.96**	43.50
SUB-TOTAL		**13.01**	44.55
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	**49.09**	10.26
(iii) Bank balances other than (ii) above	6	**86.22**	15.46
(iv) Other financial Assets	7	**2.06**	0.21
SUB-TOTAL		**137.37**	25.93
TOTAL ASSETS		**150.38**	70.48
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	8	**240.05**	240.05
(b) Other Equity	9	**(2,400.08)**	(2,486.73)
SUB-TOTAL		**(2,160.03)**	(2,246.68)
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Provisions	10	**–**	2.90
SUB-TOTAL		**–**	2.90
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	**1,686.16**	1,685.43
(ii) Trade Payables	12	**586.11**	590.07
(iii) Other Financial Liabilities	13	**9.26**	9.26
(b) Provisions	14	**28.55**	28.70
(c) Other Current Liabilities	15	**0.33**	0.80
SUB-TOTAL		**2,310.41**	2,314.26
TOTAL		**150.38**	70.48

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 19th April, 2023

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, 19th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Amount in Rs. Lakhs

	Particulars	**Note No.**	**For the year ended 31st March 2023**	For the year ended 31st March 2022
I	Revenue from operations		**–**	–
II	Other Income	16	**123.95**	10.55
III	**Total Revenue (I + II)**		**123.95**	10.55
IV	**EXPENSES**			
	(i) Personnel Expenses	17	**0.08**	0.08
	(ii) Finance Costs	18	**0.81**	0.80
	(iii) Other expenses	19	**3.26**	7.74
	Total Expenses (IV)		**4.15**	8.62
V	**Profit before tax (III – IV)**		**119.80**	1.93
VI	**Tax Expense**			
	(1) Current tax		**33.15**	0.39
	(2) Deferred tax		**–**	–
	Total tax expense		**33.15**	0.39
VII	**Profit for the period (V – VI)**		**86.65**	1.54
VIII	**Profit for the period attributable to:**			
	Owners of the Company		**86.65**	1.54
	Non controlling interests		**–**	–
IX	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		**86.65**	1.54
	Non controlling interests		**–**	**–**
X	**Earnings per equity share**			
	(1) Basic	20	**3.61**	0.06
	(2) Diluted	20	**3.61**	0.06

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 19th April, 2023

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, 19th April, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Indirect Method)

	For the year ended 31st March 2023 Rupees	For the year ended 31st March 2022 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	**119.80**	1.93
Adjustments for:		
Depreciation		
Interest on bank deposits	**(2.91)**	(0.55)
	(2.91)	(0.55)
Operating Profit/(Loss) before Working capital changes	**116.89**	1.38
Changes in:		
Trade and other receivables	**1.85**	0.00
Trade and other payables	**(8.60)**	8.37
	(6.75)	8.37
Cash generated from operations	**110.14**	9.75
Income taxes paid	**(1.61)**	(0.02)
NET CASH USED IN OPERATING ACTIVITIES	**108.53**	9.73
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in Bank deposits (Net)	**(70.76)**	(0.53)
Proceeds from sale of long-term investment		
Interest received	**1.06**	0.54
NET CASH FROM INVESTING ACTIVITIES	**(69.70)**	0.01
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the issue of share capital (including share premium)		
NET CASH FROM FINANCING ACTIVITIES	**–**	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	**38.83**	9.74
CASH AND CASH EQUIVALENTS (see Note below)		
Opening balance	**10.26**	0.52
Closing balance	**49.09**	10.26

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

	For the year ended 31st March 2023 Rupees	For the year ended 31st March 2022 Rupees
Cash and cash equivalents includes:		
Cash on hand	**–**	–
Balances with Scheduled Banks:		
(I) on Current Accounts	**49.09**	10.26
	49.09	10.26

Note:

Note: Cash and cash equivalents as per Balance Sheet include fixed deposits having maturity of more than three months but less than 12 months amounting to Rs. 14.93 Lakhs (2021: 14.93 Lakhs)

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 19th April, 2023

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, 19th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Amount in Rs. Lakhs

A. Equity share capital

As at 31st March, 2021	240.05
Changes in equity share capital during the year	–
As at 31st March, 2022	240.05
Changes in equity share capital during the year	–
As at 31st March, 2023	240.05

B. Other Equity

	Reserves & Surplus	
	General Reserve	**Total**
As at 31st March, 2021	(2,488.27)	(2,488.27)
Profit/ (Loss) for the period	1.54	1.54
Other Comprehensive Income/ (Loss)		–
Total Comprehensive Income for the year	(2,486.73)	(2,486.73)
Transfers to Reserves		–
As at 31st March, 2022	(2,486.73)	(2,486.73)
Profit/(Loss) for the period	86.65	86.65
Other Comprehensive Income/(Loss)		–
Total Comprehensive Income for the year	(2,400.08)	(2,400.08)
Transfers to Reserves		–
As at 31st March, 2023	**(2,400.08)**	**(2,400.08)**

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 19th April, 2023

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, 19th April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1 Company overview

Mahindra Construction Company Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company.

2 Basis of preparation

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

– useful life of property, plant and equipment and intangible assets

– estimation of define benefit obligation

– provision for warranty claims

– income taxes - current and deferred taxes

– fair value of unlisted securities

– impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

4 Significant accounting policies

a. Revenue Recognition

– Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI

All other financial assets are subsequently measured at fair value

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 3 - Financial Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Amounts	Amounts
	Non-Current	Non-Current
Security deposits		
Unsecured, considered good	**1.05**	1.05
	1.05	1.05

Note No. 4 - Non current investment

Amount in Rs. Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Rupees	Number of shares	Rupees
Investments (At cost, unless otherwise specified):				
Unquoted shares (Non-trade and fully paid-up unless otherwise specified)				
a) Investment in others				
In New Tirupur Area Development Corporation Ltd Rs.10 per share	**70,00,000**	**700**	70,00,000	700
Less: Provision for diminution in value of investment		**(700)**		(700)
Total		**–**		–

Note No. 5 - Other Non-current Tax Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Amounts	Amounts
	Non-Current	Non-Current
Advance income tax (net of provision)	**11.89**	43.43
Fringe Benefit Tax [Net of provisions]	**0.07**	0.07
	11.96	43.50

Note No. 6 - Cash and Bank Balances

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
(a) Balances with banks	**49.09**	10.26
(b) Cash on hand	**–**	–
Total Cash and cash equivalent	**49.09**	10.26

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**86.22**	15.46
Total Other Bank balances	**86.22**	15.46

Note No. 7 - Other Financial Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Current	Current
a) Other Current Assets		
– Interest accrued but not due on term deposits	**2.06**	0.21
Total Other Financial Assets	**2.06**	0.21

Note No. 8 - Equity Share Capital

Amount in Rs. Lakhs

	As at 31st March 2023		As at 31st March 2022	
	Nos	Rupees	Nos	Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	**45,00,000**	**450.00**	45,00,000	450.00
	45,00,000	**450.00**	45,00,000	450.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	**24,00,520**	**240.05**	24,00,520	240.05
	24,00,520	**240.05**	24,00,520	240.05
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity:				
Opening Balance	**24,00,520**	**240.05**	24,00,520	240.05
Add: Issued during the year	**–**	**–**	**–**	**–**
Closing Balance	**24,00,520**	**240.05**	24,00,520	240.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(iii) Details of shares held by the parent company, the ultimate parent company, their subsidiaries and associates

Amount in Rs. Lakhs

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2023	
Mahindra & Mahindra Limited	**9,00,000**
Mahindra World City (Maharashtra) Limited	**10,00,380**
Deep Mangal Developers Pvt. Ltd	**3,00,000**
As at 31st March 2022	
Mahindra & Mahindra Limited	9,00,000
Mahindra World City (Maharashtra) Limited	10,00,380
Deep Mangal Developers Pvt. Ltd	3,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited *	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

(v) Details of shareholdings by the Promoter's of the Company:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited *	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* These are shares transfer to Mahindra World City (Maharashtra) Limited in repect of scheme of merger between Mahindra World City (Maharashtra) Limited, Topical Builders Pvt. Ltd., Raigad Industrial and Business Park Limited and Kismat Developers Pvt. Ltd.

Note No. 9 - Other Equity

Amount in Rs. Lakhs

	Reserves & Surplus General Reserve	Total
As at 31st March, 2021	**(2,488.27)**	**(2,488.27)**
Profit/(Loss) for the period	1.54	1.54
Other Comprehensive Income/(Loss)		–
Total Comprehensive Income for the year	(2,486.73)	(2,486.73)
Transfers to Reserves		**–**
As at 31st March, 2022	**(2,486.73)**	**(2,486.73)**
Profit/(Loss) for the period	86.65	86.65
Other Comprehensive Income/(Loss)		–
Total Comprehensive Income for the year	(2,400.08)	(2,400.08)
Transfers to Reserves		**–**
As at 31st March, 2023	**(2,400.08)**	**(2,400.08)**

Note No. 10 - Provisions

Amount in Rs. Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2022 Current
Provision for compensated absences	**–**	2.90
	–	2.90

Note No. 11 - Borrowings

Amount in Rs. Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2022 Current
Inter corporate Deposits	**1,146.16**	1,145.43
Loan-Others:		
10% Non-Cumulative Redeemable Participating Preference Shares	**540.00**	540.00
	1,686.16	1,685.43

Note No. 12 - Trade Payables

Amount in Rs. Lakhs

Particulars	As at 31st March 2023 Current	As at 31st March 2022 Current
Trade payable - Micro and small enterprises	**–**	–
Trade payable - Other than micro ans small enterprises	**586.11**	590.07
	586.11	590.07

Ageing for trade payable from the due date of payment for each of the category is as follows

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.12**	3.63
1-2 Years	**–**	0.41
2-3 years	**–**	0.04
More than 3 years	**585.99**	585.99
Total	**586.11**	590.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 13 - Other Financial Liabilities

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Current	Current
Other Financial Liabilities	**9.26**	9.26
	9.26	9.26

Note No. 14 - Provisions

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Current	Current
Provisions	**28.55**	28.70
	28.55	28.70

Note No. 15 - Other Current Liabilities

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
	Current	Current
TDS payable	**0.33**	0.80
	0.33	0.80

Note No. 16 - Other Income

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest Income		
(1) Interest on Bank Deposits (at amortised cost)	**2.91**	0.55
(b) Other non-operating income (net)	**121.04**	10.00
	123.95	10.55

Note No. 17 - Personnel Expenses

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Salaries, Wages and Bonus	**–**	–
(b) Contribution to provident and other funds	**0.08**	0.08
(c) Staff welfare	**–**	–
	0.08	0.08

Note No. 18 - Finance Cost

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest on Inter Corporate Deposits	**0.81**	0.80
	0.81	0.80

Note No. 19 - Other Expenses

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors (including GST)	**0.89**	0.89
(ii) For Taxation matters	**–**	–
(b) Other expenses		
(1) Legal & Professional Fees	**2.23**	6.68
(2) Others	**0.14**	0.17
	3.26	7.74

Note No. 20 - Earnings per Share

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
	Per Share	Per Share
Basic Earnings per share	**3.61**	**0.06**
Diluted Earnings per share	**3.61**	**0.06**

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Amount in Rs. Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Net Profit after tax available for equity shareholders (Rs. in Lakhs)	**86.65**	1.54
B. Nominal value per Share (Rs.)	**10.00**	10.00
C. Weighted Average number of Equity Shares (No.)	**24,00,520.00**	24,00,520.00
D. Basic & Diluted Earnings per share (Re.)	**3.61**	0.06

Note No. 21 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

Amount in Rs. Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Equity	**(2,160.03)**	(2,246.68)

The Company is not subject to externally enforced capital regulation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Categories of financial assets and financial liabilities

Amount in Rs. Lakhs

	As at 31st March 2023			
	Amortised Costs	**FVTPL**	FVOCI	Total
Current Assets				
Other Bank Balances	**86.22**	**–**	**–**	**86.22**
Other Current Asssts	**2.06**	**–**	**–**	**2.06**
Current Liabilities				
Trade Payables	**586.11**	**–**	**–**	**586.11**

	As at 31st March 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	15.46	–	–	15.46
Other Current Asssts	0.21	–	–	0.21
Current Liabilities				
Trade Payables	590.07	–	–	590.07

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**to 3 Years 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial liabilities				
31st March 2023				
Non-interest bearing	**586.11**	**–**	**–**	**–**
Total	**586.11**	**–**	**–**	**–**
31st March 2022				
Non-interest bearing	590.07	–	–	–
Total	590.07	–	–	–

(iii) *Financing arrangements*

The company does not have any undrawn borrowing facility as at year end

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**Less than 1 Year**	**1-3 Years**	**to 3 Years 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial assets				
31st March 2023				
Non-interest bearing	**49.09**	**–**	**–**	**–**
Fixed interest rate instruments	**86.22**	**–**	**–**	**–**
Total	**135.31**	**–**	**–**	**–**
31st March 2022				
Non-interest bearing	10.26	–	–	–
Fixed interest rate instruments	15.46	–	–	–
Total	25.72	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No. 22 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Amount in Rs. Lakhs

Financial assets/ financial liabilities measured at Fair value	Fair value as at 31-Mar-23	31-Mar-22	31-Mar-21	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets					
Investments					
1) Equity investments	–	–	–	–	–
Total financial liabilities	–	–	–	–	–

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Rs. Lakhs

Particulars	31st March 2023 Carrying amount	31st March 2023 Fair value	31st March 2022 Carrying amount	31st March 2022 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Other Current Assets	**2.06**	**2.06**	0.21	0.21
– fixed deposits	**86.22**	**86.22**	15.46	15.46
Total	**88.28**	**88.28**	15.67	15.67
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**586.11**	**586.11**	590.07	590.07
Total	**586.11**	**586.11**	590.07	590.07

Amount in Rs. Lakhs

	Fair value hierarchy as at 31st March 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Loans & Advances		**2.06**		**2.06**
– fixed deposits		**86.22**		**86.22**
Total	**–**	**88.28**	**–**	**88.28**
Financial liabilities held at amortised cost				
– trade and other payables		**586.11**		**586.11**
Total	**–**	**586.11**	**–**	**586.11**

Note No. 23 - Contingent Liability

Amount in Rs. Lakhs

	For the year ended 31st March 2023	For the year ended 31st March 2022
Penalty u/s 271(1)(C) of the Income Tax Act relating to Assessment Year 2005-06	**–**	–
Income tax demands disputed from A. Y. 2015-16 for which the Company has preferred appeal before the Appellate Authorities	**–**	–
Total	**–**	–

Note No. 24 - Events after the reporting period

There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Amount in Rs. Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current Tax:		
In respect of current year	**33.15**	0.39
Deferred Tax:		
In respect of current year	**–**	–
Total income tax expense on continuing operations	**33.15**	0.39

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Amount in Rs. Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit before tax from continuing operations	**119.80**	1.93
Income tax expense calculated at 30.90% (2016: 30.90%)	**–**	–
Effect of income that is exempt from taxation	**–**	–
Interest under section 234(B) and 234(C)	**–**	–
Income tax expense recognised In profit or loss from continuing operations	**–**	–

The tax rate used for the 31st March 2023 and 31st March 2022 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 26: Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	% Variance
a)	Current Ratio	Current Assets	Current Liablities	0.0595	0.0112	430.66%
b)	Debt Equity Ratio	Net Debt	Equity	(1.0696)	(1.0314)	3.71%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	0.1052	0.0024	4315.13%
d)	Return on Equity	PAT	Networth	(0.0401)	(0.0007)	5752.34%
e)	Inventory Turnover Ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivable Turnover Ratio	Turnover	Trade Receivable (Average)	NA	NA	NA
g)	Trade payable Turnover Ratio	COGS	Average Trade Payable	NA	NA	NA
h)	Net Capital Turnover Ratio	Average Networth	Turnover	(17.78)	(213.03)	-91.66%
i)	Net Profit Ratio	PAT	Revenue	0.70	0.15	378.91%
j)	Return on Capital Employed	PAT	Networth	NA	NA	NA
k)	Return on Investment	PAT	Capital Employed	NA	NA	NA

Note 27: Investment in New Tirupur Development Corporation Limited

The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31st March 2021 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Information forthcoming in the last few months suggest that there are likely to be delays and the possibility of NTADCL recovering its past losses does not seem very promising. In view of this, the Company has provided for its entire investment of Rs.7,00,00,000 in the equity shares of NTADCL during the year.

Note 28:

Accumulated losses of the company as on 31st March 2023 exceeds the paid up share capital of the company. Though the Company has made a provision in respect of its investment in NTADCL, there is no intention of disposing off these investments. Presently, the company is actively pursuing claims and litigations in respect of projects completed and is hopeful of recovering the claims made by it against the parties, which will be recognised as revenue in the year of receipt. The Company is exploring various business opportunities including restructuring. Supported by its Parent Company, in the opinion of the management, the company will be able to continue as going conern for the foreseeable future.

Having regard to the above factors, the accounts are prepared on going concern basis.

Note 29:

The 10% Non-Cumulative Redeemable Participating Preference Shares ("The Shares") were redeemable at par on 13th March 2015. The Company has continued to incur losses during the year and, as on 31st March 2023, its accumulated losses exceeded the paid up share capital and free reserves of the Company. The Company is not in a position to redeem The Shares.

Note 30:

The Company had taken unsecured loans of Rs.994.42 lakhs in earlier years. Based on the Letters for waiver of interest issued by the lenders from year to year, since 2005 the Company was not for interest payable on these loans. On 1st April 2014 the lenders of the aforesaid unsecured loans opted to call for repayment of the principal amount. Further, the lenders are not agreeable to renew the unsecured loans, despite the Company expressing its inability to repay the same because of its financial situation. Since the unsecured loans have not been renewed, no provision has been made in the accounts for interest of Rs.84.14 lakhs for the year payable on these loans.

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 19th April, 2023

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, 19th April, 2023

mahindra Rise

Registered Office:

MAHINDRA & MAHINDRA LIMITED

Gateway Building, Apollo Bunder,
Mumbai - 400 001

www.mahindra.com

vakils